

ORDINANCE NO. 2025-06

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A SHORT-TERM FINANCING OBLIGATION TO PROVIDE FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION FOR THE ACQUISITION OF A DUMP TRUCK FOR USE BY THE CITY'S WATER AND SEWER DEPARTMENT; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY;

WHEREAS, the City of Osceola, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") to issue short-term financing obligations and to expend the proceeds thereof to finance all or a portion of the costs of acquiring and constructing real property or tangible personal property having an expected useful life of more than one (1) year;

WHEREAS, the City proposes to acquire a new dump truck (the "Truck") for use by the City's Water and Sewer Department;

WHEREAS, it is proposed that the City issue its short-term financing obligation (in such form as authorized under Amendment No. 78 and the Authorizing Legislation) (the "Obligation") in a principal amount not to exceed \$175,000 (the "Obligation") under Amendment No. 78 and the Authorizing Legislation for the purpose of financing all or a portion of the costs of the Truck; and

WHEREAS, the City has received an offer for the purchase of the Obligation from American Capital (the "Lender"), at a price of par (the "Purchase Price");

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Osceola, Arkansas:

Section 1. The City Council hereby finds that the Truck will each have a useful life of more than one (1) year and that the aggregate principal amount of the Obligation and any other outstanding indebtedness of the City issued pursuant to Amendment No. 78 and the Authorizing Legislation does not exceed five percent (5%) of the assessed value of taxable property located within the City as determined by the last tax assessment.

Section 2. The offer of the Lender for the purchase of the Obligation from the City at the Purchase Price is hereby accepted, and the Obligation is hereby sold to the Lender.

Section 3. The issuance of the Obligation in a principal amount not to exceed \$175,000 is hereby authorized under Amendment No. 78 and the Authorizing Legislation in order to finance all or a portion of the costs of the Truck. The Obligation shall be dated the date of issuance and shall bear interest on the outstanding principal amount at a rate not to exceed 8.00% per annum.

Section 4. The Obligation shall be repaid in annual amortized installments of principal and interest, with the final installment due five (5) years from the date of the Obligation.

Section 5. As provided in Amendment No. 78, the monthly debt service payments on the Obligation in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the monthly debt service payments there is hereby appropriated to pay the Obligation, an amount of general revenues of the City sufficient for such purposes. The City's Treasurer, or other designated finance officer, is hereby authorized and directed to withdraw general revenues in the amounts and at the times necessary to make the annual debt service payments on the Obligation.

Section 6. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the issuance, execution, sale and delivery of the Obligation and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are hereby further authorized and directed, for and on behalf of the City, to execute all papers, documents, agreements, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

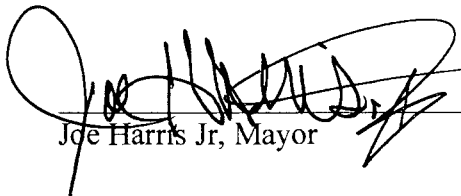
Section 7. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 8. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 9. Emergency. It is hereby ascertained and declared that the Truck is immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The acquisition, construction and equipping of the Truck cannot be accomplished without the issuance of the Obligation, which cannot be sold at the interest rate specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: June 16, 2025

APPROVED:


Joe Harris Jr, Mayor

ATTEST:


Jessica Griffen, City Clerk