



Legislation Text

File #: RES-77:1875, **Version:** 1

RESOLUTION TO AMEND THE JOINT RESOLUTION OF JULY 12, 1965, BETWEEN THE CITY OF JONESBORO AND CITY WATER AND LIGHT SETTING THE TERMS FOR THE MONIES PAID BY CITY WATER AND LIGHT

WHEREAS, by Joint Resolution dated July 12, 1965, the City Council of the City of Jonesboro and the Board of Directors of City Water and Light Plant of the City of Jonesboro agreed that the City Water and Light Plant would pay, on a monthly basis to the "Contingency Fund No.2" of the City of Jonesboro, an amount equal to 3% if the gross electric revenues of the said City Water and Light Plant and 2% of the gross water revenues thereof, which monies were to be used for certain specified purposes as set out in said Resolution, and

WHEREAS, the total paid under the terms of this Resolution for the year 1975 amounted to \$188,529.63 as compared with the total sum of \$62,341.33 in the year 1965 when the agreement was reached, and

WHEREAS, current studies reflecting the capital needs of the City Water and Light Plant have made clear the necessity for a multimillion dollar bond issue to protect the city's need for additional energy supply in years to come, as to which bond issues and the needed revenues to support them, the city's financial advisors have indicated that City Water and Light can no longer afford to continue to increase the total dollar amount of monies paid under the terms of the Joint Resolution of 1965. It is felt, however, that City Water and Light can continue a payment level substantially equal to that in the most recent year of 1976, or the sum of \$200,000.00. Utilization of the fund for all purposes specified would continue, including its availability for support of any bond issues which the City Council might hereafter seek to institute.

THEREFORE, BE IT RESOLVED that the Joint Resolution of July 12, 1965, between the City Council of the City of Jonesboro and the Board of Directors of City Water and Light of the City of Jonesboro be amended only to the extent that the amount of monies to be paid by City Water and Light into the fund known as "Contingency Fund No.2" established under the terms of that Resolution be limited to a maximum of \$200,000.00 per year in recognition of the changed capital needs of City Water and Light since the instruction of the original Resolution, but that in all other respects the Resolution of July 12, 1965, shall continue, and is hereby confirmed.

PASSED and ADOPTED this 18th day of July, 1977.