

## ORDINANCE NO. 2054

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF EUREKA SPRINGS, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF REFUNDING THE CITY'S SALES AND USE TAX REFUNDING BONDS, SERIES 1998, REFUNDING THE CITY'S SALES AND USE TAX REFUNDING AND IMPROVEMENT BONDS, SERIES 2002 AND FINANCING ALL OR A PORTION OF THE COST OF SEWER IMPROVEMENTS; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Eureka Springs, Arkansas (the "City") has determined that it would be in the best interests of the City to acquire, construct and equip extensions, betterments and improvements to the City's sewer system (the "Improvements"); and

WHEREAS, the City has outstanding its Sales and Use Tax Refunding Bonds, Series 1998 (the "Series 1998 Bonds"), which are secured by and payable from collections of (a) a 1% sales and use tax levied pursuant to Ordinance No. 1120 of the City adopted May 12, 1981 and approved by the electors of the City at the special election held June 23, 1981 (the "1981 Tax") and (b) a 1% sales and use tax levied pursuant to Ordinance No. 1386 of the City adopted March 20, 1990 and approved by the electors of the City at the special election held May 1, 1990 (the "1990 Tax"); and

WHEREAS, the City has outstanding its Sales and Use Tax Refunding and Improvement Bonds, Series 2002 (the "Series 2002 Bonds") which are secured by and payable from collections of (a) the 1981 Tax and (b) the 1990 Tax; and

WHEREAS, the City Council has determined that it is in the best interest of the City to refund the Series 1998 Bonds and the Series 2002 Bonds and to accomplish the Improvements and proposes to finance all or a portion of the costs of refunding the Series 1998 Bonds (the "1998 Refunding"), refunding the Series 2002 Bonds (the "2002 Refunding") and accomplishing the Improvements by the issuance of capital improvement bonds (the "Bonds") under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), allocated as follows: \$2,150,000 in maximum principal amount for the Improvements; \$550,000 in maximum principal amount for the 1998 Refunding; and \$1,325,000 in maximum

principal amount for the 2002 Refunding; and

WHEREAS, the City can secure the principal of and interest on the Bonds from a pledge of all or a portion of the proceeds of the 1981 Tax and the 1990 Tax (collectively, the "Taxes"); and

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the questions of issuing the Bonds for the 1998 Refunding, the 2002 Refunding and the Improvements under Amendment 62 and the Authorizing Legislation at a special election to be called for that purpose;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Eureka Springs, Arkansas:

Section 1. That there be, and there is hereby called, a special election to be held on August 14, 2007, at which election there shall be submitted to the electors of the City, the questions of issuing the Bonds under Amendment 62 and the Authorizing Legislation to accomplish the 1998 Refunding, the 2002 Refunding and the Improvements in the aggregate principal amount of not to exceed \$4,025,000 to be secured by and payable from a pledge of all or a portion of the collections of the Taxes.

Section 2. That the questions of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

If bonds for two or more purposes are approved by the electors, the bonds may be combined into one or more issues of bonds for the purpose of providing the necessary funds to accomplish the approved purposes. The bonds may be issued in series from time to time. The bonds will be secured by a pledge of all or a portion of collections of (a) the City's existing 1% sales and use tax levied by Ordinance No. 1120 of the City, adopted May 12, 1981 and (b) the City's existing 1% sales and use tax levied by Ordinance No. 1386 of the City, adopted March 20, 1990. That portion of such taxes not used for the payment of the bonds will be used for other lawful purposes.

#### REFUNDING OF SERIES 1998 BONDS

Vote FOR or AGAINST an issue of bonds of the City of Eureka Springs in the maximum principal amount of \$550,000 for the purpose of refunding the City's outstanding Sales and Use Tax Refunding Bonds, Series

1998, to be secured by a pledge of all or a portion of the collections of two existing 1% sales and use taxes levied by the City.

FOR..... \_\_\_\_\_  
AGAINST..... \_\_\_\_\_

REFUNDING OF SERIES 2002 BONDS

Vote FOR or AGAINST an issue of bonds of the City of Eureka Springs in the maximum principal amount of \$1,325,000 for the purpose of refunding the City's outstanding Sales and Use Tax Refunding and Improvement Bonds, Series 2002, to be secured by a pledge of all or a portion of the collections of two existing 1% sales and use taxes levied by the City.

FOR..... \_\_\_\_\_  
AGAINST..... \_\_\_\_\_

SEWER IMPROVEMENT BONDS

Vote FOR or AGAINST an issue of bonds of the City of Eureka Springs in the maximum principal amount of \$2,150,000 for the purpose of acquiring, constructing and equipping extensions, betterments and improvements to the sewer facilities of the City, to be secured by a pledge of all or a portion of the collections of two existing 1% sales and use taxes levied by the City.

FOR..... \_\_\_\_\_  
AGAINST..... \_\_\_\_\_

Section 3. That the election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in the Authorizing Legislation and only qualified voters of the City shall have the right to vote at the election.

Section 4. That the results of the election shall be proclaimed by the Mayor, and her Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty

days after the date of publication.

Section 5. That a copy of this Ordinance shall be given to the Carroll County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6. That the Mayor and City Clerk, for and on behalf of the City, be, and they are hereby, authorized and directed do any and all things necessary to call and hold the special election as herein provided.

Section 7. Following adoption, this Ordinance shall be posted in the following public places in the City: City Hall, Post Office, Eureka Springs Public Library, Hart's Family Center and Bunch's Quik-Chek.

Section 8. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. It is hereby ascertained and declared that there is an immediate need for the Improvements in order to promote and protect the health, safety and welfare of the City and its inhabitants, and that the Improvements can be accomplished only by the issuance of the Bonds. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of public peace, health and safety shall be in force and take effect immediately from and after its passage.

PASSED: June 11, 2007.

APPROVED:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk of Eureka Springs, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. \_\_\_\_\_, passed at a \_\_\_\_\_ session of the City Council of Eureka Springs, Arkansas, held at the regular meeting place of the City Council at \_\_\_\_\_ o'clock \_\_.m., on the \_\_\_\_\_ day of \_\_\_\_\_, 2007, and that the Ordinance is of record in Ordinance Record Book No. \_\_\_\_\_, Page \_\_\_\_\_, now in my possession.

2007. GIVEN under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_,

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City Clerk

(SEAL)