This memo serves as an update on the current status of Outstanding Village Debt Service as of December 31, 2014.

Current Debt at 12/31/2014

As of December 31, 2014 the Village has an outstanding debt load of \$76,600,138. The chart below breaks down the total Village Debt as of 12/31/2014.

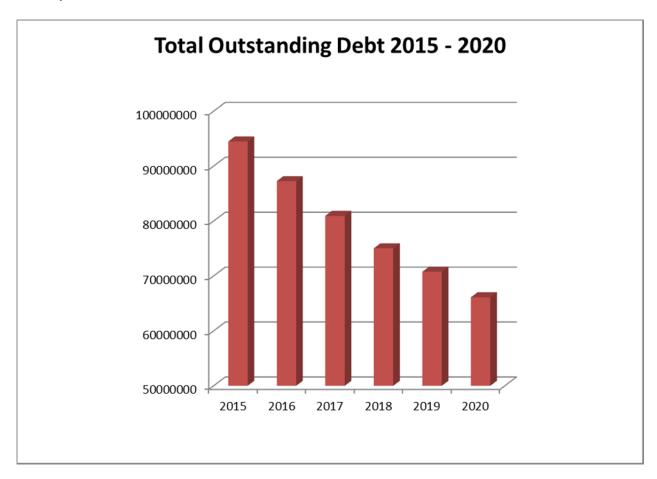
Village Debt @ 12/31/2014						
Residential		30,617,215				
Enterprise, TIF and SSA		45,982,923				
Total	\$	76,600,138				

Residential Debt – Debt paid directly out of the debt service fund and is primarily funded via taxes (ex. property and sales tax).

Enterprise, TIF and SSA Debt – Debt paid out of Enterprise Funds, Tax Increment Financing (TIF) Districts, or Special Service Areas (SSA). This debt is not supported by residential Village property taxes.

5-Year Outlook

By the end of 2015 total Village debt is projected to rise to \$94,475,138. This is due to the increased debt associated with the construction of the new Waste Water Treatment Plant. After 2015 debt is scheduled to drop roughly \$5 million to \$7 million a year and will be at \$66,105,831 at the end of 2020. See chart below:

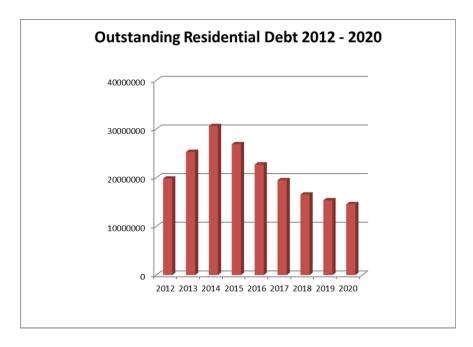


Historical Comparison

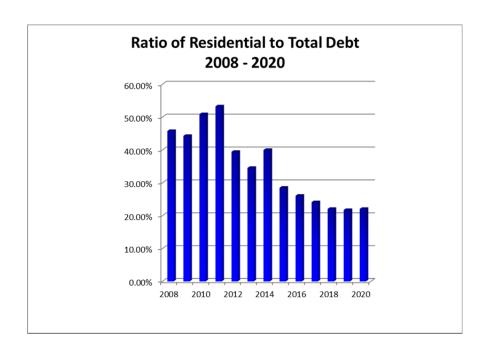
Village data dating back to 2008 shows that the debt level in 2008 consisted of the following:

Village Debt @ 12/31/2008						
Residential		31,160,823				
Enterprise, TIF and SSA		33,955,000				
Total	\$	65,115,823				

While total debt has increased recently, residential debt (debt funded via property / sales taxes) has slightly decreased. Over the next 5 years residential debt will continue to fall and in fact will be cut in half. See chart below:



Additionally, the ratio of Residential Debt to Total Debt has dropped significantly. This ratio peaked in 2011 at 53% and has since fallen to under 40%. Within five years this ratio will be under 25% at 22.03%.



Other Items of Note in Regards to Village Debt

Bond Ratings Increases

On June 21, 2013 Standard and Poor's upgraded their rating on Village Debt from A+ to AA-. Per the S&P report the rating reflected the village's very strong reserve levels and good financial management.

"The raised rating reflects our view of the village's improved financial position and our expectation that its financial position will remain consistently very strong going forward, since the village is adding comprehensive long-term financial projections to its array of financial policies and procedures, which we believe will allow its officials to make decisions that will support long-term fiscal balance."

Standard and Poor's Ratings Direct Report (6/21/2013)

On January 12, 2015 Moody's Investors Service upgraded their rating on Village Debt from A1 to Aa3. The report cited Substantial reserve levels and a stabilizing tax base as village strengths.

"The village's financial operations will likely remain sound, given positive revenue trends and an actively engaged financial management team. After years of legal challenges with the adjacent O'Hare Airport, the village received a \$16 million settlement in 2010 that significantly bolstered its financial reserves. In addition, the village hired a new management team in 2010 that has successfully maintained reserves through conservative budgeting, posting annual surpluses of between \$1 million and \$3 million."

Moody's Investors Service Rating Update Report (1/12/2015)

As a result of the June 2013 rate increase alone, the Village has saved \$607,206 in future interest costs. See chart below prepared by Speer Financial for more details:

Village of Bensenville, DuPage and Cook Counties, Illinois				
Municipal Bond Issues Rated AA-				
Savings Due to Upgrade to AA-				
Updated 2/9/15				
Refunding Bond Issue				
	S&P	Dated	Average	Savings due to
<u>Name</u>	Rating	<u>Date</u>	Coupon	AA- Upgrade
\$3,785,000 G.O. Bonds (ARS), Series 2013A	AA-	7/11/2013	4.8130	\$ 66,913
\$8,000,000 G.O. Bonds (ARS), Series 2013E	AA-	9/20/2013	4.7002	160,770
\$1,625,000 G.O. Refunding Bonds (W&S ARS), Series 2014A	AA-	8/5/2014	2.7798	12,000
\$6,815,000 Taxable G.O. (ARS), Series 2014B	AA-	11/12/2014	4.8750	341,032
\$600,000 Taxable G.O. Limited Tax Bonds, Series 2014C	AA-	11/12/2014	2.0000	3,725
\$1,185,000 G.O. Bonds (ARS), Series 2014D	AA-	11/12/2014	2.0000	5,766
\$2,325,000 G.O. Refunding Bonds (ARS), Series 2014E	AA-	12/9/2014	2.5408	17,000
				\$ 607,206
Note: ARS is Alternate Revenue Source and W&S is Water and	l Sewer.			
Source: Speer Financial				

Innovative Financing for Environmentally Friendly Projects

Waste Water Treatment Plant (\$30M) – 1.98% - This project is a complete re-construction of the Village's 1940's era Waste Water Treatment Plant.

Police Headquarters (\$6.815M) – 1.46% - By adhering to tough environmental standards the village was awarded Qualified Energy Conservation Bonds for construction of the new Police Headquarters building. By qualifying for these energy efficiency bonds the village will receive a 70% rebate from the Federal government on interest paid. This reduces our effective interest rate on these bonds from 4.88% to 1.46%

Bond Refunding

The Village has aggressively taken advantage of the current low interest rates available and refinanced several outstanding bond issuances.

"The Village (of Bensenville) is among the most active of entities focusing on refundings"

Kevin McCanna, President, Speer Financial

A bond refunding is similar in concept to a mortgage re-financing where existing bonds originally issued at a higher interest rate are paid off by bonds at a low interest rate.

Since 2010 the Village has had 10 bond refunding issuances, and will save \$2,354,826 in future interest costs as a result. See the chart below for details:

	Dated	from the	
<u>Name</u>	<u>Date</u>	Refunding	
\$1,380,000 G.O. Refunding Bonds (ARS), Series 2011C	10/3/2011	\$ 114,490	
\$1,630,000 G.O. Refunding Bonds (ARS), Series 2011D	10/3/2011	147,035	
\$1,730,000 G.O. Refunding Bonds (ARS), Series 2012A	6/18/2012	245,263	
\$945,000 G.O. Refunding Bonds (ARS), Series 2012B	6/18/2012	105,866	
\$1,400,000 G.O. Refunding Bonds (ARS), Series 2012C	6/18/2012	211,825	
\$2,200,000 Taxable G.O. Refunding Debt Certificates, Series 2012D	6/18/2012	208,801	
\$5,345,000 G.O. Refunding Bonds (ARS), Series 2012E	10/15/2012	658,921	
\$4,835,000 Taxable G.O. Refunding Debt Certificates, Series 2013D	7/11/2013	186,014	
\$1,625,000 G.O. Refunding Bonds (W&S ARS), Series 2014A	8/5/2014	162,327	
\$2,325,000 G.O. Refunding Bonds (ARS), Series 2014E	12/9/2014	314,284	
		\$ 2,354,826	

The bottom line with the recent bond rating increases, taking advantage of innovative financing, and aggressive bond refunding, the Village has reduced its average interest rate on outstanding debt from 5.29% in 2008 to 3.53% today.

Source: Village of Bensenville