

To: President and Members of the Munster Town Council

From: David F. Shafer, Clerk-Treasurer 

Date: November 18, 2019

Re: Ordinance 1785: Surplus Park Bond Proceeds

Earlier this evening, the Council adopted Ordinance 1779 which declared certain municipal bond proceeds surplus and authorizing their transfer to the General Fund. This is one of the measures being taken to address the challenges facing the Town in 2020 due to the full impact of the circuit breakers. At the time of adoption, the Council was informed that similar measures would be taken for Park bond proceeds. Ordinance 1785 has been drafted for this purpose.

At their meeting of November 5, 2019, the Park Board adopted Park Resolution 2019-06 for this purpose. By adopting Ordinance 1785, the Council will declare \$12,521.31 of Park Bond proceeds as surplus and authorize their transfer to the Park and Recreation Fund.

I.C. 5-1-13-2 et seq. has the effect of allowing the Town Council, as the local issuing body, to reduce the rate or amount of ad valorem property taxes imposed by or allocated to the local issuing body. Basically, the proceeds can be transferred to a property tax supported fund to reduce the tax rate in that fund. Under advice of bond counsel, surplus bond proceeds from through 2014 can be transferred in this way. These bonds are fully amortized and total \$12,521.31.

Recommendation:

By motion and voice vote, hear Ordinance 1785 on first reading and schedule second reading.

ORDINANCE 1785

**AN ORDINANCE OF THE MUNSTER TOWN COUNCIL DECLARING CERTAIN
BOND PROCEEDS AS SURPLUS AND ALLOWING THE TRANSFER OF SURPLUS
BOND PROCEEDS TO THE TOWN OF MUNSTER PARK & RECREATION FUND**

WHEREAS, The Town Council of the Town of Munster, Lake County, Indiana, determines from time to time to issue bonds payable from ad valorem property taxes in order to provide funds necessary to pay all or a portion of the costs of various park improvements, the purchase of equipment, and for any other lawful purpose or project; and,

WHEREAS, The purpose or project for which certain bonds were issued had been accomplished or abandoned; and,

WHEREAS, A surplus remains from the proceeds of certain bonds or investment earnings derived from the proceeds of those bonds; and

WHEREAS, Indiana Code 5-1-13-2 et seq. has the effect of allowing the Town Council, as the local issuing body, to reduce the rate or amount of ad valorem property taxes imposed by or allocated to the local issuing body; now, therefore, be it

ORDAINED, By the Town Council of the Town of Munster, Lake County, Indiana, hereby determines that the amounts shown in the attached Exhibit A are surplus bond proceeds available to reduce the rate or amount of ad valorem property taxes imposed by or allocated to the Town and payable during the calendar and fiscal year 2020.

ADOPTED AND PASSED this ____ day of _____, 2019 by a vote of ____ in favor and ____ opposed.

**TOWN COUNCIL OF THE TOWN OF
MUNSTER, LAKE COUNTY, INDIANA**

Andy Koultourides, President

ATTEST:

David F. Shafer, Clerk-Treasurer

EXHIBIT A

Town of Munster Park & Recreation Bonds Surplus Bond Proceeds

<u>Year</u>	<u>Amount</u>
2009	\$ 7,350.13
2011	\$ 3,849.03
2014	<u>\$ 1,322.15</u>
Total	\$12,521.31