

ORDINANCE NO. 57

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ADDITIONAL WATER REVENUE BONDS TO COMPLETE THE MUNICIPAL WATER SYSTEM.

WHEREAS, the City of Clinton, Arkansas, has issued a series of water revenue bonds which, in connection with a water improvement district and an issue of water improvement bonds under Amendment No. 13 to the Constitution of the State of Arkansas, is providing the funds for the construction of a municipal waterworks system, but it now develops that there is need for an additional \$6000 to complete the system; and

WHEREAS, under the provisions of Ordinance No. 53 of the City of Clinton, passed and approved March 23, 1953, the City is authorized to issue additional water revenue bonds on a parity with the original revenue issue, provided the earnings of the system shall be equal to at least 150% of the aggregate of principal and interest payments of the bonds then outstanding plus one year's interest on the proposed additional bonds and an average maturity of such additional bonds, plus the fiscal agency paying charges; and

WHEREAS, E. L. Villareal & Company, Investment Bankers, Little Rock, Arkansas, have agreed to buy, at a price of 90c on the dollar and accrued interest, an issue of \$6000 in $3\frac{1}{2}\%$ water revenue bonds dated as of September 1, 1953, and maturing serially on September 1 of the years 1954 to 1965, both inclusive, at the rate of \$500 per year; now, therefore,

BE IT ORDAINED by the City Council of the City of Clinton, Arkansas:

SECTION 1. That the City Council hereby finds and declares that the projected earnings of the municipal waterworks system meet the requirements of Ordinance No. 53 of the City of Clinton, passed and approved March 23, 1953, authorizing an issuance of additional bonds on a parity with the water revenue bonds dated March 1, 1953, and that the price offered for the additional bonds is one allowed by law, and therefore the sale of the bonds to E. L. Villareal & Company is hereby approved and confirmed.

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the ordinance as read be adopted. The motion was seconded by Alderman Woodall, after Alderman Bradford moved that the ordinance be adopted. On roll call the following voted:

Aye: Mayor Riddick, and Aldermen Lewis, Lefler, Woodall Thompson, and Bradford.

No: None.

The Mayor declared that the ordinance had been duly passed, and he signed the ordinance in open Council meeting and his signature was attested by the Recorder under the seal of the City.

There being no further business, the meeting adjourned.

EARL B. RIDDICK, Mayor.

Attest: WINFREY SMITH, City Recorder.

CERTIFICATE

I, the undersigned, City Recorder of Clinton, Arkansas, certify the foregoing to be a true copy of the excerpts therein set out from the called and constituted as therein set out.

CERTIFIED this April 27, 1953.

WINFREY SMITH, City Recorder.

(Seal)

SECTION 2. That the purpose of the issue is to provide funds for additional service lines to the inhabitants of the City, and the construction of these lines will increase the revenues to be derived from the operation of the system. (The proposed improvements are hereinafter called the "Works", and the waterworks system after construction is hereafter called the "System.")

SECTION 3. That under the authority of the general statutes of the State of Arkansas, and particularly Act No. 131 of the General Assembly of the State of Arkansas for the year 1933, as amended (sometimes hereinafter called "Act no. 131, as amended"), revenue bonds be issued in the total amount of \$6000, the proceeds of the sale of which shall be used to pay the cost of the Works, including engineering and legal fees and other necessary expenses, to be dated as of September 1, 1953, numbered from 1 to 12, both inclusive, to be sometimes hereinafter referred to as "bonds," to be in the denomination of \$500 each, to be callable as hereinafter set out, and to mature in numerical order on September 1 each year as follows:

YEAR	BOND NO.	AMOUNT
1954	1	\$ 500
1955	2	500
1956	3	500
1957	4	500
1958	5	500
1959	6	500
1960	7	500
1961	8	500
1962	9	500
1963	10	500
1964	11	500
1965	12	500

The bonds shall bear interest payable semi-annually beginning March 1, 1954, at the rate of $3\frac{1}{2}\%$ per annum. The bonds shall be signed by the Mayor and City Recorder and sealed with the corporate seal of the City; the interest upon the bonds shall be evidenced by coupons attached thereto, the coupons to be signed by said Mayor by his facsimile signature, and the Mayor shall be the execution on the bonds adopt as and for his own proper signature his facsimile signature appearing on said coupons. The bonds shall be payable in lawful money of the United States of America at the office of

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The Commercial National Bank of Little Rock, Arkansas.

The bonds, together with interest thereon, shall be payable solely out of the Water Revenue Bond Fund as hereinafter defined, and shall be a valid claim of the holder thereof only against such Fund, and the amount of the revenues pledged to said Fund, which amount of said revenue is hereby pledged and mortgaged for the equal and ratable payment of the interest on the bonds of this issue and of the first and second lien issues authorized by said Ordinance No. 53 and the principal of the bonds of this issue and of the first lien issue as provided in said Ordinance No. 53, and to the payment of the principal of second lien issue as provided in said Ordinance No. 53, and shall be used for no other purposes except as hereinafter set out.

SECTION 4. Said bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF VAN BUREN
CITY OF CLINTON

3½% Water Revenue Bond

No. _____

\$ 500

KNOW ALL MEN BY THESE PRESENTS:

That the City of Clinton, in the County of Van Buren, State of Arkansas, for value received hereby promises to pay, solely from the special fund provided therefor as hereinafter set forth, to bearer, the sum of FIVE HUNDRED DOLLARS on the first day of September, 19__, with interest thereon at the rate of three and one-half per centum (3½%) per annum from date until paid, payable on March 1, 1954, and semi-annually thereafter upon presentation and surrender of the annexed coupons as they severally become due. Both principal hereof and interest hereon shall be payable in lawful money of the United States of America, at the office of The Commercial National Bank of Little Rock, Arkansas.

This bond is one of a series of bonds aggregating Six Thousand Dollars (\$6000), all of like tenor and effect except as to number and maturity, numbered from 1 to 12, both inclusive, and issued

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for the purpose of completing the construction of a waterworks system for said City. (The waterworks system will be hereinafter called the "System.")

This bond and the series of which it forms a part are issued pursuant to and in accordance with the provisions of the laws and Constitution of the State of Arkansas, and particularly Act No. 131 of the Acts of the General Assembly of the State of Arkansas for the year 1933, as amended, and do not constitute an indebtedness of the City of Clinton within any constitutional or statutory limitation. Said bonds are payable solely from a fixed amount of the revenues from the System, which amount shall be sufficient to pay the principal of and interest on the bonds as the same become due and payable. Said amount has been duly set aside and pledged as a special fund for that purpose and identified as the "Water Revenue Bond Fund," created by Ordinance No. 53 of the City of Clinton, passed March 23, 1953, and the said City of Clinton has fixed and has covenanted and agreed to maintain rates for water services which shall be sufficient at all times to provide for the payment of the reasonable expenses of operation, repair and maintenance of said System and to provide for the payment of the principal of and interest on the bonds of this issue as the same become due and payable. The bonds of this issue share on a parity as to payment of interest with the first lien issue of \$38,600 and with the second lien issue of \$10,000 authorized by said Ordinance No. 53, and on a parity as to payment of principal with said first lien issue.

This bond is expressly made negotiable by the statutes under which it is issued, and is issued with the intent that the laws of the State of Arkansas shall govern the construction thereof.

The bonds of this issue are callable for payment prior to maturity at par and accrued interest in inverse numerical order, as follows: from surplus revenues derived from the operation of the System, on any interest paying date; from funds from any source, on any interest paying date on and after March 1, 1958. In the

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(Form of Coupon)

No. _____

\$8.75

On the first day of March (September), 19___, unless the bond to which this coupon is attached is sooner called for payment, the City of Clinton, Arkansas, promises to pay to bearer the sum of Eight and 75-100 Dollars in lawful money of the United States of America, solely out of the fund specified in the bond to which this coupon appertains, at the office of the Commercial National Bank of Little Rock, Arkansas, being interest then due on its $3\frac{1}{2}\%$ Water Revenue Bond dated September 1, 1953, and numbered _____.

CITY OF CLINTON, ARKANSAS

By _____, Mayor.

(All coupons shall be for six months' interest. The Mayor's signature shall be lithographed.)

On the back of said bonds is to appear the following:

CERTIFICATE

This is one of the twelve $3\frac{1}{2}\%$ Water Revenue Bonds aggregating \$6000 described within.

THE COMMERCIAL NATIONAL BANK, LITTLE ROCK, ARKANSAS, Trustee

By _____
VICE PRESIDENT & SECRETARY

SECTION 5. That Subsections (a) and (b) of Section 10 of said Ordinance No. 53 be amended to read as follows:

(a) The balance of the revenues of the System after making the required payments into said Operation Fund is hereby declared to be the net revenues of Said System. There is hereby created, and so long as any of the bonds authorized by this ordinance and by said Ordinance No. 53 are outstanding there shall be maintained a special fund to be known as the "Water Revenue Bond Fund" (sometimes hereinafter referred to as the "sinking fund"), into which there shall be set aside from said net revenues such portion thereof as will be sufficient to pay the interest on said bonds as the same becomes due, to pay necessary fiscal agency charges for paying

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bonds and interest, and to pay the principal of said bonds at or before maturity, as herein provided, and to create a margin of safety. It is hereby determined and agreed that the minimum amounts to be so set aside and paid into the sinking fund each month for account of the bonds authorized by said ordinances shall be, in addition to the paying agent's fees, not less than one-fifth of the amount of interest on all three bond issues becoming due on the next succeeding interest payment date plus one-tenth of the amount of principal of the two first lien bond issues becoming due on the next succeeding principal payment date until a reserve of \$3000 has been accumulated.

Provided, however, that no further payments need be made into said sinking fund after and so long as such amount of the bonds shall have been retired that the amount then held in such sinking fund, including the reserve, is equal to the entire amount of the interest and principal that will have accrued and become due at the time of the retirement or maturity of all the bonds then remaining outstanding.

The undertaking to transfer and pay the prescribed amounts from said Water Fund into said sinking fund shall be cumulative so that in the event the net revenues during any month are inadequate to make the required transfer and payment, the amount of the deficiency shall be made up from the first available net revenues thereafter received, and the same shall be in addition to the amounts otherwise required to be transferred and paid into said sinking fund.

(b) Said sinking fund shall be used solely and only and is hereby pledged for the purpose of paying interest on and accomplishing the retirement of the bonds authorized by this ordinance and by said Ordinance No. 53. Withdrawals and remittances to the place of payment of the principal and interest shall be made in ample time to meet the semi-annual payments of such principal and interest.

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It shall be the duty of the City Treasurer to deposit with The Commercial National Bank of Little Rock, Arkansas, the Trustee, on the first day of each month after the issuance of these bonds, the respective sums which are required to be withdrawn from the Water Fund and paid into the sinking fund, and this sinking fund shall be and remain in and on deposit with the said bank as a trust account until applied in payment of principal and interest of said bond issues. When the amount on the deposit with the Trustee has accumulated a total reserve of \$3000 over and above the current bond and interest requirements, then the respective payments from the Water Fund into the sinking fund shall be reduced to one-sixth of the next installment of interest on all issues and one-twelfth of the next installment of principal of the bonds of the two first lien issues, together with the paying agent's fee.

It shall be the duty of the City Treasurer to deliver to the Trustee, not less than five days before the due date of any semi-annual payment of interest or annual payment of principal, a check or voucher drawn on the sinking fund on deposit with the Trustee, to be used to meet the payment then due on all water revenue bonds of the City then outstanding, together with the paying charges hereinafter set out.

SECTION 6. That Section 12 of said Ordinance No. 53 be amended to read as follows:

SECTION 12. The revenue from the System which remains after making full provision for the funds hereinabove established is hereby declared to be surplus revenue. Not more than thirty per centum (30%) of it may be used to call second lien bonds for payment prior to maturity, and any balance may be used to pay bonds and interest either of the water bonds issued by the City under Amendment No. 13 of the Constitution of the State of Arkansas or the bond issued by Water Improvement District No. 1 of the City of Clinton, or to call bonds of the first two lien issues for payment prior to maturity, or to make improvements or extensions to the System.

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SECTION 7. The Mayor and the City Recorder are hereby authorized and directed to execute the bonds and deliver them to the buyer upon payment of the full purchase price and accrued interest. The money received from accrued interest shall be paid into the Water Revenue Bond Fund. The balance of the money received for the bond issue shall be deposited in the Construction Fund created by Ordinance No. 53 and shall be used according to the directions set out by said Ordinance No. 53 for the use of that fund.

SECTION 8. Except as amended by this ordinance, the terms and provisions of said Ordinance No. 53, passed March 23, 1953, shall remain in full force and effect.

SECTION 9. The Mayor is hereby directed to publish for one insertion in the VAN BUREN COUNTY DEMOCRAT, which is hereby found and declared to be a newspaper published in and of general circulation in the City of Clinton, Arkansas, a certified copy of this ordinance preceded by a notice signed by him, in substantially the following form:

NOTICE

Notice is hereby given that the City Council of the City of Clinton, Arkansas, has adopted the ordinance hereinafter set out; that said City contemplates the issuance of the bonds described in said ordinance; that any person interested may appear before the Council on the _____ day of _____, 1953, at ___ o'clock ___ m. at the usual place of meeting in the City of Clinton, and be heard. At such hearing, all objections and suggestions will be heard and the Council will take action as deemed proper in the premises.

DATED this _____ day of _____, 1953.

MAYOR OF CLINTON, ARKANSAS

SECTION 10. It is hereby ascertained and declared that there is an immediate need, in order to protect the health and property of the inhabitants of the City, for the completion of the construction of a waterworks system to serve the City of Clinton, Arkansas;

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therefore, an emergency exists and an ordinance is necessary for the preservation of the public peace, health, and safety, and shall take effect and be in force without delay from and after its passage.

Passed: October 26, 1953.

Approved: EARL RIDDICK, Mayor.

(Seal)

Attest: WINFREY SMITH, City Recorder

CERTIFICATE

I, the undersigned, City Recorder of the City of Clinton, Arkansas, hereby certify the foregoing to be a true copy of an ordinance passed by the City Council on the 26th day of October, 1953, at a duly called and constituted meeting at which more than two-thirds of the total number of members-elect of the Council were present and voted for said ordinance, which is now of record in Book 1, Page 60, of the records of said City.

CERTIFIED under my hand and the seal of said City this 26th day October, 1953.

(Seal)

WINFREY SMITH, City Recorder.