



Legislation Text

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A RESOLUTION PLEDGING SURPLUS REVENUES OF THE CITY WATER AND LIGHT PLANT TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON CERTAIN GENERAL OBLIGATION BONDS BEING ISSUED BY THE CITY OF JONESBORO, ARKANSAS, AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the electors of the City of Jonesboro, Arkansas (the “City”) at an election duly called and held pursuant to the provisions of Amendment No. 13 to the Constitution of the State of Arkansas have approved the issuance of General Obligation Bonds in the unconverted principal amount of \$1,160,000. For certain public improvements; and

WHEREAS the millage under Amendment No. 13 available to the City for the bonds so approved by the electors is 2 ½ mills through 1972 (by which time outstanding General Obligation Bonds under Amendment No. 13 to the payment of the principal of and interest on which 2 ½ mills are now pledged will have been retired so that the millage so pledged will be released) and 4 mills thereafter; and

WHEREAS in an effort to sell the bonds on the most favorable terms to the City and its taxpayers, it was agreed by representatives of the City and representatives of the City Water & Light Plant that an amount of surplus revenues (as hereinafter defined in this Resolution) would be pledged to the payment of the principal of and interest on the bonds during the period that only 2 ½ mills will be available; and

WHEREAS in accordance with that agreement, the bonds were duly advertised and sold at public sale, supported by a pledge of 2/12 mills through 1972 and 4 mills thereafter and by a pledge of an amount of surplus revenues of the City Water & Light Plant and the bonds are being issued pursuant to the provisions of Ordinance No. 1213 adopted and approved on the 7/th day of November, 1968 (which are herein referred to as the “bonds”), to which reference may be had for the details pertaining to the bonds and the nature and extent of their security; and

WHEREAS the purpose of this Resolution (which is being adopted in substantially identical form by the City Council of the City and by the Board of Directors of the City Water and Light Plant) is to formally pledge to the payment of the principal of and interest on the bonds that amount of surplus revenues of the City Water & Light Plant specified herein;

NOW, THEREFORE, BE IT RESOLVED BY THE City Council of the City of Jonesboro, Arkansas:

SECTION 1. That pursuant to and in accordance with the Constitution and laws of the State of Arkansas, including particularly and without limitation, Act No. 208 of the Acts of Arkansas of 1939, Act No. 305 of the Acts of Arkansas of 1967 and the Decree of the Chancery Court for the Western District of Craighead County, Arkansas, in the case of W.C. Craig, et al v. City Water & Light Plant of the City of Jonesboro, et al., Craighead County Chancery No. 9389, entered of record March 5, 1948, there is hereby pledged to the payment of the principal of and interest on the bonds the amounts of surplus revenues (hereinafter defined) of the City Water & Light Plant for the years indicated in the following schedule:

YEAR	AMOUNT PLEDGED
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1969	\$	37,063.00
1970		38,132.00
1971		39,200.00
1972		40,269.00
1973		20,669.00

“Surplus revenues” as used in this Resolution means the revenues derived from the operation of the City Water & Light Plant remaining after adequate provisions has been made for the expenses of operation, maintenance and depreciation of the City Water and Light Plant and all requirements (pertaining to the payment of principal, interest and fees in connection with bonds and establishing and maintaining required reserves) of ordinances or resolutions (of the Board of Directors of the City Water & Light Plant and/or of the City Council of the City of Jonesboro) heretofore or hereafter issued to finance the cost of construction, reconstructing, extending improving or equipping the City Water & Light Plant have been fully met and complied with. In this regard, it is understood that the pledge herein made of surplus revenues shall not prohibit the issuance of City Water and Light Plant Revenue Bonds or incurring obligations or expending City Water & Light Plant revenues for extensions, betterments and improvements to the City Water & Light Plant, from time to time in the future and any pledge made of City Water and Light Plant revenues to any such bonds, shall be superior to the pledge of surplus revenues to the bonds herein involved , but the pledge of surplus revenues to the bonds herein involved shall be superior and prior to any pledge of surplus revenues hereafter made to any bonds or other obligations of the City Water & Light Plant or of the City other than bonds or obligations issued or incurred for the purpose of financing extensions, betterments and improvements to the City Water and Light Plant.

SECTION 2. It is hereby covenanted that for the life of the pledge of surplus revenues herein made the City Water & Light Plant will be continuously operated as a revenue producing undertaking and that there will be imposed and collected charges for the services of the City Water & Light Plant at least sufficient to (i) adequately provide for operation, maintenance and depreciation and (ii) promptly make available the amounts needed to satisfy all pledges of City Water & Light Plant revenues to all bonds and obligations, including, without limitation, the bonds herein involved.

SECTION 3. It is hereby ascertained and declared that there is an immediate and urgent need for the accomplishment of the improvements being financed by the bonds in order to promote and protect the public health, safety and welfare and that the pledge herein made is necessary for the issuance of the bonds. It is therefore declared that an emergency exists and this Resolution being necessary for the immediate preservation of the public peace, health, safety and welfare, shall be in force and take effect immediately upon and after its adoption.

PASSED: November 13, 1968.