ORDINANCE NO. 2020-24

AN ORDINANCE OF THE VILLAGE OF POPLAR GROVE, ILLINOIS AUTHORIZING THE VILLAGE TO EXECUTE A PROMISSORY NOTE EVIDENCING A GENERAL OBLIGATION OF THE VILLAGE IN AN AMOUNT NOT TO EXCEED $1,500,000.00 FOR THE PURPOSES OF FINANCING THE CONSTRUCTION OF A NEW PUBLIC WORKS BUILDING AND APPURTENANCES THERETO

WHEREAS, the Village of Poplar Grove, Illinois ("Village") is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended;

WHEREAS, the President and Board of Trustees of the Village have determined that it is advisable, necessary, and in the best interest of the Village and its residents to construct a new public works building and appurtenances thereto (the "Project"); and

WHEREAS, the estimated costs of the Project is anticipated to be $1,500,000.00; and

WHEREAS, the Village Board has determined that there are insufficient funds on hand and lawfully available to pay up-front these costs of the Project, and it is necessary to issue additional obligations of the Village to pay such costs; and

WHEREAS, these costs of the Project are expected to be defrayed by the $1,500,000.00 proceeds of the obligations authorized by this Ordinance; and

WHEREAS, Section 8-1-3.1 of the Illinois Municipal Code provides that the corporate authorities of a municipality may borrow money from any bank or other financial institution provided such money shall be repaid within 10 years from the time the money is borrowed. The mayor or president of the municipality, as the case may be, shall execute a promissory note or similar debt instrument, but not a bond, to evidence the indebtedness incurred by the borrowing. The obligation to make the payments due under the promissory note or other debt instrument shall be a lawful direct general obligation of the municipality payable from the general funds of the municipality and such other sources of payment as are otherwise lawfully available. The promissory note or other debt instrument shall be authorized by an ordinance passed by the corporate authorities and shall be valid whether or not an appropriation with respect to that ordinance is included in any annual or supplemental appropriation adopted by the corporate authorities. The indebtedness incurred under Section 8-1-3.1., when aggregated with the existing indebtedness of the municipality, may not exceed the debt limitation provided in Section 8-5-1 of the Illinois Municipal Code; and

WHEREAS, pursuant to Section 8-1-3.1 of the Illinois Municipal Code, the Village desires to borrow $1,500,000.00 from Solutions Bank f/k/a Poplar Grove State Bank and evidence such borrowing through a promissory note from the Village to such bank for purposes of financing the costs of the Project; and

WHEREAS, the promissory note shall be repaid within 10 years (or less) from the time the money is borrowed; and

WHEREAS, the indebtedness evidenced by the promissory note, when aggregated with the existing indebtedness of the Village will not exceed the debt limitation provided in Section 8-5-1 of the Illinois Municipal Code; and

WHEREAS, the promissory note shall be a General Obligation to the Village; and

WHEREAS, the promissory note shall be issued in accordance with the terms listed in the loan commitment, a copy of which is attached hereto as Exhibit A and incorporated herein; and

WHEREAS, the promissory note shall also be secured by the full faith and credit of the Village.

NOW THEREFORE, be it ordained by the President and Board of Trustees of the Village of Poplar Grove, Illinois as follows:

1. **Incorporation of Preambles.** The Village Board finds and determines that all of the recitals contained in the preambles to this ordinance are true, correct and complete and incorporates them into this Ordinance by this reference.

2. **Determination to Authorize Borrowing via Promissory Note.** It is necessary and in the best interest of the Village to undertake the Project for the public health, welfare, safety and convenience of the residents of the Village. Accordingly, the Project shall be undertaken. For the purpose of paying the costs of the Project, a promissory note, along with any other documents necessary to effectuate the intent of this Ordinance, are authorized to be executed by the Village President pursuant to Section 8-1-3.1 of the Illinois Municipal Code in an amount not to exceed $1,500,000.00, payable from (among other things) the general fund of the Village and subject to terms in the loan commitment in Exhibit A. Such indebtedness shall be repaid within 10 years (or less) from the date of the borrowing.

3. **Authorized Signers.** Each draw on the promissory note shall be authorized by two account signers.

4. **Full Faith and Credit Obligation.** The indebtedness evidenced by the promissory note shall also be secured by the full faith and credit of the Village.

5. **Severability.** If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision of this ordinance.

6. **Repealer, and Effective Date**. All ordinances, resolutions, or orders or parts of ordinances, resolutions or orders, in conflict with the provisions of this ordinance are

repealed to the extent of such conflict. This ordinance shall be in full force and effect after its adoption, approval and publication, as provided by law.

PASSED UPON MOTION BY _____

SECONDED BY _____

BY ROLL CALL VOTE THIS _____ DAY OF _____, 2020

AS FOLLOWS:

VOTING "AYE": _____

_____

VOTING "NAY": _____

_____

ABSENT, ABSTAIN, OTHER _____

_____

APPROVED_____, 2020

ATTEST:

_____ _____

CLERK PRESIDENT

EXHIBIT A – LOAN COMMITMENT