

ORDINANCE NO. 8687-9

AN ORDINANCE
APPROVING AND AUTHORIZING THE EXECUTION OF AN
INTERGOVERNMENTAL COOPERATION AGREEMENT BY AND AMONG
THE VILLAGE OF WOODRIDGE, THE ILLINOIS MUNICIPAL LEAGUE
AND OTHER UNITS OF LOCAL GOVERNMENT

WHEREAS, the corporate authorities have determined that the Pooled Loan Program established by the Illinois Municipal League will assist in accomplishing the aims of the Illinois Municipal League generally and the City of Urbana; and

WHEREAS, the corporate authorities have determined that it is in the best interests of the City of Urbana to execute an Intergovernmental Cooperation Agreement establishing the Illinois Municipal League Pooled Loan Program.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Intergovernmental Cooperation Agreement pertaining to the Pooled Loan Program, a copy of which is attached hereto and made a part hereof, be and the same is hereby authorized and approved.

Section 2. That the Mayor and the City Clerk be and the same are hereby authorized and directed to execute such Intergovernmental Cooperation Agreement for and on behalf of the City of Urbana and to transmit a duly executed copy thereof to the Illinois Municipal League.

Section 3. This Ordinance shall become effective immediately upon its passage and approval according to law.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council.

1986. PASSED by the City Council this 21st day of July


Ruth S. Brookens
Ruth S. Brookens, City Clerk

1986. APPROVED by the Mayor this 22nd day of July

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

CERTIFICATION

I, RUTH S. BROOKENS, the Clerk of the City of Urbana, County of Champaign, State of Illinois, do hereby certify that I am the keeper of the books and records of the aforesaid municipality and that the foregoing is a true and correct copy of an Ordinance duly adopted by the City Council of said municipality at a meeting duly convened and held on the 21st day of July, 1986.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8687-9 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

July 23, 1986
Date



INTERGOVERNMENTAL COOPERATION AGREEMENT

This agreement is made pursuant to the intergovernmental cooperation provisions of the Illinois Constitution (Ill. Const. 1970, Art. VII, Sec. 10) and the Intergovernmental Cooperation Act (Ill. Rev. Stat. Ch. 127, §§ 741-749 (1985)) by and among Village of Woodridge, a home rule unit of local government (the "Issuer"), the Illinois Municipal League, an unincorporated, nonprofit, nonpolitical association of Illinois cities, villages and incorporated towns created by Ill. Rev. Stat. Ch. 24, §1-8-1 (1985) (the "Administrator"), and the undersigned units of local government ("Municipalities").

WHEREAS, the borrowing of funds for equipment purchases and other capital projects is a governmental function which the Municipalities have in common; and

WHEREAS, the Municipalities have found and determined that, acting individually, such borrowings have been accomplished inefficiently or uneconomically due to the following circumstances, among others:

- (a) many Municipalities have credit standings which, while known and recognized as strong in their immediate locale, are unknown or underestimated in the national markets;
- (b) as a practical matter, many Municipalities are denied access to the national markets simply because they are small;
- (c) the borrowing needs of many Municipalities are too small to attract interest in the national money markets;

(d) the borrowing needs of many Municipalities are too small to justify the employment of the permanent technical staff necessary to stay abreast of money market developments and financial innovations; and

(e) the fixed costs of municipal borrowing make it relatively disadvantageous to borrow in small amounts; and

WHEREAS, the Municipalities desire, through intergovernmental cooperation, to associate together to achieve efficiencies and economies of scale in the raising of borrowed funds; and

WHEREAS, the Municipalities are authorized by the aforesaid Illinois constitutional and statutory provisions to associate among themselves and enter into contractual arrangements with one another for the performance of any governmental undertaking which any of the contracting Municipalities is authorized by law to perform; and

WHEREAS, the Administrator has developed a pooled loan program for home rule and non-home rule units of local government of the State of Illinois for the purpose of providing a means of financing, refinancing and reimbursing the cost of certain equipment purchases and capital projects of Municipalities; and

WHEREAS, such pooled loan program is expected to provide sophisticated borrowing techniques and lower borrowing costs and more favorable borrowing terms to the Municipalities which borrow from the pooled loan program than would otherwise be available to such Municipalities; and

WHEREAS, in furtherance of intergovernmental cooperation as provided in this Agreement and pursuant to authority granted under Article VII, Section 6(a) of the Illinois Constitution and other applicable provisions of Illinois law, the Issuer, as a home rule unit of local government, is authorized and willing to issue revenue bonds (the "Bonds") in its name, the proceeds from the sale of which would be available to fund the pooled loan program; and

WHEREAS, Municipalities participating in the pooled loan program which desire to borrow from the pooled loan program will enter into an agreement with the Issuer at the time of the borrowing to evidence the terms of such loan (a "Participation Agreement"); and

WHEREAS, in order to secure payment of the principal and interest on such revenue bonds to the holders thereof as the same comes due the Issuer will enter into an agreement or agreements with a national banking association or other appropriate financial institution or institutions providing for the issuance of an irrevocable direct pay or standby letter of credit or revolving line of credit and/or municipal bond insurance and/or surety bonds (the "Credit Supports"), such Credit Supports securing the obligations of the Municipalities under their respective Participation Agreements and/or to provide credit support for and securing the payment of the principal of and interest on the Bonds, such agreement or agreements (the "Credit Support Agreements") to be entered into by and between the Issuer and such institutions (the "Credit Institutions"); and

WHEREAS, pursuant to the terms of the Credit Support Agreements, the Credit Institutions will be entitled to reimbursement for draws made on the Credit Supports in order to pay maturing principal of and interest on the Bonds and/or purchase Bonds duly tendered for purchase and not otherwise reimbursed from funds and revenues pledged under and received pursuant to the Participation Agreements, Indenture, and/or Remarketing Agreement (as hereinafter described) all as to be more fully set forth in the Indenture hereinafter mentioned; and

WHEREAS, certain proceeds from the sale of the Bonds shall be deposited into a trust fund (the "Loan Fund") to be created and established pursuant to the Indenture and will, when disbursed from the Loan Fund to the participating Municipalities, be duly applied by the Municipalities toward the financing, refinancing or reimbursement of the cost of qualifying projects in accordance with the applicable laws of the State of Illinois; and

WHEREAS, in order to secure the issuance of and the payment of the principal of and interest on the Bonds and other amounts due and owing under the Credit Support Agreements, the Issuer shall enter into a Trust Indenture (the "Indenture") with a banking institution or trust company approved by the Administrator and the Issuer, the Indenture to provide for, among other things, the form of the Bonds, the manner in which funds shall be disbursed from the Loan Fund to participating Municipalities, the manner in which the Bonds are to be issued including, without limitation, the setting of interest rates and interest accrual periods thereon and the marketing and remarketing thereof, and the

manner in which the principal of, premium, if any, and interest on the Bonds shall be paid as the same shall become due and payable whether by tender, maturity, redemption or acceleration; and

WHEREAS, the Issuer shall require that adequate provision is made under the Indenture, the Participation Agreements and the Credit Support Agreements for the payment of the principal of, premium, if any, and interest on the Bonds and the reimbursement of any draws and other amounts due under the Credit Support Agreements as the same shall become due and payable; and

WHEREAS, the Issuer shall require that the debt service payments to be made by the Municipalities under the Indenture, the Participation Agreements and the Credit Support Agreements will, in aggregate, be sufficient to pay all of the principal of, premium, if any, and interest on the Bonds authorized to be issued, as the same shall become due and payable, to reimburse the Credit Institutions for draws, if any, made pursuant to the Credit Support Agreements to pay the principal and interest on the Bonds and to make all other payments required.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

SECTION 1: The Issuer and the Administrator will prepare the documents necessary to implement the pooled loan program.

SECTION 2: The Issuer will issue Bonds to fund the pooled loan program.

SECTION 3: The Administrator will administer the pooled loan program on behalf of the Issuer and the participating Municipalities.

SECTION 4: It is hereby expressly stated that by executing this Agreement each undersigned Municipality shall not become obligated or entitled to borrow any amount from the pooled loan program, and, except as expressly set forth in its particular Participation Agreement, shall not become obligated on or with respect to the Bonds or to pay any of the costs of implementing the pooled loan program.

Each undersigned Municipality hereby exercises and transfers to the Issuer those powers of the Municipality as are necessary for the Issuer to implement the pooled loan program for the benefit of such Municipality, including the power to issue Bonds to finance (by funding the pooled loan program) any authorized project of such Municipality. It is hereby expressly stated that the transferring Municipality reserves the concurrent right to exercise such transferred powers from time to time as it deems necessary and appropriate.

SECTION 5: The principal of, premium, if any, and interest on the Bonds shall be payable solely from the sources and secured to the extent and as provided in the Indenture, the Participation Agreements and the Credit Support Agreements. The Bonds and the obligations and covenants of the Issuer under the Indenture, the Participation Agreements, the Credit Support Agreements, and any other documents relating to the pooled loan program (collectively, the "Program Documents") shall not be deemed to constitute a debt, liability, or obligation of the State of Illinois, or any political subdivision or municipality thereof, including the Issuer, or a pledge of the faith and credit of the

State or any political subdivision or municipality thereof, including the Issuer, but shall constitute limited obligations payable solely from the pledge of those funds, accounts and sources as set forth in the Program Documents. The issuance of the Bonds shall not directly, indirectly or contingently obligate the Issuer, the State of Illinois or any political subdivision or municipality thereof, including the Issuer, to levy or to pledge any form of taxation or assessment whatsoever therefor except as any particular Municipality may otherwise provide in its Participation Agreement.

SECTION 6: It is hereby agreed that the Administrator shall have the power to approve or disapprove applications for loans from the pooled loan program.

SECTION 7: If any one or more of the covenants, agreements or provisions contained in this Agreement shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof and shall in no way affect the validity of any of the other provisions of this Agreement. In the event it shall ever be determined by a court of competent jurisdiction that the involvement of any Municipalities in the pooled loan program is not permitted by the laws of the State of Illinois, the pooled loan program shall proceed with only those Municipalities permitted as participants therein.

SECTION 8: This Agreement shall take effect immediately upon its execution by the Issuer, the Administrator and at least one Municipality in addition to the Issuer. Any number of additional Municipalities may, at any time, become parties to this Agreement by executing the Form of Acceptance as set forth below on an executed counterpart of this Agreement.

Dated as of

Issuer _____

By: _____
Its _____

Attest: _____
Its _____ [SEAL]

Illinois Municipal League
Administrator

By: _____
Its _____

Attest: _____
Its _____ [SEAL]

FORM OF ACCEPTANCE

The undersigned of Municipality hereby agrees to the terms and provisions of the Intergovernmental Cooperation Agreement, dated as of August 1, 1986 by and among Village of Woodridge, the Illinois Municipal League and the Municipalities executing such agreement.

Date _____

Municipality

By: _____
Its _____

Attest: _____
Its _____ [SEAL]

WSD, 073/D. #/07/16/86