

**ORDINANCE NO. 1890**

**AN ORDINANCE OF THE CITY OF EUREKA SPRINGS, ARKANSAS,  
AUTHORIZING COST-PER-PROCEDURE FINANCING AS RELATES TO THE  
LEASE OF VIDEO ENDOSCOPY EQUIPMENT AND DECLARING AN  
EMERGENCY**

**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 three (3) years for the lease/purchase of real or tangible personal property having a useful life of more than one (1) year; and

**WHEREAS**, the Olympus Video Endoscopy Unit – EVIS EXERA CV-160 equipment is real or tangible personal property having a useful life of more than one (1) year; and

**WHEREAS**, Eureka Springs Hospital has negotiated a financing arrangement with Olympus Financial Services in accordance with Amendment No. 78 for the purpose of leasing the Olympus Video Endoscopy Unit – EVIS EXERA CV-160 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 No. 78 the City Council does hereby authorize a financing arrangement with Olympus Financial Services for the purpose of leasing the Olympus Video Endoscopy Unit – EVIS EXERA CV-160 equipment as authorized by the Eureka Springs Hospital Commission.

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

A lease agreement with Olympus Financial Services for \$ 92,022.50 at -0-percent interest for period of 36 months, payable monthly for the term of the lease.

Section 3. As provided in Amendment No. 78, the annual debt service payments on the lease 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 lease, an amount of general revenues of Eureka Springs Hospital sufficient for such purpose. The Hospital Administrator is hereby authorized and directed to withdraw from the hospital funds the amounts and at the times necessary to make monthly debt service payments on the lease.

Section 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 lease to be included in gross income for federal income purposes.

Section 5. The lease 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 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 year 2001.

Section 6. The City will not reimburse itself from proceeds of the lease for any costs paid prior to the date the lease 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 appealed 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 affect the remaining provisions.

**Emergency Clause:**

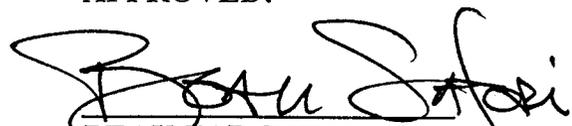
**That a state of emergency exists due to the need for immediate lease and installation of the Olympus Video Endoscopy Unit – EVIS EXERA CV-160 equipment for the health and welfare of the citizens and visitors of the city who are treated at the Eureka Springs Hospital, and therefore, this ordinance shall 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 4th DAY OF March, 2002.**

**ATTEST:**

  
MARY ANN LEE, City Clerk

**APPROVED:**

  
BEAU ZAR SATORI, Mayor