



CITY OF WASHINGTON, ILLINOIS
Finance & Personnel Committee Agenda Communication

Meeting Date: April 19, 2021

Prepared By: Joanie Baxter, Finance Director *JJB*

Agenda Item: WACC Use Agreement Amendment

Explanation: As discussed by the Committee of the Whole, an amendment to the Use Agreement with the Washington Area Community Center has been drafted that provides for a reduced payment of \$50,000 for each of three fiscal years (FY20-21, FY21-22, and FY22-23). The original agreement calls for a \$75,000 payment for these years but because of the impact from COVID-19, the Council agrees to accept a reduced payment and then an additional \$75,000 payment will be added to the end of the agreement term such that the entire amount due of \$1,250,000 will be paid over the term of the agreement

Fiscal Impact: General Fund will be required to transfer an additional \$25,000. This has been reflected in the FY21-22 Budget. Home Rule Sales Taxes are sufficient to cover the shortfall.

Recommendation/Committee Discussion Summary: Staff recommends approval.

Action Requested: Waiving of the 2nd Reading and approval so that the amendment may be approved and the remaining \$50,000 due can be paid prior to April 30, 2021.

ORDINANCE NO. _____

**AN ORDINANCE APPROVING AND AUTHORIZING
THE MAYOR AND CITY CLERK OF THE CITY OF
WASHINGTON, TAZEWELL COUNTY, ILLINOIS, TO
ENTER INTO AN AMENDMENT TO THE INTERGOVERNMENTAL USE AGREEMENT
WITH THE WASHINGTON AREA COMMUNITY CENTER**

WHEREAS, on or about August 2, 2010, the City of Washington and Washington Area Community Center, Inc. ("WACC") entered into an Intergovernmental Use Agreement the purpose, among other things, of setting forth WACC's obligations to pay to the City specified amounts on a specified schedule for the City's repayment of its debt service costs; and

WHEREAS, as a result of the economic impact of the COVID-19 pandemic upon WACC's ability to host events, the City and WACC have determined it is in the best interest of the parties and the community to restructure the debt service repayment schedule to allow WACC to provide additional funding for hosting of events; and

WHEREAS, Section XIV of the parties' Intergovernmental Use Agreement allows the parties to amend that Agreement by mutual consent in writing signed by an authorized representative of each party:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS, as follows:

Section 1. That the Amendment to the Intergovernmental Use Agreement between the City of Washington, an Illinois home-rule municipality, and Washington Area Community Center, Inc., a copy of which is attached hereto as Exhibit "A," and by reference expressly made a part hereof, be, and the same is hereby approved.

Section 2. That the Mayor and the City Clerk of the City of Washington be, and hereby are authorized, empowered, and directed to enter into and execute said Amendment to the Intergovernmental Use Agreement on behalf of the City of Washington in substantially the form of the document attached hereto, marked "Exhibit A," and by reference expressly made a part hereof, and to make, execute, and deliver any and all documents necessary for the effectiveness thereof.

Section 3. That this ordinance shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Section 4. That all ordinances, or parts thereof, in conflict herewith are hereby expressly repealed.

PASSED AND APPROVED this _____ day of April, 2021.

AYES: _____

NAYS: _____

ATTEST:

Mayor

City Clerk

EXHIBIT A

AMENDMENT TO INTERGOVERNMENTAL USE AGREEMENT
BETWEEN CITY OF WASHINGTON
AND WASHINGTON AREA COMMUNITY CENTER

This Amendment to Intergovernmental Use Agreement is made and entered into this _____ day of April 2021, by and between City of Washington and Washington Area Community Center, an Illinois not-for-profit corporation ("WACC"), for the purposes and on the terms and conditions described below.

RECITALS

WHEREAS, on or about August 2, 2010, the City of Washington and Washington Area Community Center, Inc. ("WACC") entered into an Intergovernmental Use Agreement the purpose, among other things, of setting forth WACC's obligations to pay to the City specified amounts on a specified schedule for the City's repayment of its debt service costs; and

WHEREAS, as a result of the economic impact of the COVID-19 pandemic upon WACC's ability to host events, the City and WACC have determined it is in the best interest of the parties and the community to restructure the debt service repayment schedule contained in the Intergovernmental Use Agreement so that a reduced amount of yearly repayments will allow WACC to provide additional funding for hosting of events; and

WHEREAS, Section XIV of the parties' Intergovernmental Use Agreement allows the parties to amend that Agreement by mutual consent in writing signed by an authorized representative of each party:

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, the parties hereto covenant, consent, and agree to amend Section III of the Intergovernmental Use Agreement as follows:

SECTION III
TRANSACTIONS RELATED TO THE CITY BOND

WACC shall, pursuant to this Use Agreement, repay some of the city's debt service cost associated with the above referenced \$5 million bond issue in accordance with the following provisions:

1. WACC shall make annual, lump sum payments pursuant to the schedule below. Said annual payments shall be made on or before March 31st of each respective year.

2011	\$50,000
2012	\$50,000
2013	\$50,000
2014	\$50,000

2015	\$50,000
2016	\$50,000
2017	\$50,000
2018	\$50,000
2019	\$50,000
2020	no payment (deferred due to COVID-19)
2021	\$100,000 (\$50,000 deferred payment made September 2020)
2022	\$50,000
2023	\$50,000
2024	\$75,000
2025	\$75,000
2026	\$75,000
2027	\$75,000
2028	\$75,000
2029	\$75,000
2030	\$75,000
2031	\$75,000

2. The above referenced annual payments shall receive higher funding priority than forgiveness of the initial annual construction debt service received from the Washington Park District in the amount of \$15,000.

3. The above referenced annual payments supplant and supersede all payment obligations described in the Intergovernmental Agreement dated April 3, 2003.

WASHINGTON AREA COMMUNITY
CENTER, INC., an Illinois not-for-profit
corporation

CITY OF WASHINGTON

By: _____
Its President

By: _____
Its Mayor

ATTEST

ATTEST

Its Secretary

Its City Clerk