



Legislation Text

File #: ORD-10:021, **Version:** 2

AN ORDINANCE TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY 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 (ADPCE) 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agency to ADPCE), has advised City that, pursuant to Regulation 22.1403(c), the above Contract of Obligation may be rescinded upon receipt of a letter of credit in the amount of \$22,000.00, said amount representing 20% of estimated post-closure maintenance costs; and,

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, in the above amount; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF 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.

SECTION 2: The obligations of the City as evidenced by the letter of credit shall be reflected in the financial records of City and the 2010 Budget as approved by the Council on December 14, 2009, is hereby amended to the extent necessary to reflect this obligation.

SECTION 3: It being necessary that the finances of the City of Jonesboro, Arkansas be efficiently administered and accounted for, and whereas this ordinance is necessary for the proper execution of contractual obligations, an emergency is declared to exist and this ordinance shall be in full force and effect from and after its passage and approval.

PASSED AND ADOPTED this 20th day of April, 2010.