

**INTERGOVERNMENTAL AGREEMENT CONFIRMING  
LIBRARY DISTRICT'S OBLIGATION TO PAY LIBRARY BONDS**

**Aurora Public Library District/City of Aurora**

**This Intergovernmental Agreement Confirming Library District's Obligation to Pay Library Bonds (IGA)** is entered into by the City of Aurora (City) and the Aurora Public Library District (Library District).

**OBJECTIVES**

The objectives of this IGA are to:

- a. Avoid double taxation of City of Aurora residents for bond debt retirement for bonds issued for Library purposes (the Library Bonds);
- b. Confirm that, prospectively, the Aurora Public Library District has full responsibility for the levy of real estate taxes to retire the Library Bonds pursuant to a Final Judgment Order (Court Order) entered June 5, 2020;
- c. Confirm the intent of the City and the Library District that the County Clerks extend real estate taxes to retire the Library Bonds as part of the Library District's Corporate Fund/General Fund tax levy, i.e., the County Clerks shall include payment of the Library Bonds in the Library District's tax extension base under PTELL (e.g., the 2020 tax extension base of \$14,721,319).

**RECITALS**

- I. By Ordinance Number 011-058 passed November 8, 2011, the City authorized issuance of General Obligation Refunding Bonds, Series 2011 (\$9.06 million) (\$2.74 million for Library Purposes) with a tax levy to pay principal and interest on bonds for Library Purposes as stated on the attached Exhibit A.
- II. By Ordinance Number 012-080 passed September 25, 2012, the City authorized issuance of General Obligation Library Bonds, Series 2012A (\$19.2 million) with a tax levy to pay principal and interest as stated on the attached Exhibit B.
- III. The City of Aurora Public Library was converted to the Aurora Public Library District via a Final Judgment Order (Court Order) entered June 5, 2020 (copy attached as Exhibit C).
- IV. The Library District began operations on July 1, 2020.
- V. Provisions of the Final Judgment Order relevant to the obligation prospectively for payment of the Library Bonds include the following:

The intent/objective of the Aurora Public Library and the City of Aurora (City), as expressed in the Petition for Conversion, is to:

1. Convert the Aurora Public Library (a City Library) to a Public Library District to be known as Aurora Public Library District;
2. Establish a tax extension base for the Aurora Public Library District of \$14,721,319 to pay for all Aurora Public Library District purposes;
3. Provide for assumption of obligations by the Aurora Public Library District for all Library purposes (all operations, IMRF contributions, and Bonds and Interest), i.e.:
  - a. All Library operations and IMRF contributions for Library employees: \$13,495,000.00
  - b. Bonds and Interest: \$ 1,226,319.00  
(Library capital improvements)
  - c. Total: \$14,721,319.00

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9. Aurora Public Library or the Library District shall timely pay the amounts due for Bonds and Interest;
10. The Aurora Public Library or Aurora Public Library District will indemnify the City and hold the City harmless with respect to payment for Bonds and Interest.

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13. A tax extension base of \$14,721,319 for all Library District purposes (operations, IMRF, and Bonds & Interest) is established which extension may be adjusted prospectively based on PTELL;
14. The format for the Aurora Public Library District tax levy ordinances will be a single levy for the Corporate Fund/General Fund. This single levy for the Corporate Fund/General Fund will generate revenue to pay for all Aurora Public Library District purposes (all Library operations, IMRF contributions, and Bonds & Interest for the bond issues noted immediately above).

Example: The Aurora Public Library District's levy for the 2020-2021 fiscal year to be filed in the Fall of 2020 would be a single levy for the Corporate Fund/General Fund in the amount of \$14,721,319.

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- V. In accordance with the Final Judgment Order, the Library District is required to:
- a. Include in the Library District's annual tax levy ordinance a levy for retirement of the Library Bonds;
  - b. Pay timely the amounts due to retire the Library Bonds.
- VI. Based on the Library District's obligation to pay the Library Bonds as stated in the Final Judgment Order and confirmed in this IGA and based on the City's objective of avoiding double taxation of City residents for retirement of the Library Bonds, the abatement of City taxes for retirement of the Library Bonds is in the best interest of the City and City residents.
- VII. The Library District and the City are empowered and authorized to enter into this IGA pursuant to Article VII, Sec. 10 of the *Illinois Constitution of 1970* and the *Intergovernmental Cooperation Act*, 5 ILCS 220/1 et. seq.

### **AGREEMENT**

The City and the Library District agree as follows:

Section 1.      Library District Levy. Beginning in the year 2020, and in every year thereafter until the Library Bonds are retired, the Library District shall budget, appropriate, and levy in its Corporate Fund/General Fund real estate taxes for retirement of the Library Bonds. Not later than September 1, 2021, and September 1 of each succeeding year of the term of this Agreement, the Library District shall provide the City Treasurer with a final draft of the Library District's proposed budget and appropriation ordinance to be approved by the Board of Library Trustees to confirm that the proposed budget and appropriation for Library Bonds is sufficient to satisfy the Library District's obligations under this IGA. Not later than November 1, 2021, and November 1 of each succeeding year of the term of this Agreement, the Library District shall provide the City Treasurer with a final draft of the Library District's proposed property tax levy ordinance to be approved by the Board of Library Trustees to confirm that the proposed levy for Library Bonds is sufficient to satisfy the Library District's obligations under this IGA. The Library District shall make any and all changes requested by the City Treasurer prior to the Board of Library Trustees taking action on the budget and appropriation ordinance and/or levy ordinance. The Library District shall approve a budget and appropriation ordinance and a levy ordinance that substantially conform to the drafts provided

to the City Treasurer and incorporating any changes requested by the City Treasurer.

Section 2.        Library District Payment. The Library District shall pay for the Library Bonds in a timely fashion. At the City's option, the Library District's payment for the Library Bonds will be made via:

- a.        Direct payments to the bondholders or designee; or
- b.        Direct payments to the City thereby allowing the City to pay the bondholders or designee.

Section 3.        Indemnification. The Library District shall defend, indemnify, and hold harmless the City from and against any and all liability for all claims, losses, damages, and expenses, including Attorney's fees, to the extent such claims, losses, damages, or expenses and fees are caused by Library District's failure in any way to fulfill the Library District's obligations with respect to the levy of real estate taxes to pay the Library Bonds and/or the Library District's failure to timely provide for payment of the Library Bonds, or the provisions of this IGA.

Section 4.        Abatement of Tax. The taxes heretofore levied by the City for retirement of the Library Bonds (Exhibits A & B) will be abated by the City.

Section 5.        Tax Extension. The intent of the City and the Library District is that the County Clerks shall extend real estate taxes to retire the Library Bonds as part of the Library District's annual Corporate Fund/General Fund tax levy, i.e., the County Clerks shall include payment of the Library Bonds in the Library District's tax extension base under PTELL (e.g., the 2020 tax extension base of \$14,721,319).

Section 6.        Term. This IGA shall be in full force and effect from upon its approval by the corporate authorities of both the City and the Library District until all Library Bonds are paid in full.

Section 7.        Amendments. Any amendments to this IGA must be reduced to writing and signed by the parties.

Section 8.        Governing Law and Venue. This IGA shall be governed by the laws of the State of Illinois. Venue for any action arising out of this IGA shall be proper only in the Circuit Court for the Sixteenth Judicial Circuit, Kane County, Illinois.

Section 9.      Notice. Any notice under this IGA shall be in writing sent by certified mail, return receipt requested, with proper postage pre-paid, and shall be deemed to have been given on the date of mailing, and shall be addressed as follows:

To the City:

City of Aurora  
Attn: Mayor  
44 E. Downer Place  
Aurora, IL 60505

To the Library District:

Aurora Public Library District  
Attn: Board President  
101 S. River Street  
Aurora, IL 60506

Section 10.      No Assignment and Successors in Interest. This IGA may not be assigned by the Library District without the express written consent of the City, and such consent may be withheld in the absolute and sole discretion of the City. The terms and conditions of the IGA shall inure to the benefit of and be binding on the successors in interest to the parties.

Section 11.      Recitals Incorporated. The Recitals set forth above are incorporated and expressly made part of this IGA.

CITY OF AURORA

By: \_\_\_\_\_  
Richard C. Irvin  
Mayor

AURORA PUBLIC LIBRARY DISTRICT

By: \_\_\_\_\_  
Andrew Smith  
Board President

Date Signed: \_\_\_\_\_, 2020.

Date Signed: \_\_\_\_\_, 2020.