

ORDINANCE NO. 093-57

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT AND REFUNDING BONDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND/OR EQUIPPING STREET IMPROVEMENTS, SOLID WASTE COLLECTION, DISPOSAL, COMPACTING AND RECYCLING FACILITIES AND EQUIPMENT, PUBLIC PARK FACILITIES, FIRE FIGHTING FACILITIES AND EQUIPMENT, AND POLICE STATION FACILITIES AND EQUIPMENT AND REFUNDING CERTAIN OUTSTANDING INDEBTEDNESS OF THE CITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING THE EXECUTION OF AN ESCROW DEPOSIT AGREEMENT; PRESCRIBING MATTERS RELATED THERETO; AND DECLARING AN EMERGENCY

WHEREAS, by Ordinance No. 087-22 duly adopted by the City Council (the "Council") of the City of Conway, Arkansas (the "City") on May 26, 1987 (the "1987 Election Ordinance"), there was submitted to the qualified electors of the City the question of issuing, under Amendment 62 to the Constitution of Arkansas ("Amendment 62"), as implemented by Act 871 of the General Assembly of the State of Arkansas for the year 1985 (the "Act"), sales and use tax capital improvement bonds in principal amount not to exceed \$2,000,000 (the "bonds") to provide funds to pay a portion of the cost of constructing certain drainage improvements (the "1987 Project"); and

WHEREAS, the 1987 Election Ordinance also provided for the pledge of all proceeds of the City's one percent (1%) local sales and use tax (the "1% Sales and Use Tax") levied and collected pursuant to Ordinance No. 081-42 adopted September 24, 1981, to secure repayment of the bonds; and

WHEREAS, at a special election held June 30, 1987, a majority of the qualified electors of the City voting on the question approved the issuance of the bonds and the pledge of the 1% Sales and Use Tax; and

WHEREAS, in 1987, the City determined to sell and issue its \$2,000,000 Sales and Use Tax Capital Improvement Bonds, Series 1987 (the "1987 Bonds"), as permitted under Amendment 62 and the Act; and

WHEREAS, pursuant to Amendment 62 and the Act the City is permitted to issue sales and use tax capital improvement refunding bonds to refund existing indebtedness of the City; and

WHEREAS, due to a decline in interest rates, the refunding of the 1987 Bonds is to the City's financial advantage; and

Schedule B

City of Conway, Arkansas
Sales and Use Tax Capital Improvement Bonds

\$1,275,000
Series 1993B Refunding

Maturity Schedule

<u>Year</u>	<u>Amount</u>	<u>Rate of Interest</u>
1994	\$115,000	2.75%
1995	180,000	3.25
1996	185,000	3.60
1997	190,000	3.80
1998	195,000	4.00
1999	200,000	4.25
2000	210,000	4.50

WHEREAS, by Ordinance No. 0-93-47 duly adopted by the Council of the City on August 20, 1993 (the "1993 Election Ordinance"), there was submitted to the qualified electors of the City the question of issuing, under the Amendment, sales and use tax capital improvement bonds in the amount not to exceed \$8,000,000 to provide funds to pay the cost of acquiring, constructing, reconstructing, repairing, straightening and widening streets of the City; sales and use tax capital improvement bonds in the amount not to exceed \$2,500,000 to provide funds to pay the cost of acquiring, constructing and equipping various solid waste collection, disposal, compacting and recycling facilities and equipment in the City; sales and use tax capital improvement bonds in the amount not to exceed \$2,350,000 to provide funds to pay the cost of acquiring, constructing and equipping public park facilities in the City; sales and use tax capital improvement bonds in the amount not to exceed \$575,000 to provide funds to pay the cost of acquiring, constructing and equipping fire fighting facilities and equipment of the City; and sales and use tax capital improvement bonds in the amount not to exceed \$575,000 to provide funds to pay the cost of acquiring and equipping police station facilities and equipment of the City; and

WHEREAS, the 1993 Election Ordinance, in addition to providing for the pledge of the 1% Sales and Use Tax, also provided for the pledge of the City's one-half percent (1/2%) local sales and use tax (the "1/2% Sales and Use Tax") levied by the City; and

WHEREAS, at a special election held September 21, 1993, a majority of the qualified electors of the City voting on the questions approved the issuance of the Bonds and the pledge of the 1/2% Sales and Use Tax and the 1% Sales and Use Tax; and

WHEREAS, the results of the special election will be announced by Mayor's Proclamation duly published as required by law in a newspaper of general circulation in the City; and

WHEREAS, the City has determined to sell and issue its \$14,000,000 Sales and Use Tax Capital Improvement Bonds, Series 1993A (the "1993A Bonds"), and to sell and issue its \$1,275,000 Sales and Use Tax Capital Improvement Bonds, Series 1993B Refunding (the "Series 1993B Refunding Bonds") as permitted under Amendment 62 and the Act (collectively, the Series 1993A Bonds and the Series 1993B Refunding Bonds shall be referred to as the "Bonds"); and

WHEREAS, the City has made arrangements for the sale of the Bonds to Stephens Inc., of Little Rock, Arkansas and Crews & Associates, Inc. of Little Rock, Arkansas (collectively, the "Underwriters"), and in connection therewith has prepared and distributed a Preliminary Official Statement, dated October 13, 1993 (the "Preliminary Official Statement"); and

WHEREAS, there has been submitted to the City by the Underwriters a Bond Purchase Agreement dated October 21, 1993 (the "Bond Purchase Agreement"), providing for the purchase of the Bonds; and

Schedule A

City of Conway, Arkansas
Sales and Use Tax Capital Improvement Bonds

\$14,000,000
Series 1993A

Maturity Schedule

<u>Year</u>	<u>Amount</u>	<u>Rate of Interest</u>
1994	\$ 625,000	2.75%
1995	1,115,000	3.25
1996	1,155,000	3.60
1997	1,195,000	3.80
1998	1,240,000	4.00
1999	1,290,000	4.25
2000	1,345,000	4.50
2001	1,405,000	4.70
2002	1,470,000	4.80
2003	1,540,000	4.90
2004	1,620,000	4.70

WHEREAS, a final Official Statement (the "Official Statement") will be prepared and distributed in connection with the offer and sale of the Bonds; and

WHEREAS, copies of the Preliminary Official Statement, Bond Purchase Agreement, Indenture (hereafter defined) and Escrow Deposit Agreement (hereinafter defined) have been presented to and are before the Council at this meeting.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Conway, Arkansas, that:

Section 1. In addition to the terms defined in the preamble to this Ordinance, the following words and terms used in this Ordinance shall have the following meanings unless the context clearly states another or different meaning or intent:

"Indenture" means the Trust Indenture, dated as of November 1, 1993, between the City and the Trustee, which provides for the issuance of the Bonds.

"Trustee" means Worthen Trust Company, Inc., in the City of Little Rock, Arkansas, together with its successor and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement, dated as of November 1, 1993, by and between the City and First National Bank in Stuttgart or its successor, as Escrow Agent.

Section 2. All actions heretofore taken by the City and the Underwriters in connection with the offer and sale of the Bonds, including preparation and distribution of the Preliminary Official Statement, are hereby in all respects ratified and approved.

Section 3. There is hereby authorized and directed the acceptance of the offer by the Underwriters, pursuant to the Bond Purchase Agreement, to purchase the Series 1993A Bonds at a price of \$13,804,000 plus accrued interest thereon from November 1, 1993, to the date of delivery thereof, and to purchase the Series 1993B Refunding Bonds at a price of \$1,255,875 plus accrued interest thereon from November 1, 1993, to the date of delivery. The Bond Purchase Agreement is hereby approved in substantially the form exhibited at this meeting, and the Mayor of the City is hereby authorized and directed to execute, acknowledge and deliver the Bond Purchase Agreement, and the City Clerk is hereby authorized and directed to attest the same and to affix the seal of the City thereto. Any changes to the Bond Purchase Agreement may be approved by the officers of the City executing such document, their execution and delivery to constitute conclusive evidence of such approval.

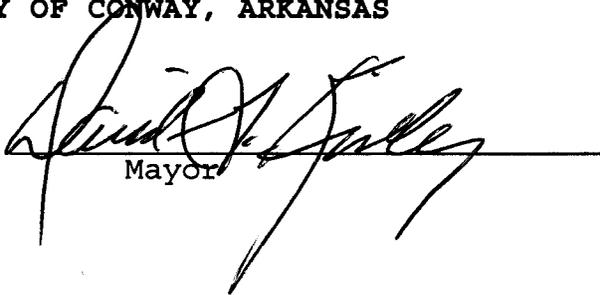
Section 11. The Mayor and City Clerk of the City are hereby empowered to execute and deliver the Bonds and all documents, certificates and other instruments which may be required under the terms of the Indenture or Bond Purchase Agreement and which are appropriate to effect the purposes of this Ordinance.

Section 12. All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

Section 13. The City Council hereby determines that the City of Conway is in dire need of additional capital funds in order to accomplish and provide essential capital improvements and refund existing indebtedness of the City; that an appropriate way to provide such funds is by the issuance of bonds payable from tax revenues as authorized by Amendment 62 and the implementing legislation therefor; and that this ordinance shall be given immediate effect so that the debt service savings may be realized as soon as possible. Therefore, an emergency is hereby declared to exist and this ordinance being necessary for the immediate preservation of the public health, safety, and welfare shall be in full force and effect from and after its passage and approval.

Adopted this 21st day of October, 1993.

CITY OF CONWAY, ARKANSAS

By: 
Mayor

ATTEST:

By: 
City Clerk

[S E A L]

Section 4. To provide funds for the purpose of acquiring, constructing and/or equipping street improvements, solid waste collection, disposal, compacting and recycling facilities and equipment, public park facilities, fire fighting facilities and equipment and police station facilities and equipment of the City, and refunding the 1987 Bonds, there is hereby authorized the issuance of bonds of the City pursuant to Amendment 62 and the Act to be designated "City of Conway, Arkansas Sales and Use Tax Capital Improvement Bonds, Series 1993A and Series 1993B Refunding." The Series 1993A Bonds shall be issued in the principal amount of \$14,000,000, in the forms and denominations set forth in the Indenture, shall be dated November 1, 1993, shall be numbered as provided in the Indenture; shall mature annually on November 1 of the years 1994 through 2004, inclusive, as set forth in Schedule A hereto (which schedule is incorporated herein by this reference); shall bear interest payable semiannually on May 1 and November 1 of each year commencing May 1, 1994, at the rates set forth in the Indenture and in Schedule A hereto; shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture; and shall be sold to the Underwriters for the price specified in Section 3 of this Ordinance. The Series 1993B Refunding Bonds shall be issued in the principal amount of \$1,275,000, in the forms and denominations set forth in the Indenture, shall be dated November 1, 1993, shall be numbered as provided in the Indenture; shall mature annually on August 1 of the years 1994 through 2000, inclusive, as set forth in Schedule B hereto (which schedule is incorporated herein by this reference); shall bear interest payable semiannually on February 1 and August 1 of each year commencing August 1, 1994, at the rates set forth in the Indenture and in Schedule B hereto; shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture; and shall be sold to the Underwriters for the price specified in Section 3 of this Ordinance.

Section 5. The Bonds shall be special obligations of the City and, except to the extent payable from Bond proceeds or moneys from the investment thereof, shall be payable solely from the receipts derived from the 1/2% Sales and Use Tax and the 1% Sales and Use Tax pledged pursuant to Section 9 hereof and received by or on behalf of the City and delivered to the Trustee pursuant to the Indenture. Except as specifically provided herein and in the Indenture, the Bonds shall not constitute a debt or liability of the City within the meaning of any constitutional or statutory limitation.

Section 6. The Bonds shall be executed on behalf of the City by the facsimile signature of the Mayor and the City Clerk of the City in the manner provided in the Indenture. If any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officer of the City, for Bonds so signed and delivered as have been actually authenticated by the Trustee or delivered by the City, such Bonds nevertheless shall be deemed authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be an officer or officers of the City, or any such

Bonds may be signed and sealed on behalf of the City by such persons who, at the actual date of the execution of such Bonds, shall be the proper officers of the City, although at the nominal date of such Bonds any person so signing and sealing shall not have been such officer of the City.

Section 7. The Indenture and Escrow Deposit Agreement are hereby approved in substantially the forms exhibited at this meeting, and the Mayor of the City is hereby authorized and directed to execute, acknowledge and deliver the Indenture and Escrow Deposit Agreement and the City Clerk is hereby authorized and directed to attest the same and to affix the seal of the City thereto. Any changes to the Indenture and Escrow Deposit Agreement may be approved by the officers of the City executing such documents, their execution and delivery to constitute conclusive evidence of such approval.

Section 8. The Council hereby approves the preparation of, and ratifies and confirms the use by the Underwriters of, the Preliminary Official Statement and the Official Statement, and the Mayor is hereby authorized and directed to execute and deliver the Official Statement for and on behalf of the City.

Section 9. In order to pay the Series 1993A Bonds as they mature or are called for redemption prior to maturity, with interest thereon, there is hereby pledged all proceeds of the City's one-half percent (1/2%) sales and use tax, and only to the extent needed, all proceeds of the City's one percent (1%) local sales and use tax, levied by the City pursuant to Ordinance No. 0-93-47 of the City, adopted August 20, 1993, and pursuant to Ordinance No. 081-42 of the City, adopted September 24, 1981, respectively. In order to pay the Series 1993B Refunding Bonds as they mature or are called for redemption prior to maturity, with interest thereon, there is hereby pledged all proceeds of the City's one percent (1%) local sales and use tax levied by the City pursuant to Ordinance No. 081-42 of the City adopted September 24, 1981. The pledge of the one percent (1%) local sales and use tax to the Series 1993A Bonds and the Series 1993B Refunding Bonds shall be on a parity of security. Collection of the one percent (1%) sales and use tax shall continue as long as either the Series 1993A Bonds or the Series 1993B Refunding Bonds are outstanding. Collection of the one-half percent (1/2%) sales and use tax shall continue as long as the Series 1993A Bonds are outstanding. The City covenants and agrees that all revenues from said taxes shall be accounted for separately as a special fund on the books of the City. The City's collections of the taxes shall be deposited directly with the Trustee and shall be used as provided in the Indenture.

Section 10. Rose Law Firm, a Professional Association, is hereby confirmed as Bond Counsel with respect to the issuance of the Bonds, the fees and expenses of which firm shall be a cost of issuance to be paid with Bond proceeds.