



GLENCOE PUBLIC LIBRARY

# Memo

**To:** Glencoe Public Library Board Finance Committee  
**From:** Andy Kim, Executive Director  
**cc:**  
**Date:** October 27, 2017  
**Re:** HVAC project loan

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Enclosed is the promissory note provided by Wintrust Bank dated March 22, 2017 for non-binding financing of the Library's HVAC project.

Sincerely,  
Andy Kim

**Glencoe Public Library District**  
**Non-Binding Financing Concept to Purchase a**  
**\$725,000 Promissory Note, Series 2017**  
**Provided by Wintrust Bank**  
**March 22, 2017**

- The Facility: \$725,000 Promissory Note (the "Note") to finance HVAC improvements (the "Project")
- Dated: On or about May 1, 2017
- Amortization: Principal and interest on the Note shall be payable in either 1) 59 level monthly principal and interest payments of approximately \$4,416.67 beginning on or about June 1, 2017 through April 1, 2022 with a final balloon payment on May 1, 2022 equal to accrued interest and the remaining principal, if the Note is not extended (the "60-Month Term") or 2) 83 level monthly principal and interest payments of \$4,416.67 (equal to \$53,000 annually) beginning on or about June 1, 2017 through April 1, 2024 a final balloon payment on May 1, 2024, equal to accrued interest and the remaining principal, if the Note is not extended (the "84-Month Term"). Illustrative amortization schedules for the three funding options are attached for your review.
- Prepayment The Note may be prepaid at any time without penalty.
- Interest: Interest shall be payable semi-annually on the outstanding balance and calculated using 12 30-day months and a 360-day year. We are prepared to offer three interest rates options, depending on District's preference for the Note:
- 1) **84-Month, Collateralized Note Option:** Provided that the Note is secured by a Certificate of Deposit ("CD") held at the Bank at all times in an amount that is equal to or greater than the loan balance, the interest that will be 1.5% over the interest rate on the pledged CD through the earlier of the maturity of the CD or the Note. The Note under this option shall expire on or about May 1, 2024. If the Library fails to replace a maturing pledged CD with another pledged CD, the interest rate on the Note will be reset by the Bank, based on market conditions at the time. If the net interest rate on the Note remains at 1.50%, the Note could be repaid in 184 months.
  - 2) **60-Month, Tax-Exempt Note Option:** If the Library provides an opinion at closing that the Note is a Bank Qualified federal tax-exempt obligation, under current market conditions, the interest rate would be 3.0% through May 1, 2022. If the interest rate on the Note remains at 3.0%, the Note could be repaid in 212 months.
  - 3) **84-Month, Tax-Exempt Note Option:** If the Library provides an opinion at closing that the Note is a Bank Qualified federal tax-exempt obligation, under current market conditions, the interest rate would be 3.5% through May 1, 2024. If the interest rate on the Note remains at 3.5%, the Note could be repaid in 224 months.

**Wintrust Bank's Financing Concept for a \$725,000 Promissory Note Offered to the Glencoe Public Library District**

The Initial Interest will be set shortly before closing based on evolving market conditions and may differ from the interest rates provided above. A higher taxable rate option is available if the Library opts not to provide an opinion that the Note is Bank Qualified.

**Security:** The Note will be payable from all available funds. We will not require the Library to levy a separate tax on real property within the District. The Library will be required to pledge the CDs to secure the Note to obtain the Collateralized Note interest rate option.

**1999 Note**

**Repayment** We considered refinancing and extending the term of the outstanding 1999 Notes to maintain annual debt payments at an affordable level. However, we believe but have not confirmed with counsel that Illinois law limits borrowing for this purpose to 20 years. If so, we will require the 1999 Notes to be repaid before closing the 2017 Notes.

**Legal:** We are prepared to draft a Note to document the obligation. The Library will be expected to engage at its expense counsel acceptable to the Bank to draft an authorizing ordinance or resolution and other documentation customary for similar financings, and provide the Bank at closing with an opinion that the Note is a valid and binding obligation payable from all available funds and, if applicable, that the Note under current law is a Bank Qualified federal tax-exempt obligation.

We do not now contemplate charging an upfront fee or engaging bank counsel, provided that the Library permits us to confer with counsel when and if, issues arise.

**Not A**

**Commitment:** This Financing Concept has been offered for discussion purposes only and is not a commitment to lend or purchase the District's bonds or notes. Such a commitment would require credit approval, which has not been obtained.

**Expiration:** Unless extended by the Bank, this Financing Concept will expire April 10, 2017 if the Library has not accepted it or May 15, 2017 if the Library hasn't closed on the Note.

Accepted by: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Glencoe Public Library--FUNDING OPTION #1**

**Collateralized Promissory Notes, Series 2017--Illustrative Amortization Schedule--84-Month Term \*\***

**For Discussion Purposes Only. Not a Commitment of Wintrust Bank or its Affiliates.**

**Based on Market Conditions as of March 20, 2017. Subject to change with market conditions.**

Amount	725,000	Lifetime Borrowing Costs	811,939.27
Expected Issuance:	4/15/2017	Lifetime Uncollateralized Borrowing	
Amortization (mos):	184	240 Monthly Level Payments	<u>1,009,129.60</u>
Term (mos):	84	Lifetime Cost Savings	197,190.33
Net Interest Rate:	1.50%		
Monthly Debt Service	4,416.67		
Annual Debt Service	53,000.00	-	

The Notes

Payment	Principal	Interest	Debt Service	Ending Balance
1	3,510.42	906.25	4,416.67	721,489.58
2	3,514.80	901.86	4,416.67	717,974.78
3	3,519.20	897.47	4,416.67	714,455.58
4	3,523.60	893.07	4,416.67	710,931.98
5	3,528.00	888.66	4,416.67	707,403.98
6	3,532.41	884.25	4,416.67	703,871.57
7	3,536.83	879.84	4,416.67	700,334.74
8	3,541.25	875.42	4,416.67	696,793.49
9	3,545.67	870.99	4,416.67	693,247.82
10	3,550.11	866.56	4,416.67	689,697.71
11	3,554.54	862.12	4,416.67	686,143.17
12	3,558.99	857.68	4,416.67	682,584.18
13	3,563.44	853.23	4,416.67	679,020.74
14	3,567.89	848.78	4,416.67	675,452.85
15	3,572.35	844.32	4,416.67	671,880.50
16	3,576.82	839.85	4,416.67	668,303.69
17	3,581.29	835.38	4,416.67	664,722.40
18	3,585.76	830.90	4,416.67	661,136.64
19	3,590.25	826.42	4,416.67	657,546.39
20	3,594.73	821.93	4,416.67	653,951.66
21	3,599.23	817.44	4,416.67	650,352.43
22	3,603.73	812.94	4,416.67	646,748.70
23	3,608.23	808.44	4,416.67	643,140.47
24	3,612.74	803.93	4,416.67	639,527.73
25	3,617.26	799.41	4,416.67	635,910.47
26	3,621.78	794.89	4,416.67	632,288.70
27	3,626.31	790.36	4,416.67	628,662.39
28	3,630.84	785.83	4,416.67	625,031.55
29	3,635.38	781.29	4,416.67	621,396.17
30	3,639.92	776.75	4,416.67	617,756.25
31	3,644.47	772.20	4,416.67	614,111.78
32	3,649.03	767.64	4,416.67	610,462.75
33	3,653.59	763.08	4,416.67	606,809.17
34	3,658.16	758.51	4,416.67	603,151.01
35	3,662.73	753.94	4,416.67	599,488.28
36	3,667.31	749.36	4,416.67	595,820.98
37	3,671.89	744.78	4,416.67	592,149.09
38	3,676.48	740.19	4,416.67	588,472.61
39	3,681.08	735.59	4,416.67	584,791.53
40	3,685.68	730.99	4,416.67	581,105.85
41	3,690.28	726.38	4,416.67	577,415.57
42	3,694.90	721.77	4,416.67	573,720.67
43	3,699.52	717.15	4,416.67	570,021.16

**Glencoe Public Library--FUNDING OPTION #1**

**Collateralized Promissory Notes, Series 2017--Illustrative Amortization Schedule--84-Month Term \*\***

**For Discussion Purposes Only. Not a Commitment of Wintrust Bank or its Affiliates.**

**Based on Market Conditions as of March 20, 2017. Subject to change with market conditions.**

Amount	725,000	Lifetime Borrowing Costs	811,939.27
Expected Issuance:	4/15/2017	Lifetime Uncollateralized Borrowing	
Amortization (mos):	184	240 Monthly Level Payments	<u>1,009,129.60</u>
Term (mos):	84	Lifetime Cost Savings	197,190.33
Net Interest Rate:	1.50%		
Monthly Debt Service	4,416.67		
Annual Debt Service	53,000.00	-	

The Notes

Payment	Principal	Interest	Debt Service	Ending Balance
44	3,704.14	712.53	4,416.67	566,317.02
45	3,708.77	707.90	4,416.67	562,608.24
46	3,713.41	703.26	4,416.67	558,894.84
47	3,718.05	698.62	4,416.67	555,176.79
48	3,722.70	693.97	4,416.67	551,454.09
49	3,727.35	689.32	4,416.67	547,726.75
50	3,732.01	684.66	4,416.67	543,994.74
51	3,736.67	679.99	4,416.67	540,258.06
52	3,741.34	675.32	4,416.67	536,516.72
53	3,746.02	670.65	4,416.67	532,770.70
54	3,750.70	665.96	4,416.67	529,020.00
55	3,755.39	661.27	4,416.67	525,264.60
56	3,760.09	656.58	4,416.67	521,504.52
57	3,764.79	651.88	4,416.67	517,739.73
58	3,769.49	647.17	4,416.67	513,970.24
59	3,774.20	642.46	4,416.67	510,196.04
60	3,778.92	637.75	4,416.67	506,417.11
61	3,783.65	633.02	4,416.67	502,633.47
62	3,788.37	628.29	4,416.67	498,845.09
63	3,793.11	623.56	4,416.67	495,051.98
64	3,797.85	618.81	4,416.67	491,254.13
65	3,802.60	614.07	4,416.67	487,451.53
66	3,807.35	609.31	4,416.67	483,644.18
67	3,812.11	604.56	4,416.67	479,832.07
68	3,816.88	599.79	4,416.67	476,015.19
69	3,821.65	595.02	4,416.67	472,193.55
70	3,826.42	590.24	4,416.67	468,367.12
71	3,831.21	585.46	4,416.67	464,535.91
72	3,836.00	580.67	4,416.67	460,699.92
73	3,840.79	575.87	4,416.67	456,859.12
74	3,845.59	571.07	4,416.67	453,013.53
75	3,850.40	566.27	4,416.67	449,163.13
76	3,855.21	561.45	4,416.67	445,307.92
77	3,860.03	556.63	4,416.67	441,447.89
78	3,864.86	551.81	4,416.67	437,583.03
79	3,869.69	546.98	4,416.67	433,713.34
80	3,874.52	542.14	4,416.67	429,838.82
81	3,879.37	537.30	4,416.67	425,959.45
82	3,884.22	532.45	4,416.67	422,075.23
83	3,889.07	527.59	4,416.67	418,186.16
84	<u>418,186.16</u>	<u>522.73</u>	<u>418,708.89</u>	0.00
Total	725,000.00	46,417.11	265,000.00	

**Glencoe Public Library--FUNDING OPTION #2**

**Promissory Notes, Series 2017--Illustrative Amortization Schedule-- 60-Month Term\*\***

**For Discussion Purposes Only. Not a Commitment of Wintrust Bank or its Affiliates.**

**Based on Market Conditions as of March 9, 2017. Subject to change with market conditions.**

Amount	725,000	Lifetime Borrowing Costs	934,448.94
Expected Issuance:	4/15/2017	Lifetime Borrowing Costs	
Amortization(months):	212	240 Level Monthly Payments	<u>965,000.00</u>
Term (mos):	60	Lifetime Cost Savings	30,551.06
Interest Rate:	3.00%		
Monthly Debt Service	4,416.67		
Annual Debt Service	53,000.00	0	

Payment	Principal	Interest	Debt Service	Ending Balance
1	2,604.17	1,812.50	4,416.67	722,395.83
2	2,610.68	1,805.99	4,416.67	719,785.16
3	2,617.20	1,799.46	4,416.67	717,167.95
4	2,623.75	1,792.92	4,416.67	714,544.21
5	2,630.31	1,786.36	4,416.67	711,913.90
6	2,636.88	1,779.78	4,416.67	709,277.02
7	2,643.47	1,773.19	4,416.67	706,633.54
8	2,650.08	1,766.58	4,416.67	703,983.46
9	2,656.71	1,759.96	4,416.67	701,326.75
10	2,663.35	1,753.32	4,416.67	698,663.40
11	2,670.01	1,746.66	4,416.67	695,993.39
12	2,676.68	1,739.98	4,416.67	693,316.71
13	2,683.37	1,733.29	4,416.67	690,633.34
14	2,690.08	1,726.58	4,416.67	687,943.25
15	2,696.81	1,719.86	4,416.67	685,246.44
16	2,703.55	1,713.12	4,416.67	682,542.89
17	2,710.31	1,706.36	4,416.67	679,832.58
18	2,717.09	1,699.58	4,416.67	677,115.50
19	2,723.88	1,692.79	4,416.67	674,391.62
20	2,730.69	1,685.98	4,416.67	671,660.93
21	2,737.51	1,679.15	4,416.67	668,923.42
22	2,744.36	1,672.31	4,416.67	666,179.06
23	2,751.22	1,665.45	4,416.67	663,427.84
24	2,758.10	1,658.57	4,416.67	660,669.75
25	2,764.99	1,651.67	4,416.67	657,904.75
26	2,771.90	1,644.76	4,416.67	655,132.85
27	2,778.83	1,637.83	4,416.67	652,354.01
28	2,785.78	1,630.89	4,416.67	649,568.23
29	2,792.75	1,623.92	4,416.67	646,775.49
30	2,799.73	1,616.94	4,416.67	643,975.76
31	2,806.73	1,609.94	4,416.67	641,169.03
32	2,813.74	1,602.92	4,416.67	638,355.29

**Glencoe Public Library--FUNDING OPTION #2**

**Promissory Notes, Series 2017--Illustrative Amortization Schedule-- 60-Month Term\*\***

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**Based on Market Conditions as of March 9, 2017. Subject to change with market conditions.**

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Expected Issuance:	4/15/2017	Lifetime Borrowing Costs	
Amortization(months):	212	240 Level Monthly Payments	<u>965,000.00</u>
Term (mos):	60	Lifetime Cost Savings	30,551.06
Interest Rate:	3.00%		
Monthly Debt Service	4,416.67		
Annual Debt Service	53,000.00	0	

	Payment	Principal	Interest	Debt Service	Ending Balance
33		2,820.78	1,595.89	4,416.67	635,534.51
34		2,827.83	1,588.84	4,416.67	632,706.68
35		2,834.90	1,581.77	4,416.67	629,871.78
36		2,841.99	1,574.68	4,416.67	627,029.79
37		2,849.09	1,567.57	4,416.67	624,180.70
38		2,856.21	1,560.45	4,416.67	621,324.48
39		2,863.36	1,553.31	4,416.67	618,461.13
40		2,870.51	1,546.15	4,416.67	615,590.61
41		2,877.69	1,538.98	4,416.67	612,712.92
42		2,884.88	1,531.78	4,416.67	609,828.04
43		2,892.10	1,524.57	4,416.67	606,935.94
44		2,899.33	1,517.34	4,416.67	604,036.62
45		2,906.58	1,510.09	4,416.67	601,130.04
46		2,913.84	1,502.83	4,416.67	598,216.20
47		2,921.13	1,495.54	4,416.67	595,295.07
48		2,928.43	1,488.24	4,416.67	592,366.64
49		2,935.75	1,480.92	4,416.67	589,430.89
50		2,943.09	1,473.58	4,416.67	586,487.81
51		2,950.45	1,466.22	4,416.67	583,537.36
52		2,957.82	1,458.84	4,416.67	580,579.53
53		2,965.22	1,451.45	4,416.67	577,614.32
54		2,972.63	1,444.04	4,416.67	574,641.69
55		2,980.06	1,436.60	4,416.67	571,661.62
56		2,987.51	1,429.15	4,416.67	568,674.11
57		2,994.98	1,421.69	4,416.67	565,679.13
58		3,002.47	1,414.20	4,416.67	562,676.66
59		3,009.98	1,406.69	4,416.67	559,666.69
60		<u>559,666.68</u>	<u>1,399.17</u>	<u>561,065.85</u>	0.00
Total		725,000.00	96,649.19	821,649.19	

**Glencoe Public Library--FUNDING OPTION #3**

**Promissory Notes, Series 2017--Illustrative Amortization Schedule--84-Month Term \*\***

**For Discussion Purposes Only. Not a Commitment of Wintrust Bank or its Affiliates.**

**Based on Market Conditions as of March 9, 2017. Subject to change with market conditions.**

Amount	725,000	Lifetime Borrowing Costs	988,103.33
Expected Issuance:	4/15/2017	Lifetime Borrowing Costs	
Amortization (mos):	224	240 Monthly Level Payments	<u>1,009,129.60</u>
Term (mos):	60	Lifetime Cost Savings	21,026.27
Interest Rate:	3.50%		
Monthly Debt Service	4,416.67	1,060,000	
Annual Debt Service	53,000.00	0	

The Notes

Payment	Principal	Interest	Debt Service	Ending Balance
1	2,302.08	2,114.58	4,416.67	722,697.92
2	2,308.80	2,107.87	4,416.67	720,389.12
3	2,315.53	2,101.13	4,416.67	718,073.59
4	2,322.29	2,094.38	4,416.67	715,751.30
5	2,329.06	2,087.61	4,416.67	713,422.24
6	2,335.85	2,080.81	4,416.67	711,086.39
7	2,342.66	2,074.00	4,416.67	708,743.73
8	2,349.50	2,067.17	4,416.67	706,394.23
9	2,356.35	2,060.32	4,416.67	704,037.88
10	2,363.22	2,053.44	4,416.67	701,674.66
11	2,370.12	2,046.55	4,416.67	699,304.54
12	2,377.03	2,039.64	4,416.67	696,927.51
13	2,383.96	2,032.71	4,416.67	694,543.55
14	2,390.91	2,025.75	4,416.67	692,152.64
15	2,397.89	2,018.78	4,416.67	689,754.75
16	2,404.88	2,011.78	4,416.67	687,349.87
17	2,411.90	2,004.77	4,416.67	684,937.97
18	2,418.93	1,997.74	4,416.67	682,519.04
19	2,425.99	1,990.68	4,416.67	680,093.05
20	2,433.06	1,983.60	4,416.67	677,659.99
21	2,440.16	1,976.51	4,416.67	675,219.83
22	2,447.28	1,969.39	4,416.67	672,772.56
23	2,454.41	1,962.25	4,416.67	670,318.14
24	2,461.57	1,955.09	4,416.67	667,856.57
25	2,468.75	1,947.91	4,416.67	665,387.82
26	2,475.95	1,940.71	4,416.67	662,911.87
27	2,483.17	1,933.49	4,416.67	660,428.69
28	2,490.42	1,926.25	4,416.67	657,938.28
29	2,497.68	1,918.99	4,416.67	655,440.60
30	2,504.96	1,911.70	4,416.67	652,935.63
31	2,512.27	1,904.40	4,416.67	650,423.36
32	2,519.60	1,897.07	4,416.67	647,903.76
33	2,526.95	1,889.72	4,416.67	645,376.82
34	2,534.32	1,882.35	4,416.67	642,842.50
35	2,541.71	1,874.96	4,416.67	640,300.79
36	2,549.12	1,867.54	4,416.67	637,751.67
37	2,556.56	1,860.11	4,416.67	635,195.11
38	2,564.01	1,852.65	4,416.67	632,631.09
39	2,571.49	1,845.17	4,416.67	630,059.60
40	2,578.99	1,837.67	4,416.67	627,480.61
41	2,586.51	1,830.15	4,416.67	624,894.09
42	2,594.06	1,822.61	4,416.67	622,300.03
43	2,601.62	1,815.04	4,416.67	619,698.41



**Glencoe Public Library--FUNDING OPTION #3**

**Promissory Notes, Series 2017--Illustrative Amortization Schedule--84-Month Term \*\***

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Interest Rate:	3.50%		
Monthly Debt Service	4,416.67	1,060,000	
Annual Debt Service	53,000.00	0	

The Notes

Payment	Principal	Interest	Debt Service	Ending Balance
44	2,609.21	1,807.45	4,416.67	617,089.20
45	2,616.82	1,799.84	4,416.67	614,472.37
46	2,624.46	1,792.21	4,416.67	611,847.92
47	2,632.11	1,784.56	4,416.67	609,215.81
48	2,639.79	1,776.88	4,416.67	606,576.02
49	2,647.49	1,769.18	4,416.67	603,928.53
50	2,655.21	1,761.46	4,416.67	601,273.33
51	2,662.95	1,753.71	4,416.67	598,610.37
52	2,670.72	1,745.95	4,416.67	595,939.65
53	2,678.51	1,738.16	4,416.67	593,261.14
54	2,686.32	1,730.35	4,416.67	590,574.82
55	2,694.16	1,722.51	4,416.67	587,880.67
56	2,702.01	1,714.65	4,416.67	585,178.65
57	2,709.90	1,706.77	4,416.67	582,468.75
58	2,717.80	1,698.87	4,416.67	579,750.96
59	2,725.73	1,690.94	4,416.67	577,025.23
60	2,733.68	1,682.99	4,416.67	574,291.55
61	2,741.65	1,675.02	4,416.67	571,549.90
62	2,749.65	1,667.02	4,416.67	568,800.26
63	2,757.67	1,659.00	4,416.67	566,042.59
64	2,765.71	1,650.96	4,416.67	563,276.88
65	2,773.78	1,642.89	4,416.67	560,503.11
66	2,781.87	1,634.80	4,416.67	557,721.24
67	2,789.98	1,626.69	4,416.67	554,931.26
68	2,798.12	1,618.55	4,416.67	552,133.14
69	2,806.28	1,610.39	4,416.67	549,326.87
70	2,814.46	1,602.20	4,416.67	546,512.40
71	2,822.67	1,593.99	4,416.67	543,689.73
72	2,830.90	1,585.76	4,416.67	540,858.82
73	2,839.16	1,577.50	4,416.67	538,019.66
74	2,847.44	1,569.22	4,416.67	535,172.22
75	2,855.75	1,560.92	4,416.67	532,316.47
76	2,864.08	1,552.59	4,416.67	529,452.40
77	2,872.43	1,544.24	4,416.67	526,579.97
78	2,880.81	1,535.86	4,416.67	523,699.16
79	2,889.21	1,527.46	4,416.67	520,809.95
80	2,897.64	1,519.03	4,416.67	517,912.31
81	2,906.09	1,510.58	4,416.67	515,006.22
82	2,914.57	1,502.10	4,416.67	512,091.65
83	2,923.07	1,493.60	4,416.67	509,168.59
84	<u>509,168.58</u>	<u>1,485.08</u>	<u>510,653.66</u>	0.00
Total	725,000.00	114,291.55	265,000.00	