

ORDINANCE NO 2006-06-262

**AN ORDINANCE ACCEPTING A LOWER INTEREST RATE
IN CONNECTION WITH A WATER REVENUE BOND OWNED
BY THE ARKANSAS NATURAL RESOURCES COMMISSION;
EXTENDING THE NON-PREPAYMENT PERIOD ON THE
BOND; AND PRESCRIBING OTHER MATTERS RELATING
THERE TO.**

WHEREAS, the City of Tontitown, Arkansas (the "City") has previously *issued* its Water Revenue Bond, dated February 14, 2002 (the "bond"), which is owned by the Arkansas Natural Resources 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 Bond, Series 2000A (the "2000A 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 2006C (the "2006C Bonds") for the purpose of refunding the 2000A Bonds at lower interest rates; and

WHEREAS, the State, as a result of the issuance of the 2006C 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 Tontitown, Arkansas:

Section 1. That the City accepts the offer of the Commission to (a) reduce the interest rate on the bond from 5.90% per annum to 4.60% per annum, effective July 1, 2006 and (b) shorten the maturity of the bond from June 1, 2032 to June 1, 2027.

Section 2. That the City, in exchange for receiving a lower interest rate on the bond, agrees not to prepay the bond before July 1, 2013.


Section 3. That the Acting Mayor and City Recorder are hereby authorized to execute all documents, certificates and instruments necessary to accomplish the intent of this Ordinance, including particularly, without limitation, filings with the Internal Revenue Service and any amendments to the bond.

Section 4. That the provisions of this Ordinance are hereby declared to be 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.

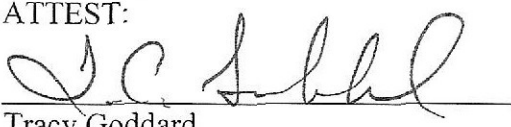
Section 5. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED: June 15, 2006.

APPROVED:

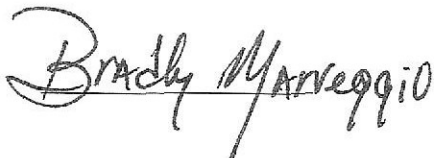

Tracy Goddard
Acting Mayor

ATTEST:


Tracy Goddard
City Recorder

(SEAL)

Sponsored By:



ROLL CALL:

Shall the Ordinance pass:

	YEA	NAY	
Alderman Andrew Penzo	<u>✓</u>	<u> </u>	(Ward 2, Position 2)
Alderman Arthur Penzo	<u>✓</u>	<u> </u>	(Ward 2, Position 1)
Alderman Henry Piazza	<u>✓</u>	<u> </u>	(Ward 1, Position 2)
Alderman Bradley Marveggio	<u>✓</u>	<u> </u>	(Ward 1, Position 1)
Alderman Ken Robertson	<u>✓</u>	<u> </u>	(Ward 3, Position 2)
Mayor Alderman Steve Smith	<u> </u>	<u> </u>	(Ward 3, Position 1)
Mayor Tracy Goddard (acting)	<u> </u>	<u> </u>	

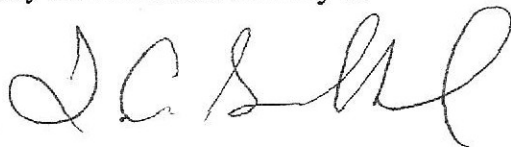
Yeas: 5 Nays: 0 (total)

CERTIFICATE

The undersigned, City Recorder of the City of Tontitown, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 2006-06-262, adopted at a regular session of the City Council of the City of Tontitown, Arkansas, held at the regular meeting place of the Council in the City at 7:00 p.m., on the 15 day of June, 2006, and that said Ordinance is of record in Ordinance Record Book No. _____, Page _____ now in my possession.

GIVEN under my hand and seal this day of
2006.

City Recorder

A handwritten signature in black ink, appearing to be 'JCSH', written over the 'City Recorder' text.

(SEAL)