

Town of Magnolia Springs

RESOLUTION NO. 2006-08

Authorizing Mayor to Negotiate a Line of Credit

WHEREAS, there are numerous costs and expenses involved with organizing and managing a new municipality;


WHEREAS, the Town of Magnolia Springs, Alabama is a new municipality and as such, has limited funds and no cash flow;

WHEREAS, Ala. Code §11-47-1 (1975) provides that a municipality may borrow money by negotiable note payable not later than twelve (12) months after the date of issuance, but renewable from time to time until the indebtedness evidenced thereby shall have been paid; and that any taxes or revenues due or to become due to the town within twelve (12) months from the date of such note may be pledged to secure the payment of such note;

WHEREAS, Council finds that it is in the Town's best interest to obtain a line of credit with which it could pay the costs and expenses of organizing and managing the Town;

NOW THEREFORE, BE IT RESOLVED by the Council of the Town of Magnolia Springs, Alabama, that Mayor Charles S. Houser is hereby authorized to negotiate and obtain a line of credit up to \$50,000.00 by way of a negotiable note payable not later than twelve (12) months after the date of issuance but renewable from time to time until the indebtedness evidenced thereby shall have been paid; and that any taxes or revenues due or to become due to the town within twelve (12) months from the date of such note may be pledged to secure the payment of such note.

Adopted, this the 11th day of December, 2006.



CHARLES S. HOUSER, MAYOR

ATTEST: