

ORDINANCE NO. 867

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF BONDS FOR THE PURPOSE OF AIDING IN THE ACQUISITION, CONSTRUCTION, EQUIPMENT, AND EXTENSION OF A CITY HOSPITAL FOR THE CITY OF EUREKA SPRINGS, ARKANSAS; LEVYING A TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST OF SAID BONDS; AND DECLARING AN EMERGENCY.

WHEREAS, by ordinance duly passed on July 12, 1965, there was submitted to the qualified electors of the City of Eureka Springs, Arkansas, the question of whether the City should issue bonds to the amount of \$85,000 for the purpose of aiding in the acquisition, construction, equipment, and extension of a municipal hospital, said bonds to bear interest at a rate acceptable to the City Commissioners; and

WHEREAS, due notice of the election was given as required by law and said election was duly held on August 17, 1965, and the bond issue was approved by a vote of 378 for and 213 against; and

WHEREAS, the result of the election was announced by the Mayor by a proclamation issued August 25, 1965, and duly published August 26, 1965, in The Eureka Springs Times-Echo, a newspaper published in Carroll County, Arkansas, and having a bona fide circulation in the City of Eureka Springs, and said result is now conclusive, since it has not been attacked in the courts although more than thirty days have passed since said proclamation; and

WHEREAS, the City of Eureka Springs, at a public sale held at 1:30 o'clock P.M. on December 7, 1965, in the office of COMMISSIONERS MEETING ROOM, after more than twenty days' advertisement in said newspaper, contracted to sell the bonds to Hill, Crawford & Lanford, Inc., investment bankers, Little Rock, Arkansas, who submitted the best and highest bid for said bonds, being a price of 100 cents on the dollar face value plus accrued interest for 4% bonds; and

WHEREAS, the buyer of said bonds has elected to name the City National Bank of Fort Smith, Arkansas, as trustee for the bonds and as place of payment, and has elected to convert \$85,000 in 4% bonds

to \$90,000 in bonds bearing interest and maturing as hereinafter set out, and have presented computations showing the cost of maturing the bonds after conversion to be \$776 less than the cost of maturing the bonds according to the original schedule, so that the conversion is within the terms of the sale notice; now, therefore,

BE IT ORDAINED by the City Commissioners of the City of Eureka Springs, Arkansas:

SECTION 1. That the sale of the bonds to Hill, Crawford & Lanford, Inc., and the conversion of the bonds to lower interest rates, are hereby approved and confirmed.

SECTION 2. That the Mayor and City Clerk are hereby authorized and directed to execute the Hospital Bonds of this City aggregating \$90,000, dated as of September 1, 1965, and maturing on September 1 of each year as follows:

YEAR	BOND NOS. (both inclusive)	AMOUNT
1968	1 and 2	\$ 1,500
1969	3 and 4	1,500
1970	5 and 6	1,500
1971	7 and 8	2,000
1972	9 and 10	2,000
1973	11 and 12	2,000
1974	13 and 14	2,000
1975	15 and 16	2,000
1976	17 and 18	2,000
1977	19 and 20	2,000
1978	21 and 22	2,000
1979	23 and 24	2,000
1980	25 and 26	2,000
1981	27 and 28	2,000
1982	29 and 30	2,000
1983	31 and 32	2,000
1984	33 and 34	2,000
1985	35 and 36	2,000
1986	37 and 38	2,000
1987	39,40 and 41	2,500
1988	42,43 and 44	2,500
1989	45,46 and 47	2,500
1990	48,49 and 50	2,500
1991	51,52 and 53	2,500
1992	54,55 and 56	3,000
1993	57,58 and 59	3,000
1994	60,61 and 62	3,000
1995	63,64 and 65	3,000
1996	66 to 94	29,000

YEAR	PRINCIPAL Sept. 1 of each year	INTEREST		TOTAL
		March 1	and Sept. 1 of each year	
1966	\$	\$1649.63	\$1649.62	\$3299.25
1967		1649.63	1649.62	3299.25
1968	1500.00	1649.63	1649.62	4799.25
1969	1500.00	1624.50	1624.50	4749.00
1970	1500.00	1599.38	1599.37	4698.75
1971	2000.00	1574.25	1574.25	5148.50
1972	2000.00	1540.75	1540.75	5081.50
1973	2000.00	1507.25	1507.25	5014.50
1974	2000.00	1473.75	1473.75	4947.50
1975	2000.00	1440.25	1440.25	4880.50
1976	2000.00	1406.75	1406.75	4813.50
1977	2000.00	1371.75	1371.75	4743.50
1978	2000.00	1336.75	1336.75	4673.50
1979	2000.00	1301.75	1301.75	4603.50
1980	2000.00	1266.75	1266.75	4533.50
1981	2000.00	1229.25	1229.25	4458.50
1982	2000.00	1191.75	1191.75	4383.50
1983	2000.00	1154.25	1154.25	4308.50
1984	2000.00	1116.75	1116.75	4233.50
1985	2000.00	1079.25	1079.25	4158.50
1986	2000.00	1041.75	1041.75	4083.50
1987	2500.00	1002.75	1002.75	4505.50
1988	2500.00	954.00	954.00	4408.00
1989	2500.00	905.25	905.25	4310.50
1990	2500.00	856.50	856.50	4213.00
1991	2500.00	807.75	807.75	4115.50
1992	3000.00	759.00	759.00	4518.00
1993	3000.00	700.50	700.50	4401.00
1994	3000.00	642.00	642.00	4284.00
1995	3000.00	583.50	583.50	4167.00
1996	29,000.00	525.00	525.00	30,050.00

These amounts shall be proportionately reduced in the event any bonds are paid prior to maturity.

SECTION 7. The Treasurer of the City of Eureka Springs is hereby directed and ordered to remit to the paying agent, not later than five days before the date of each interest payment, the amount of interest or interest and principal due on said date, together with the paying charges, which shall be 1/8 of 1% on principal and 5¢ per coupon, with the provision that the minimum paying charge shall be \$5.00. This instrument to the Treasurer is irrevocable and may be enforced by mandamus.

SECTION 8. The City agrees to deposit the proceeds of the sale as follows: The accrued interest shall be paid into the Bond and

SECTION 5. In order to pay these September 1, 1965 bonds as they mature, with interest thereon, there is hereby levied upon all taxable real and personal property within the City of Eureka Springs, Arkansas, a tax of five mills on each dollar of assessed valuation thereof, beginning with the taxes collected in the year 1966 and continuing annually, being a rate sufficient to pay said bonds and interest as they mature, with five per centum added for unforeseen contingencies. The City Clerk is directed to transmit a copy of this ordinance to the County Clerk of Carroll County, Arkansas, to the end that said tax may be extended on the tax books of said County and collected annually along with the other taxes until said bonds and interest thereon are paid in full. The City agrees that all of the revenues from the five mill tax shall be put in a separate fund known as the "Bond and Interest Fund" and shall be used solely for the payment of the bonds and interest of this issue, as set out in this ordinance. Any surplus from year to year shall be kept and accumulated until the City has on hand a reserve equivalent to the next six months' interest payment, and any surplus after that reserve has been set up ~~mut~~ be used to call the bonds of this issue for payment prior to maturity in inverse numerical order at par and accrued interest on the next succeeding interest paying date; provided, no bond shall be called for partial payment.

SECTION 6. In order to pay said bonds, with interest thereon, as they mature, there are hereby appropriated out of the proceeds of the tax hereby levied (and if such proceeds be not sufficient, then out of the general revenues of the City) the following sums, to-wit:

All the bonds shall be in the denomination of \$1000 each except Nos. 2, 4, 6, 41, ~~44~~, 47, 50, and 53, which shall be in the denomination of \$500 each. They shall be callable as hereinafter set out, and shall bear interest payable semi-annually at the following rates per annum: Nos. 1 to 16 inclusive at 3.35%, Nos. 17 to 24 inclusive and Nos. 80 to 94 inclusive at 3.50%, Nos. 25 to 36 inclusive and Nos. 66 to 79 inclusive at 3.75%, and Nos. 37 to 65 inclusive at 3.90%.

SECTION 3. That said bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF CARROLL
CITY OF EUREKA SPRINGS

 % Hospital Bond

No.

\$

KNOW ALL MEN BY THESE PRESENTS:

That the City of Eureka Springs, in the County of Carroll, State of Arkansas, acknowledges itself to owe and for value received promises to pay to bearer the sum of

 DOLLARS

on September 1, 19 , with interest thereon from date hereof at the rate of per centum (%) per annum until paid, interest payable semi-annually on March 1 and September 1 of each year, commencing March 1, 1966, on presentation and surrender of the annexed coupons as they severally mature. Both the principal of and interest on this bond are payable in any coin or currency which on the date of payment is legal tender for payment of debts due the United States of America, at the main office of the City National Bank of Fort Smith, Arkansas.

This bond is one of a series of bonds aggregating Ninety-Thousand Dollars (\$90,000), all of like tenor and effect except as to number, denomination, interest rate, and maturity, numbered from One (1) to Ninety-four (94), inclusive, issued for the purpose of aiding in the acquisition, construction, equipment, and extension of

special tax levied for their payment or from proceeds of the bond sale remaining when construction has been completed, on any interest paying date; from funds from any other source, on any interest paying date on and after September 1, 1970. In the event the City calls bonds for payment prior to maturity, it shall publish notice of such call once a week for two weeks in some newspaper of general circulation throughout the State of Arkansas, the first publication to be not less than fifteen days prior to the date fixed for redemption, giving the number and maturity of each bond being called. All bonds so called shall cease to bear interest after the date fixed for their redemption, provided the funds for their payment are on deposit with the paying agent at that time.

This bond shall not be valid until authenticated by the certificate hereon of the City National Bank of Fort Smith, Arkansas.

IN WITNESS WHEREOF, the City of Eureka Springs, Arkansas, has executed this bond by the hands of its Mayor and City Clerk and attested it with its corporate seal, and has caused the coupons hereto attached to be authenticated by the facsimile signature of its Mayor, as of the first day of September, 1965.

CITY OF EUREKA SPRINGS, ARKANSAS

By _____
Mayor

Attest:

City Clerk

(Seal)

(Form of Coupon)

No. _____

\$ _____

On the first day of ^{March} September, 19____, unless the bond to which this coupon is attached is paid prior thereto, the City of Eureka Springs, Arkansas, promises to pay to bearer _____ DOLLARS in any coin or currency which on said date is legal tender for payment of debts due the United States of America, at the main office of the City National Bank of Fort Smith, Arkansas, being six months' interest then due on its Hospital Bond dated September 1, 1965, and numbered _____.

CITY OF EUREKA SPRINGS, ARKANSAS

By _____
Mayor

(All coupons shall be for six months' interest. The signature of the Mayor on the coupons shall be lithographed or engraved.)

Each bond shall be authenticated by the City National Bank of Fort Smith, Arkansas, as follows:

CERTIFICATE

The City National Bank of Fort Smith, Arkansas, hereby certifies that this bond is one of the series of 94 Hospital Bonds aggregating \$90,000 described within.

CITY NATIONAL BANK
OF FORT SMITH, ARKANSAS

By _____
Authorized Officer

Fort Smith, Arkansas

_____, 1966.

SECTION 4. That the Mayor and City Clerk are hereby authorized and directed, when they have executed said bonds and have had them duly certified, to deliver them to the purchaser upon receipt of the full purchase price, and the proceeds of said bonds shall be used for no purpose except the purposes for which voted.

a municipal hospital. The City hereby warrants and covenants that in issuing this bond it has proceeded in accordance with the provisions of Amendment No. 13 to the Constitution of the State of Arkansas and in accordance with the laws of said State, under ordinances of the City Commission of said City and pursuant to an election duly held at which the majority of the legal voters of said City voting on the question voted in favor of the issue of said bonds; that all conditions, acts and things required to exist, to be performed, and to happen precedent to and in the issuance of this bond do exist, have been performed, and have happened in due time, form and manner as required by law and particularly by said Amendment No. 13; that a tax sufficient to pay the bonds aforesaid has been duly levied in accordance with said Amendment and made payable annually until all of said bonds and the interest thereon have been fully paid and discharged; and that the indebtedness represented by this bond and the issue of which it forms a part does not exceed any constitutional or statutory limitation. For the prompt payment of this bond and the interest thereon, the said City of Eureka Springs hereby pledges its full faith, credit and taxing power, including the revenues to be derived from the five mill special tax authorized to be levied by said Amendment to the Constitution for the payment of this bond and other bonds of this series.

The City has agreed that out of the revenues derived from the special tax which it has levied and which is authorized by Amendment No. 13 to the Constitution of the State of Arkansas, it will maintain a reserve equivalent to the next six months' interest payment, and that any surplus after that reserve has been set up must be used on the next succeeding interest paying date to call the bonds of this issue for prepayment; provided, no bond shall be called for partial payment.

The bonds of this issue are callable at the option of the City for payment prior to maturity in inverse numerical order at par and accrued interest, as follows: From surplus revenues derived from the

Interest Fund, as hereinabove defined; the balance received from the sale of the bonds shall be deposited in a separate fund to be known as the "Construction Fund," to be used solely for the payment of the cost of the acquisition, construction, equipment, and extension of a municipal hospital plus the expenses of the bond issue, except that the City agrees to set aside sufficient funds from the Construction Fund to meet interest requirements until tax revenues become available, but as soon as possible this money shall be repaid to the Construction Fund.

SECTION 9. Both the Bond and Interest Fund and the Construction Fund shall be deposited in one or more banks holding membership in the Federal Deposit Insurance Corporation. Vouchers upon either fund must be signed by two duly authorized persons. The City agrees to require from the depository bank in which the Construction Fund is placed security for all of the deposit over the \$10,000 insured by said FDIC, such security to be either in the form of a corporate surety bond or in the form of government bonds escrowed with some other bank, with the right in the depository to withdraw bonds from the escrow as the Construction Fund is withdrawn by the City.

SECTION 10. If default is made and continues for thirty days in the payment of any interest coupon, the holder of the bond to which it is attached may declare the same immediately due and payable, and the failure of the holder to exercise this option upon any default shall not be a waiver of his right to exercise the option upon any subsequent default.

SECTION 11. The bonds of this issue shall be callable for payment prior to maturity according to the terms set out in the face thereof.

SECTION 12. The City National Bank of Fort Smith, Arkansas, is designated as Trustee, authorized to act for and on behalf of the bondholders, but it shall be responsible only for wilful wrong in

the execution of its trust, and the recitals of fact contained herein and in the bonds themselves (except the Trustee's Certificate authenticating the bonds) are statements made by the City and not by the Trustee. The Trustee shall not be required to take notice of any default or to take any action hereunder until it shall have been notified in writing of said default and indemnified to its satisfaction against any loss, expense or cost that it may incur by taking action. The holders of a majority in value of the outstanding bonds at any time may, by an instrument duly executed and recorded in the office of the City Clerk, appoint a new Trustee, who shall have all of the powers of the Trustee originally named, and the Trustee herein named may resign at any time upon ten days' notice in writing mailed to the City Clerk.

SECTION 13. The terms of this ordinance shall constitute a contract between the City of Eureka Springs and the holders of the bonds herein authorized, and no variation or change in the undertakings herein set out shall be made while any of these bonds are outstanding, except with the written consent of the holders of all bonds of this issue then outstanding, and the holder of any bond may at any time, for and on his own behalf, or the Trustee may, for and on behalf of all the bondholders, enforce the obligations of the City by a proper suit for that purpose.

SECTION 14. The provisions of this ordinance are separable, and in the event that any section or part of section shall be held to be invalid, such invalidity shall not affect the remainder of the ordinance.

SECTION 15. It is hereby ascertained and declared that there is an immediate and urgent need for the acquisition, construction, equipment, and extension of a municipal hospital in Eureka Springs, Arkansas, in order to protect the health, life, and property of the City's inhabitants; therefore, an emergency exists and this ordinance,

being necessary for the preservation of the public peace, health and safety, shall be in force and take effect immediately upon and after its passage.

Passed: January 13th, 1966.

APPROVED:

Jan M Bullock
Mayor

Attest:

Albert Harp
City Clerk

CERTIFICATE

I, the undersigned, Clerk of the City of Eureka Springs, Arkansas, certify the foregoing to be a true copy of an ordinance passed by the City Commissioners of said City at a duly called and constituted meeting at which all of the Commissioners were present and voted for said ordinance, which is now of record in Ordinance Book No. 3, page 350, of the records of said City.

CERTIFIED under my hand and the seal of said City this 13th day of January, 1966.

Albert Harp
City Clerk

(Seal)

STATE OF ARKANSAS }
COUNTY OF CARROLL }
I hereby certify that this instrument was filed for record in my office the 13th day of January 1966. This is the true and correct copy of the original as the same appears in page 350 of book 3 of the records of said City.
By _____
Deputy Clerk