

VILLAGE OF HEYWORTH

ORDINANCE No. 2020-____

**AN ORDINANCE AMENDING ORDINANCE 2020-4 TO AMEND THE LEGAL
LANGUAGE NECESSARY FOR ISSUANCE OF THE PROMISSORY NOTE BY
FIRST STATE BANK OF BLOOMINGTON**

ADOPTED BY THE
BOARD OF TRUSTEES
OF THE
VILLAGE OF HEYWORTH

THIS 20TH DAY OF FEBRUARY, 2020

Published in pamphlet form by the authority of the Village Board of the Village of
Heyworth, McLean County, Illinois, this 20th day of February, 2020.

ORDINANCE No. 2020-_____

AN ORDINANCE AMENDING ORDINANCE 2020-4 TO AMEND THE LEGAL LANGUAGE NECESSARY FOR ISSUANCE OF THE PROMISSORY NOTE BY FIRST STATE BANK OF BLOOMINGTON

WHEREAS, the Village of Heyworth (hereinafter "Village") is an Illinois municipal corporation created and authorized pursuant to the Illinois Municipal Code (65 ILCS 5/1-1 *et seq.*) and the laws and Constitution of the State of Illinois; and

WHEREAS, the Village previously approved Ordinance 2020-04, which essentially reflects this Ordinance; however, First State Bank of Bloomington requested slight changes to Ordinance 2020-04, which said changes are herein reflected; and

WHEREAS, the Village is authorized pursuant to Section 8-1-3.1 of the Finance section of the Illinois Municipal Code (65 ILCS 5/8-1-3.1) to borrow money for corporate purposes from any bank or other financial institution in the form of a promissory note or other debt instrument provided such money shall be repaid within ten (10) years from the time the money is borrowed; and

WHEREAS, pursuant to 65 ILCS 5/8-1-3.1, the Mayor shall execute said promissory note or other debt instrument, but not a bond, to evidence the indebtedness incurred by the borrowing, which shall be a lawful direct general obligation of the Village payable from the general funds of the Village and such other sources of payment as are otherwise lawfully available, whether or not an appropriation with respect to borrowing authorization is included in any annual or supplemental appropriation adopted by the Village Board; and

WHEREAS, the Village may not have indebtedness in the aggregate exceeding 8.625% on the value of the taxable property of the Village, as ascertained by the last assessment, pursuant to Section 8-5-1 of the Finance section of the Illinois Municipal Code (65 ILCS 5/8-5-1); and

WHEREAS, the Village is authorized pursuant to Section 8-1-2.5 of the Finance section of the Illinois Municipal Code (65 ILCS 5/8-1-2.5) to appropriate and expend funds for economic development purposes and such purposes are a valid corporate purpose of the Village; and

WHEREAS, the Village Board approved incurring expenses for and proceeding with a Rock Festival (hereinafter "Festival") in the Village pursuant to Ordinance 2019-62, which also included the execution of a line of credit and affiliated documentation and expenses thereto related; and

WHEREAS, one of the reasons the Village has stated it wants to have the Festival is for economic development purposes for the benefit of the community, including, but not limited to, promotion of areas for new business location or relocation,

assisting existing business through new consumers and customers, drawing people into the community that may not otherwise come to the Village to encourage interest in both commercial and residential development, and for other commercial enterprises; and

WHEREAS, the Village approached First State Bank of Bloomington (hereinafter "Bank") for a line of credit or promissory note to borrow funds up to the amount of Five Hundred Thousand Dollars (\$500,000.00) maturing February 21, 2021 and bearing interest at 3.90% in substantially the form presented for the Festival and only drawn upon when needed to issue payment for Festival expenses; and

WHEREAS, with said borrowing, it is the intent of the Village to repay such borrowing from the proceeds from the Festival, with the understanding that should there insufficient proceeds from the Festival to repay the borrowing in full, the Village shall be obligated to pay any remaining amounts owed from the general funds of the Village or such other lawful sources of payment as may otherwise be authorized; and

WHEREAS, in order for the Village to obtain said borrowing from the Bank, the Village had to engage the law firm of Miller, Hall & Triggs, LLC ("Law Firm"), a Peoria law firm, in order to have said Law Firm issue a legal opinion letter that the borrowing is lawful for both the borrowing amount and for the use of the borrowing for the Festival; and

WHEREAS, the Village, pursuant to the tax year 2018 assessment, has a total Equalized Assessed Valuation ("EAV") in the amount of Forty-Five Million Eight Hundred Fifty-Five Thousand Three Hundred Fifty-Three Dollars (\$45,855,353.00), allowing the Village to borrow up to approximately Three Million Nine Hundred Fifty-Five Thousand Twenty-Four Dollars (\$3,955,024.00), which, with its outstanding debt, allows for the Village to borrow up to this Five Hundred Thousand Dollar (\$500,000.00) amount and still be well below the borrowing threshold of the Village; and

WHEREAS, the Village Board of Trustees of Heyworth hereby deems it in the public interest and general welfare of the Village and for a corporate purpose to approve the borrowing as hereinbefore described and to issue payment the Law Firm for the opinion rendered per the terms as herein set forth;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and the Board of Trustees of the Village of Heyworth, McLean County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true, correct, and complete and do incorporate them into this Ordinance by this reference.

Section 2. Authorization of Loan. It is necessary, advisable and in the general welfare and public interest of the Village to borrow up to \$500,000.00 from Bank pursuant to applicable law and to execute and deliver to Bank the promissory note and loan documents evidencing this loan. The promissory note and loan documents are

approved and the Mayor, Village Clerk, and other such necessary officers of the Village are authorized and directed to execute and deliver to Bank the loan documents and promissory note.

Section 3. Payment; Annual Budget. The Corporate Authorities hereby represent, warrant, and agree (i) that the obligation to make the payments due under the promissory note shall be a lawful direct general obligation of the Village payable from the general funds of the Village and such other sources of payment as are otherwise lawfully available, (ii) that the total amount due the Bank under the promissory note, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations, and (iii) to budget and appropriate funds of the Village annually and in a timely manner sufficient to provide for the making of all payments when due under the terms of the promissory note.

Section 4. Promissory Note; Borrowing. The promissory note or borrowing shall be a lawful direct general obligation of the Village and for a corporate purpose pursuant to 65 ILCS 5/8-1-3.1 and applicable law, payable from the general funds of the Village and such other sources of payment as are otherwise lawfully available, all of which are pledged to the payment of the promissory note.

Section 5: Effective Date. This Ordinance shall be effective immediately upon its passage, signing and publication as required by law.

Ordained this 20th day of February, 2020.

AYES: _____

NAYES: _____

ABSENT: _____

Passed by the Village Board of Trustees of the Village of Heyworth, McLean County, Illinois, approved by the Mayor, and deposited in the office of the Village Clerk, this 20th day of February, 2020.

APPROVED:

Todd Zalucha, Mayor
Village of Heyworth

ATTEST:

Judy Quinton, Deputy Village Clerk
Village of Heyworth

STATE OF ILLINOIS)
) ss.
COUNTY OF MCLEAN)

CERTIFICATE OF PUBLICATION

I, Judy Quinton, certify that I am the duly appointed and acting Deputy Municipal Clerk of the Village of Heyworth, McLean County, Illinois.

I further certify that on _____, 2020, the Corporate Authorities of the Village of Heyworth passed and approved Ordinance No. 2020-____, entitled

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 2020-____, including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building commencing on _____, 2020. Copies of such Ordinance are available for public inspection upon request in the office of the Municipal Clerk.

DATED at Heyworth, McLean County, Illinois, this _____ day of _____, 2020.

(SEAL)

Judy Quinton, Deputy Village Clerk