

ORDINANCE NO. 8687-78

AN ORDINANCE
AUTHORIZING AND APPROVING A LOAN IN THE
PRINCIPAL AMOUNT OF \$112,000 FOR THE ACQUISITION OF
EQUIPMENT FOR A LANDSCAPE WASTE RECLAMATION SITE

WHEREAS, the City of Urbana, Champaign County, Illinois (the "City"), has entered into or is about to enter into a certain agreement for the acquisition of certain equipment to grind tree limbs, brush and other organic plant material which shall be used by the City in connection with its contractual obligation to operate a landscape waste reclamation site (the "Project") pursuant to a certain "Agreement And General Plan For Development Of Solid Waste Disposal Facilities And Programs And The Creation Of The Intergovernmental Solid Waste Disposal Association", dated July, 1986, by and among the City, the City of Champaign, Illinois, and the County of Champaign, Illinois (the "Association Agreement"); and

WHEREAS, the City Council has determined that it is necessary and in the best interests of the City to borrow and to issue the Promissory Note of the City in the principal amount of \$112,000, which such borrowing and Promissory Note shall be secured by the full faith and credit of the City, for the purpose of paying the cost of the equipment described herein to be used in connection with the Project; and

WHEREAS, the City is a home rule unit under Article VII, Section 6 of the 1970 Constitution of the State of Illinois, with full power and authority to exercise any power and perform any function pertaining to its government and affairs, including the power to enter into the transactions contemplated by this Ordinance; and

WHEREAS, the City and the National Bank of Urbana, Illinois (the "Bank") are about to make provision for a loan in the principal amount of \$112,000, evidenced by the Promissory Note of the City in such amount (the "Note"), a copy of the form of which such Note is attached hereto and hereby incorporated by reference.

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

Section 1. Findings. That the City Council of the City hereby finds that it is necessary and in the best interests of the City to borrow \$112,000 pursuant to the terms of the Note in order to pay the cost of the acquisition of the herein described equipment in connection with the Project, which such Project is further hereby authorized and determined to be in the public interest and for a public purpose, to-wit: to operate a landscape waste reclamation site pursuant to the Association Agreement.

Section 2. The Loan. For the purpose of paying the costs incurred by the City in connection with the Project, including necessary expenses incidental thereto, there is hereby authorized to be borrowed, and there is hereby authorized to be issued the Note of the City, in the principal amount of \$112,000. The Note shall be substantially in the form as that attached hereto, shall be dated as of the date of its issuance and delivery to the Bank, and shall bear interest on the principal amount outstanding and unpaid from time to time at the rate per annum equal to six and twenty-four one hundredths percent (6.24%). Said principal and interest on the Note shall be payable as follows:

A payment of accrued interest on the principal amount outstanding shall be payable on the date occurring one (1) full year from and after the date of such issuance and delivery and subsequent payments of accrued interest on the principal amount outstanding shall be payable annually thereafter until the total amount, both principal and interest, is paid in full. A principal payment in the amount of \$22,400 shall likewise be payable one (1) full year from and after the date of such issuance and delivery and a like principal amount shall be payable in annual installments thereafter until the total principal amount is paid in full.

The City of Urbana, as maker of this Promissory Note, reserves the right at any time to prepay, in whole or in part, the principal or interest owing on this Promissory Note.

Both principal and interest shall be payable at the Bank, 1717 Philo Road, Urbana, Illinois, or at such other place as may from time to time be designated in writing by the Bank, all in accordance with the terms of the Note.

Section 3. Pledge. The Note shall be a general obligation of the City, secured by the full faith and credit of the City, and shall be issued in compliance with and under the authority of the provisions of this Ordinance.

Section 4. Designation and Election of Federal Tax Requirements. The City hereby designates the obligation evidenced by the issuance of the Note as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1954, as amended and supplemented (the "Code"). The City hereby further elects to have the Exception For Small Governmental Units under the provisions of Section 148(f)(4)(c) of the Code apply to the issuance of the Note. In connection with both such sections of the Code, the City Council of the City hereby expressly finds and determines that the reasonably anticipated amount of all qualified tax exempt obligations which will be issued by the City and all subordinate entities thereof during the calendar year of 1987 will not exceed \$5,000,000.00.

Section 5. Execution. The Mayor and the City Clerk, for and on behalf of the City, be and the same are hereby authorized, empowered and directed to deliver the Note in the name of the City. The officers, agents and the employees of the City are further hereby authorized, empowered and directed to do any and all things necessary to effect the due execution and delivery of the Note and the acceptance thereof by the Bank as well as the execution of all such documents and the performance of all other acts of whatever nature necessary to effect and carry out the authorization conferred by this Ordinance.

Section 6. Severability. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 7. Prior Inconsistent Proceedings. All ordinances, resolutions, and parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict, hereby repealed.

Section 8. This Ordinance shall take effect immediately upon its passage and approval, the borrowing and the Note approved and issued hereunder being approved and issued under home rule powers provided by Article VII, Section 6 of the 1970 Constitution of the State of Illinois.

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.

PASSED by the City Council this 20th day of April, 1987.

A circular seal of the City of Urbana, Illinois, featuring a central emblem and the text "CITY OF URBANA, ILLINOIS" around the perimeter.
Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 27th day of April, 1987.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8687-78 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

April 22, 1987
Date

