


To: President and Members of the Munster Town Council

From: David F. Shafer, Clerk-Treasurer 

Date: December 2, 2019

Re: Ordinance 1779: Surplus Bond Proceeds to General Fund

Ordinance 1779 had first reading at the last regular meeting held on October 21, 2019. The ordinance has been drafted to declare surplus the bond proceeds from the general obligation or municipal bonds of 2006 through 2014. These bonds are fully amortized and total \$648,409.73.

This is one of the measures taken to offset the expected shortfall of 2020. The proceeds will be transferred to the General Fund and will have the effect of reducing the ad valorem property tax rate in that fund. Under advice of bond counsel, the surplus bond proceeds from 2006 through 2014 can be transferred in this way under I.C. 5-1-13-2 et seq.

The Park Board adopted Park Resolution 2019-06 determining \$12,521.31 in surplus bond proceeds be transferred to the Park & Recreation Fund. The Council will be asked to adopt a separate ordinance approving that transfer.

Recommendation:

By motion and roll call vote, adopt Ordinance 1779 on second reading as presented.

ORDINANCE 1779

**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 GENERAL 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 street resurfacing, of purchasing equipment, of improving buildings, 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 18th day of November, 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 General Obligation Bonds Surplus Bond Proceeds

<u>Year</u>	<u>Amount</u>
2006	\$ 3,023.83
2007	\$ 1,100.00
2008	\$212,565.23
2009	\$ 64,538.76
2010	\$ 74,030.93
2011	\$196,800.57
2012	\$ 54,619.00
2013	\$ 41,290.02
2014	<u>\$ 441.39</u>
Total	\$648,409.73