



ORDINANCE 1888

AN ORDINANCE OF THE CITY OF EUREKA SPRINGS, ARKANSAS, AUTHORIZING SHORT-TERM FINANCING RELATING TO THE PURCHASE OF RADIOLOGY EQUIPMENT AND DICTATION EQUIPMENT AND DECLARING AN EMERGENCY

WHEREAS, the City of Eureka Springs, Arkansas, is authorized pursuant to Amendment 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 General Electric Radiographic and Fluoroscopic Suite and the Lanier Dictation equipment is real or tangible personal property having a useful life of more than one (1) year; and

WHEREAS, the Eureka Springs Hospital has negotiated a financing agreement with the Bank of Eureka Springs in accordance with Amendment 78 for the purpose of purchasing the General Electric Radiographic and Fluoroscopic Suite and the Lanier Dictation equipment as approved by the Eureka Springs Hospital Commission;

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

Section 1. That pursuant to the provisions of Amendment 78, the City Council of the City of Eureka Springs, Arkansas does hereby authorize a financing agreement with the Bank of Eureka Springs for the purpose of purchasing the General Electric Radiographic and Fluoroscopic Suite and the Lanier Dictation equipment as authorized by the Eureka Springs Hospital Commission.

Section 2. That the terms of the financing arrangement are as follows:

A note with the Bank of Eureka Springs for \$111,000.00 at 4.35 percent interest for the period of 60 months, payable monthly in amortized installments of principal and interest over the term of the note.

Section 3. As provided in Amendment 78, the annual debt service payments on the note in each fiscal year shall be charged against and paid from the general revenues of Eureka Springs Hospital for such fiscal year. For the purpose of making debt service payments, there is hereby, and shall be, appropriated to pay the note, an amount of general revenues of Eureka Springs Hospital sufficient for this purpose. The Hospital Administrator is hereby authorized and directed to withdraw from the hospital funds the amounts at the times necessary to make monthly debt service payments on the note.

Section 4. The City of Eureka Springs, Arkansas 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 purposes.

Section 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 the calendar year 2002 will not exceed \$10,000,000.00. The City does not reasonably expect that it and all subordinates will issue tax-exempt obligations (not including "private activity bonds" within the meaning of Section 141 of the Code) in the amounts exceeding \$5,000,000.00 in calendar 2002.

Section 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 the purposes of such regulation.

Section 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.

Section 8. That all Ordinances or resolutions, and parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

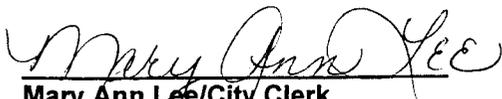
Section 9. That each of the provisions of this ordinance are severable and the decision of any court having jurisdiction as to the validity of any provision shall not effect the remaining provisions.

Emergency Clause:

That a state of emergency exists due to the need for immediate purchase and installation of the General Electric Radiographic and Fluoroscopic Suite and the Lanier Dictation equipment for the health and welfare of the citizens and visitors of the City who are treated at the Eureka Springs Hospital, and therefore, this ordinance shall go into full force and effect immediately upon its passage.

PASSED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS THIS 10th DAY OF January, 2002.

ATTEST:


Mary Ann Lee/City Clerk

APPROVED:


Beau Zar Satori/Mayor