

INTERGOVERNMENTAL AGREEMENT FOR  
BRIDGE LOAN FINANCING BY THE CITY OF CHAMPAIGN  
TO THE CITY OF CHAMPAIGN TOWNSHIP

This Intergovernmental Agreement is made and entered into as of June \_\_\_, 2024, by and between the City of Champaign, Illinois, a municipal corporation (“City”), and the City of Champaign Township, a unit of local government of the State of Illinois (“Township”).

WHEREAS, the City is a unit of local government as defined by Article VII, Section 1, of the Constitution of the State of Illinois and is also a home rule municipality as provided for in Article VII, Section 6, of the Constitution of the State of Illinois; and

WHEREAS, the Township is a unit of local government as defined by Article VII, Section 1 of the Constitution of the State of Illinois; and

WHEREAS, the Township is a coterminous township with the City; and

WHEREAS, units of local government are enabled by Article VII, Section 10 of the Constitution of the State of Illinois and the Intergovernmental Cooperation Act, 5 ILCS 220/1, et seq., to enter into agreements among themselves for the purposes of jointly exercising with each other any power or powers, privileges or authority exercised by any of the governmental bodies themselves, including the transfer of revenues; and

WHEREAS, the Township’s funding derives primarily from property tax receipts which are distributed periodically; and

WHEREAS, the Township has notified the City that, from time to time, the Township’s short-term ability to meet payroll obligations is dependent upon the timing of its receipt of property tax distributions, which cannot be predicted with certainty; and

WHEREAS, the City and Township believe that it is desirable and important to the citizens of the coterminous City and Township that the Township maintain adequate cash flow to finance its operations; and

WHEREAS, the City and Township desire to create a bridge loan financing mechanism for the City to provide short-term financing to be repaid by the Township, thereby ensuring the adequate funding of the Township’s operations during gaps in its receipt of property tax distributions.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

Section 1. Authorization to Extend Financing. The City Manager or the City Manager’s designee is authorized to extend no-interest, bridge loan financing to the Township in an amount not to exceed six weeks’ worth of payroll expenditures by the Township, as measured by the Township’s budgeted payroll obligations during the Fiscal Year in which the bridge loan financing is extended.

Section 2. Bridge Loan. Upon the Township, by and through either its Supervisor or the Town Board, certifying to the City that its Cash Balance is below one months average expenses at any given time, the City will issue a draw to the Township within 5 business days as a non-interest bearing bridge loan to the Township (the "Bridge Loan") to be used for payroll expenditures. For purposes of this Agreement, the Cash Balance is the amount of cash and investments available within the Township's Treasury Fund.

Section 3. Repayment by Township. The Township agrees that, upon receipt of property tax funding or any portion thereof, it will pay over to the City those proceeds it receives to satisfy the outstanding balance of any Bridge Loan draws made to the Township by the City. Repayment shall be made by the Township by June 30 of the fiscal year in which the Bridge Loan draw was made.

Section 4. Documentation. The respective staff for the Parties will document each successive Bridge Loan draw extended by the City to the Township in a professional and commercially reasonable manner. The respective staff for the Parties will furthermore document each successive repayment of any Bridge Loan balances by the Township to the City.

Section 5. Term of Agreement. This Intergovernmental Agreement ("Agreement") shall continue until terminated by the City Manager or the Township Supervisor. The Agreement may be terminated upon written notice to the other party not less than sixty (60) days prior to the desired termination or it may be terminated at any time upon the mutual agreement of both the City Manager and the Township Supervisor. Notice of the termination the Agreement by the Township should be mailed to:

City Manager  
City of Champaign  
102 N. Neil Street  
Champaign, IL 61820

Notice of termination by the City should be mailed to:

Township Supervisor  
Town of the City of Champaign  
53 E. Logan St. Champaign, IL 61820

Section 6. Amendment. This Agreement may be amended in writing at any such time by the mutual agreement of the City Manager and the Township Supervisor. Any such amendment shall make reference to this Agreement and to subsequent amendments, if any, on the same subject and shall specify the language to be changed, modified or added, unless the amendment is consistent with adopted Council Policy. Any such amendment shall be authorized by the passage of appropriate authorization by the respective governing bodies of the City and Town, and shall become effective only when duly authorized by both the City and the Town.

The parties have caused this Agreement to be executed the day and year written below.

CITY MANAGER  
CITY OF CHAMPAIGN, ILLINOIS

TOWNSHIP SUPERVISOR  
TOWN OF THE CITY OF CHAMPAIGN

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
Township Supervisor

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney