

ORDINANCE NO. 2019-14

ORDINANCE APPROVING THE BORROWING OF \$250,000.00 DOLLARS FROM US BANCORP, a/k/a US BANK.

WHEREAS, the Village of Pecatonica recently purchased real estate for lawful public purposes (“real estate”) and paid for same out of the water fund; and

WHEREAS, corporate authorities for the Village of Pecatonica determined that it is prudent to borrow funds from a financial institution in order to replenish the water fund so as to have sufficient liquid assets in that fund; and

WHEREAS, Section 5/8-1-3.1 of the Illinois Municipal Code (65 ILCS 5-8-1-3.1) permits municipalities to borrow money from financial institutions subject to statutory limitations; and

WHEREAS, the Village of Pecatonica has been in negotiations with US Bancorp, a/k/a US Bank, a financial institution, to lawfully borrow \$250,000.00 dollars, which sum will be deposited into the Village’s water fund; and

WHEREAS, Section 5/8-1-3.1 of the Illinois Municipal Code requires such borrowing from financial institutions be approved by ordinance.

NOW BE IT ORDAINED, by the Village President and Board of Trustees of the Village of Pecatonica, Illinois:

Section 1. The above recitals are incorporated as though fully set forth herein.

Section 2. The corporate authorities of the Village of Pecatonica hereby approve the borrowing of \$250,000.00 from US Bancorp, a/k/a US Bank, (“Loan”) subject to the following limitations:

(A) The term of the loan shall not exceed ten (10) years from the date of the borrowing;

(B) The amount borrowed shall not exceed \$250,000.00 dollars exclusive of interest;

(C) A promissory note or other similar debt instrument, but not a bond, shall be executed to evidence the indebtedness incurred by the borrowing;

(D) The loan shall be a lawful direct obligation of the municipality payable from general funds of the municipality and such other sources of payment as are otherwise lawfully available;

(E) The rate of interest shall not exceed the maximum rate provided for in Section 305/2 of the Bond Authorization Act (30 ILCS 305/2); and

(F) The extent of lender’s collateral interest in the general obligation accounts of the Village shall be limited to the rights and remedies permitted by applicable law.

Section 3. The Village President is hereby authorized to sign any and all promissory notes or other similar debt instruments, but not a bond, to evidence the indebtedness incurred by the borrowing.

Section 4. The Board of Trustees shall annually appropriate sufficient funds to pay off the balance of principal and interest of the loan.

Section 5. This ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED by the President and Board of Trustees of the Village of Pecatonica this ____ day of July, 2019.

APPROVED by the President of the Village of Pecatonica, Illinois, this ____ day of July, 2019.

By: _____
WILLIAM SMULL, Village President
Village of Pecatonica, Illinois

ATTEST:

GWENN SHIRLEY, Village Clerk
Village of Pecatonica, Illinois

MOTION BY: _____

SECOND BY: _____

AYES: _____

NAYS: _____

ABSENT/
ABSTAIN _____