



Legislation Text

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RESOLUTION CONCERNING SETTING THE AMOUNTS WITH CITY WATER AND LIGHT FOR THE CONTINGENCY FUNDS (NOTE: THIS RESOLUTION WAS AMENDED BY RES-77:1875)

WHEREAS, the City Council of Jonesboro, on February 18, 1952, and Directors of the City Water and Light Plant of Jonesboro, on February 12, 1952, approved a joint Resolution, providing for the disposition of funds derived from the operation of the utilities to be paid into a "Contingency Fund" in the amount of \$11,076.10 per year, and said amount was, on June 12, 1956, by Resolution of the Directors of the City Water and Light Plant, increased to \$16,702.56, and said fund accumulated to the total of approximately \$78,000.00 in the year 1958, when the citizens of Jonesboro voted a 2 ½ mill tax for the construction of a City Hall and Central Fire Station and a Sub-Fire Station. By Resolution dated May 13, 1958, the Board of Directors of the City Water and Light Plant of the City of Jonesboro, having previously agreed to the expenditure of the accumulated \$78,000.00 for such purposes, further provided that the yearly payment of \$16,702.56 should be devoted to the payment of the \$183,700.00 in bonds dated March 1, 1958, so that the actual collection of the 2 ½ mill property tax has not been required and the entire cost of the City Hall and Fire Stations is being paid from the utility revenues. By resolution dated November 11, 1958, the City Council and Directors again increased payments to the "Contingency Fund" by \$4,335.34 annually to a total of \$21,037.90, and directed that the \$4,335.34 increase be paid to the holder of a note for the purchase of a fire truck, which note has subsequently been completely paid, and the \$4,335.34 is now being accumulated in a bank account designated "Contingency Fund."

WHEREAS, after careful study of the growth and projected growth and requirements of debt service, operations and capital improvements necessary to the continued full service to water, sewer and electric users, it has been determined by the Board of Directors of the City Water and Light Plant that beginning January 1, 1965, a payment equaling 3 per cent (3%) of the gross electric revenues and 2 per cent (2%) of the gross water revenues into a fund for capital improvements within and for the City of Jonesboro is feasible, and the City Council of the City of Jonesboro finds that such payment is greatly in the public interest, and the amount thereof estimated for the year 1965 is \$62,650.00. After deducting the \$21,037.90 payment, which is pledged and set aside for the payment of the City Hall and Fire Station bonds and the Contingency Fund, there remains the estimated amount of \$41,612.10, and it is the decision of the governing bodies of both the City and the City Water and Light Plant that the Resolutions heretofore adopted and recited above are confirmed in their entirety, that the amounts heretofore pledged continue to be paid into the Contingency Fund or to Paying Agents of City Hall Bonds as may be designated, which shall, for convenience, hereafter be designated "Contingency Fund No.1," and that the balance, being 3 per cent (3%) of the gross electric income and 2 per cent (2%) of the gross water income less \$21,037.90, be paid monthly in amounts determined by the City Water and Light Plant into a fund to be known as "Contingency Fund No.2," and reserved for capital expenditures and improvements.

THEREFORE, BE IT RESOLVED:

(1) That the Resolutions of the City Water and Light Plant and the City of Jonesboro concerning cash payments heretofore adopted be, and they are, in all respects, confirmed, and the City Water and Light shall continue to pay into Contingency Fund No.1 or to Paying Agent of bonds the amount of \$21,037.90 each calendar year for so long as any of the bonds of the City of Jonesboro issued March 1, 1958, remain outstanding, or until funds are on hand, segregated and pledged to such payment, in sufficient amount to retire all of said bonds and interest thereon.

(2) That an amount equal to 3 percent (3%) of the gross electric revenues and 2 per cent (2%) of the gross water revenues, as estimated by the City Water and Light Plant, less \$21,037.90 designated for Contingency Fund NO.1, be paid monthly into a fund to be known as "Contingency Fund No.2," and that from said fund the Mayor and the City Council of the City of Jonesboro may provide, by resolution, for the payment of expenditure for acquisition of lands, rights-of-way, and capital improvements only, and may be pledged for loans, bonds, certificated of indebtedness, or borrowing in other forms as may be executed by the City to procure funds for such capital improvements, and provided that the general purpose of such expenditures or pledges shall be approved by the governing board of the City Water and Light Plant and not made without such approval. Provided, further, that the expenditures by the City for street right-of-way and for off-street parking is hereby approved and that expenditures for and on behalf of the City by the Airport Commission of the City of Jonesboro for the extension of runways and improvements at the Jonesboro Airport, and borrowings for such purposes, are approved by the joint governing bodies in such amounts as the said Airport Commission shall find advisable or needed.

PASSED and ADOPTED this 12th day of July, 1965.