



Legislation Details (With Text)

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Title:	RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ)				
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Date	Ver.	Action By	Action	Result
5/20/2014	1	City Council	Passed	Pass
5/20/2014	1	Finance & Administration Council Committee	Recommended to Council	Pass

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ)

WHEREAS, on May 11, 1998 the City of Jonesboro did execute a Contract of Obligation between the City of Jonesboro and the Arkansas Department of Pollution Control and Ecology (ASPCE) related to the closure and post-closure costs of the Jonesboro municipal landfill, said Contract binding the City for payment in the amount of \$500,000.00 in the event of default; and,

WHEREAS, the Arkansas Department of Environmental Quality (as successor agency to ADPCE), has advised City that, pursuant to Regulation 22.1403(c), the above Contract of Obligation may be rescinded upon receipt of a letter of credit in the amount equal to 20% of estimated post-closure maintenance costs;

WHEREAS, this letter of credit must be renewed annually, and the amount adjusted based on annual inflation factor provided by ADEQ;

WHEREAS, Liberty Bank of Arkansas, as primary depository for City, has tentatively agreed to provide an irrevocable standby letter of credit, in favor of the Arkansas Department of Environmental Quality, for his purpose and to renew said letter of credit annually, as needed.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: The Mayor and City Clerk are hereby authorized to execute any and all instruments necessary for the issuance of the mentioned letter of credit.

PASSED AND APPROVED this 20th day of May, 2014.