

ORDINANCE NO. 6316

AN ORDINANCE AUTHORIZING AN AGREEMENT WITH US BANCORP TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION FOR CERTAIN 2020 CAPITAL ACQUISITIONS; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Hot Springs, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Act No. 1808 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the "Act"), to issue obligations and to expend the proceeds thereof to finance all or a portion of the cost of acquiring, constructing, and installing real property or tangible personal property having an expected useful life or more than one (1) year; and

WHEREAS, the City has determined to acquire by Agreement financing certain capital items as approved in its 2020 Budget; and that

WHEREAS, it is proposed that the City execute an Agreement in the principal amount not to exceed \$1,357,700 (the "Agreement") under Amendment No. 78 and the Act for the purpose of financing all or a portion of the costs of acquisition of the capital items; and

WHEREAS, proposals were received February, 2020, for short-term financing; and USBancorp offered the most competitive interest rate.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Hot Springs, Arkansas:

SECTION 1. The City hereby finds that the capital items to be procured are tangible personal property, hereinafter termed "Property" and will have a useful life of more than one (1) year and does hereby authorize a financing agreement with US Bancorp.

SECTION 2. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Amendment No. 78 and the Act, the Agreement is hereby authorized and ordered executed in a principal amount not to exceed \$1,357,700 for the purpose of financing all or a portion of the costs of acquiring the Property and paying expenses of issuing the Agreement. The Agreement shall be dated the date of execution and shall bear interest on the outstanding principal amount at a fixed rate not to exceed 65% of the five-year treasury bill rate (on the date of execution) plus 41 basis points per annum. The Agreement shall be paid in 60 monthly installments of principal and interest commencing 30 days after the date of the Agreement and on the same day of each month thereafter, with the final installment due five (5) years from the date of the Agreement, together with interest thereon.

SECTION 3. The Agreement shall be executed with US Bancorp.

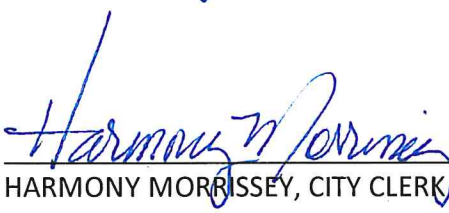
SECTION 4. As provided in Amendment No. 78, the annual debt service payments on the Agreement in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year.

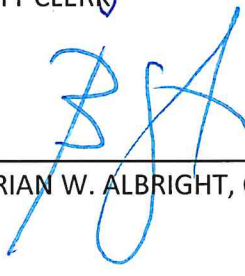
SECTION 5. The Mayor, City Manager, City Treasurer, City Attorney, and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the issuance, execution, and delivery of the Agreement, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are hereby further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

SECTION 6. Emergency Clause: The Board of Directors hereby determines that the instigation and completion of the projects hereinabove set forth are essential to the public health safety and welfare of the citizens of the City and must be financed as quickly as possible, an emergency is therefore declared to exist and this ordinance shall be in full force and effect from and after the date of its execution.

PASSED: February 18, 2020

APPROVED: 
PAT McCABE, MAYOR

ATTEST: 
HARMONY MORRISSEY, CITY CLERK

APPROVED AS TO LEGAL FORM: 
BRIAN W. ALBRIGHT, CITY ATTORNEY