

# ***ORDINANCE NO. 163***

***AN ORDINANCE ACCEPTING A LOWER INTEREST RATE IN COMMECTION WITH A WATER AND SEWER REVENUE BOND OWNED BY THE ARKANSAS NATURAL RESOURCES COMMISSION; EXTENDING THE NON-PREPAYEMNT PERIOD ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.***

**WHEREAS**, the City of Cherry Valley, Arkansas (the “City”) has previously issued its Water and Sewer Revenue Bond, dated January 13, 2011 (the “Bond”), which is owned by the Arkansas Natural Resource Commission (the “Commission”) pursuant to a Memorandum of Agreement between the City and the Commission; and

**WHEREAS**, the Commission purchased the bond from the City with funds made available by the issuance of the State of Arkansas Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds, Series 2010 A (the “2010A Bonds”); and

**WHEREAS**, the State of Arkansas (the “State”), acting by and through the Commission, has issued its Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds, Refunding Series 2017B (the “2017B Bonds”) for the purpose of refunding a portion of the 2010A Bonds at lower interest rates: and

**WHEREAS**, the State, as a result of the issuance of the 2017B Bonds at lower interest rates, has achieved a debt service savings, and the Commission desires to pass those savings to the City;

**NOW, THEREFORE, BE IT ORDAINED**, by the City Council of the City of Cherry Valley, Arkansas:

**Section 1:** That the City accepts the offer of the Commission to (a) reduce the interest rate on the bond from 4.75% per annum to 2.75% per annum, effective June 1, 2017, and (b) shorten the maturity of the bond from December 1, 2040 to June 1, 2035.

**Section 2:** That the City, in exchange for receiving a lower interest rate on the bond, agrees no to prepay the bond before June 1, 2027.

**Section 3:** That the Mayor and City Recorder are hereby authorized to execute all documents, certificates and instruments necessary to accomplish the intent of the Ordinance, including particularly, without limitation, any amendments to the bond.

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Section 4: That the provisions of this Ordinance are hereby declared separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Ordinance.

Section 5: That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 6: That it is hereby ascertained and declared that the interest rate on the bond should be lowered as soon as possible in order to lower the interest cost on obligations of the City's water and sewer system. It is therefore 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.

ADOPTED: July 11, 2017

APPROVED

  
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Mayor Adam Love

ATTEST.

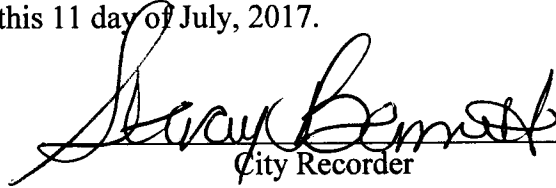
  
Recorder-Treasurer Stacey Bennett



CERTIFICATE

The undersigned, City Recorder of the City of Cherry Valley, Arkansas, hereby certifies that the foregoing pages are true and correct copy of Ordinance No. 163, adopted at a regular meeting session of the City Council of the City of Cherry Valley, Arkansas, held at the regular meeting place of the Council in the City at 6 p.m. on the 11<sup>th</sup> day of July, 2017, and that said Ordinance is of record in Ordinance Record Book No. 2, Page 139, now in my possession.

GIVEN under my hand and seal this 11 day of July, 2017.

  
City Recorder

