

ORDINANCE NO. 1866

**AN ORDINANCE OF THE CITY OF EUREKA SPRINGS,
ARKANSAS, AUTHORIZING SHORT-TERM FINANCING AS RELATES
TO THE PURCHASE OF A TELESQUIRT FIRE TRUCK AND
DECLARING AN EMERGENCY**

WHEREAS, on February 20, 2001, the City Council of Eureka Springs, Arkansas, approved Ordinance No. 1863, which authorized waiving the bidding process to purchase a used 1982 Hendrickson fifty-five-foot (55') telesquirt fire truck (“Telesquirt”) from Deep South Truck Sales to be used for the purpose of life safety and protection of property by the City of Eureka Springs Fire Department; and

WHEREAS, the City of Eureka Springs is authorized pursuant to Amendment No. 78 of Article 16 of the Arkansas State Constitution to enter into financing arrangements having a length of no more than five (5) years for the lease or purchase of real or tangible personal property having a useful life of more than one (1) year; and

WHEREAS, the “Telesquirt” is real or tangible personal property having a useful life of more than one (1) year; and

WHEREAS, the City of Eureka Springs has negotiated a financing arrangement with the Bank of Eureka Springs in accordance with Amendment No. 78 for the purpose of purchasing the “Telesquirt” approved by Ordinance No. 1863; NOW, THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS:

1. That pursuant to the provisions of Amendment No. 78, the City Council does hereby authorize a financing arrangement with the Bank of Eureka Springs for the purpose of purchasing the “Telesquirt” authorized by Ordinance 1863.
2. That the terms of the financing arrangement are as follows:

A note with the Bank of Eureka Springs for \$80,000.00 at 4.85 percent interest for a period of 60 months, payable monthly in amortized installments of principal and interest over the term of the note.

3. As provided in Amendment No. 78, the annual debt service payments on the note in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the annual debt service payments, there is hereby, and shall be, appropriated to pay the note, an amount of

general revenues of the City sufficient for such purposes. The City Treasurer is hereby authorized and directed to withdraw from the General Fund of the City the amounts and at the times necessary to make the monthly debt service payments on the note.

4. The City will not take any action or suffer or permit any action to be taken or condition to exist which causes or may cause the interest payable on the note to be included in gross income for federal income tax purposes.
5. The note is hereby designated as a "qualified tax-exempt obligation" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"). The City expects that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 141 of the Code which are not "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities, issued in calendar year 2001 will not exceed \$10,000,000. The City does not reasonably expect that it and all subordinate entities will issue tax-exempt obligations (not including "private activity bonds" within the meaning of Section 141 of the Code) in amounts exceeding \$5,000,000 in calendar year 2001.
6. The City will not reimburse itself from proceeds of the note for any costs paid prior to the date the note is issued except in compliance with United States Treasury Regulation No. 1.150-2. This Ordinance is an "official intent" for purposes of such regulation.
7. That pursuant to A.C.A. 14-54-302, the mayor and city clerk are authorized to execute such documents as are necessary to accomplish this financing.
8. That all ordinances or resolutions, and parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.
9. That each of the provisions of this ordinance are severable and the decision of any court having jurisdiction as to the validity of any provision shall not effect the remaining provisions.

Emergency Clause

That a state of emergency exists due to the need for immediate purchase of this "Telesquirt" for protection of the safety of the citizens of Eureka Springs, and therefore, this ordinance shall go into full effect immediately upon its passage.

**PASSED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF
EUREKA SPRINGS, ARKANSAS, THIS ____ DAY OF _____, 2001**

APPROVED:

BEAU ZAR SATORI, Mayor

ATTEST:

MARY ANN LEE, City Clerk

CERTIFICATE

The undersigned, City Clerk of the City of Eureka Springs, Arkansas (the City), hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 1866, adopted at a regular session of the City Council of the City, held at the regular meeting place of the City Council at 7:00 p.m. on the ____ day of _____, 2001, and that said Ordinance is of record in Ordinance Record Book No. _____ of the City, now in my possession.

GIVEN under my hand and seal this ____ day of _____, 2001.

City Clerk

(SEAL)