

ORDINANCE NO. A-307

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF BONDS FOR THE PURPOSE OF AIDING IN PURCHASING A SITE FOR, CONSTRUCTING, AND EQUIPPING A MUNICIPAL HOSPITAL IN THE CITY OF CONWAY, ARKANSAS; AND DECLARING AN EMERGENCY.

WHEREAS, by Ordinance No. A-297, passed and approved November 2, 1954, there was submitted to the qualified electors of the City of Conway, Arkansas, the question of whether the City should issue bonds to the amount of \$100,000 for the purpose of aiding in purchasing a site for, constructing, and equipping a municipal hospital, said bonds to bear interest at a rate not to exceed $3\frac{1}{4}\%$ per annum; and

WHEREAS, due notice of the election was given as required by law and said election was duly held on December 7, 1954, at which election the following votes were cast: 945 votes for the issue of bonds and 63 votes against the issue of bonds; 883 votes for a special tax not to exceed three mills to pay the bonds, and 68 votes against a special tax; and

WHEREAS, the result of the election was announced by the Mayor by a proclamation issued on December 10, 1954, and duly published in the Log Cabin Democrat, a newspaper having a bona fide circulation in said City, and the result as proclaimed has not been attacked in the courts and is therefore now conclusive; and

WHEREAS, the City of Conway at a public sale held at 10:00 A.M. December 6, 1955, in the Fire Station, after more than 20 days' advertisement in said newspaper, contracted to sell the bonds to W. R. Stephens Investment Company, Inc. and T. J. Raney & Sons, both of Little Rock, Arkansas, who submitted the best and highest bid for said bonds, being a price of 100¢ on the dollar face value plus accrued interest for bonds bearing an interest rate of 2.62% per annum; and

WHEREAS, the buyers of said bonds have elected to name the Union National Bank of Little Rock, Arkansas, as Trustee and paying agent, and have elected to convert the bonds from a rate of 2.62% per annum, maturing as set out in the notice of sale, to \$103,500 in $2\frac{1}{4}\%$ and $2\frac{1}{2}\%$ per annum bonds maturing as hereinafter set out, and have presented

computations showing that the conversion will cost \$109.96 less to mature the bonds than the City would have to pay if the bonds matured according to the advertised schedule at the interest rate bid, and the buyers are ready to accept delivery of the bonds as soon as the City can deliver them; now, therefore,

BE IT ORDAINED by the City Council of the City of Conway, Arkansas :

SECTION 1. That the sale of the bonds to W. R. Stephens Investment Company, Inc. and T. J. Raney & Sons of Little Rock, Arkansas, is at a price allowed by law and that the conversion is within the terms of the sale notice, and therefore both the sale and the conversion of the bonds are hereby approved and confirmed.

SECTION 2. That the Mayor and City Clerk are hereby authorized and directed to execute the Hospital Improvement Bonds of this City, dated as of December 1, 1954, and maturing on January 1 of each year as follows:

| YEAR | BOND NOS. (both inclusive) | AMOUNT |
|------|-------------------------------|---------|
| 1958 | 1, 2 and 3 | \$ 3000 |
| 1959 | 4, 5 and 6, | 3000 |
| 1960 | 7, 8 and 9 | 3000 |
| 1961 | 10, 11 and 12 | 3000 |
| 1962 | 13, 14 and 15 | 3000 |
| 1963 | 16 to 19 | 3500 |
| 1964 | 20 to 23 | 3500 |
| 1965 | 24 to 27 | 3500 |
| 1966 | 28 to 31 | 3500 |
| 1967 | 32 to 35 | 2500 |
| 1968 | 36 to 39 | 000 |
| 1969 | 40 to 43 | 4000 |
| 1970 | 44 to 47 | 4000 |
| 1971 | 48 to 51 | 4000 |
| 1972 | 52 to 56 | 4500 |
| 1973 | 57 to 61 | 4500 |
| 1974 | 62 to 66 | 4500 |
| 1975 | 67 to 71 | 4500 |
| 1976 | 72 to 76 | 5000 |
| 1977 | 77 to 81 | 5000 |
| 1978 | 82 to 86 | 5000 |
| 1979 | 87 to 91 | 5000 |
| 1980 | 92 to 97 | 5500 |
| 1981 | 98 to 103 | 5500 |
| 1982 | 104 to 109 | 6000 |

All the bonds shall be in the denomination of \$1000 each except Nos. 19, 23, 27, 31, 35, 56, 61, 66, 71, 97, and 103, which shall be in the denomination of \$500 each, and they shall bear interest payable semi-annually at the following rates per annum: Nos. 1 to 35, inclusive,

and Nos. 82 to 109 inclusive, at 2 1/4%, and Nos. 36 to 81, inclusive, at 2 1/2%; and they shall be callable as hereinafter set out.

SECTION 3. Said bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF FAULKNER
CITY OF CONWAY

_____% Hospital Improvement Bond

No. _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Conway, in the County of Faulkner, State of Arkansas, acknowledges itself to owe and, for value received, promises to pay to bearer the sum of

_____ DOLLARS

in lawful money of the United States of America, on the first day of January, 19____, with interest thereon from date hereof at the rate of _____ per centum (____%) per annum until paid, interest payable semi-annually on the first day of January and July of each year, commencing July 1, 1955, on presentation and surrender of the annexed coupons as they severally mature. Both the principal and interest of this bond are hereby made payable at the office of the Union National Bank of Little Rock, Arkansas.

This is one of a series of bonds aggregating One Hundred Three Thousand Five Hundred Dollars (\$103,500), all of like tenor and effect except as to number, denomination, interest rate, and maturity, numbered from 1 to 109, inclusive, issued for the purpose of aiding in purchasing a site for, constructing, and equipping a municipal hospital, and the City hereby warrants and covenants that in the issuing of this bond it has proceeded in accordance with the provisions of Amendment No. 13 to the Constitution of the State of Arkansas, and in accordance With the laws of said State, under ordinances of the City Council of said City and in pursuance of an election duly held at which the majority of the legal voters of said City voting on the question voted in favor of the issue of said bonds; that all conditions, acts and things required to exist, to be performed, and to happen precedent to and in the issuance

of 'this bond' do exist, have been performed, and have happened in due time, form, and manner as required by law and particularly by said Amendment No. 13; that a tax sufficient to pay the bonds aforesaid has been levied in accordance with said constitutional amendment and made payable annually until all of said bonds and interest thereon have been fully paid and discharged; and that the indebtedness represented by this bond and the issue of which it forms a part does not exceed any constitutional or statutory limitation. For the prompt payment of this bond and the interest thereon, the said City of Conway hereby pledges its full faith, credit and taxing power, including the revenues from the three mill special tax authorized to be levied by said amendment to the Constitution for the payment of this bond and other bonds of this series.

The City has agreed that out of the revenues derived from the special three mill tax which it has levied and which is authorized by Amendment No. 13 to the Constitution of the State of Arkansas, it will first set up a reserve of \$5000 and that any surplus after that reserve has been set up must be used to call the bonds of this issue for payment prior to maturity in inverse numerical order at par and accrued interest on any interest paying date; provided, the City shall not be required nor permitted to call any bond for partial payment.

The bonds of this issue are callable for payment prior to maturity in inverse numerical order at par and accrued interest, as follows: from surplus revenues derived from the special tax or from surplus funds derived from the bond sale, on any interest paying date; from funds from any source, on any interest paying date on and after January 1, 1960. In the event the City shall call bonds for payment prior to maturity, it shall publish notice of such call once a week for two weeks in some newspaper of general circulation throughout the State of Arkansas, the first publication to be not less than fifteen days prior to the date fixed for redemption, and the notice shall give the number and maturity of each bond being called. All bonds so called shall cease to bear interest after the date fixed for their redemption, provided the funds for their payment are on deposit with the paying agent at that time,

This bond shall not be valid until authenticated by the certificate hereon of the Union National Bank of Little Rock, Arkansas.

IN WITNESS WHEREOF, the City of Conway, Arkansas, has executed this bond by the hands of its Mayor and City Clerk and attested it with its corporate seal, and has caused the coupons hereto attached to be authenticated by the facsimile signature of its Mayor, as of the first day of December, 1954.

CITY OF CONWAY, ARKANSAS

(seal)

By _____
Mayor

Attest:

City Clerk

To each of said bonds shall be attached coupons for the semi-annual interest in the following form:

COUPON

No. _____ \$ _____

On the first day of ~~January~~ July, 19____, unless the bond to which this coupon is attached is paid prior thereto, the City of Conway, Arkansas, promises to pay to bearer _____ DOLLARS in lawful money of the United States of America, at the office of the Union National Bank of Little Rock, Arkansas, being six months' interest then due on its Hospital Improvement Bond dated December 1, 1954, and numbered _____.

CITY OF CONWAY, ARKANSAS

By _____
Mayor

(The first coupon shall be for 7 months' interest. The signature of the Mayor on the coupons may be lithographed or engraved.)

Each bond shall be authenticated by the Union National Bank of Little Rock, Arkansas, as follows:

TRUSTEE'S CERTIFICATE

This is to certify that this is one of the series of 109 Hospital Improvement Bonds aggregating \$103,500 described herein.

UNION NATIONAL BANK
OF LITTLE ROCK, ARKANSAS, Trustee

By _____
Authorized Signature

Little Rock, Arkansas

SECTION 4. The Mayor and City Clerk are hereby authorized and directed, when they have executed said bonds and have had them duly certified, to clip and cancel the matured interest coupons and then to deliver the bonds to the purchaser upon receipt of the full purchase price, and the proceeds of said bonds shall be used for no purpose except the purposes for which voted.

SECTION 5. In order to pay the said bonds as they mature, with interest thereon, a three mill tax on each dollar of assessed valuation was levied upon all of the taxable real and personal property within the City of Conway, Arkansas, by Ordinance No. A-303, passed and approved on December 14, 1954, and the collection under said ordinance began with the taxes collected in the year 1955 and will continue as long thereafter as may be necessary in order to pay the bonds and interest authorized by this ordinance, being a sum sufficient to meet said bonds and interest as they mature, with five per centum added for unforeseen contingencies; and the City Clerk has transmitted a copy of said Ordinance No. A-300 to the County Clerk of Faulkner County, Arkansas, to the end that said tax may be extended on the tax books of said county and collected annually along with the other taxes until said bonds and interest thereon are paid in full. The City agrees that it will levy the full three mill tax each year until all the bonds of this issue and interest thereon are paid in full, and that all of the revenues from the said tax shall be put in a separate fund known as the "Bond and Interest Fund" and shall be used solely for the payment of the bonds and interest of this issue, as set out in this ordinance. The City agrees to set up a reserve in the Bond and Interest Fund of \$5000. Any revenues over and above this surplus must be used to call the bonds of this issue for payment prior to maturity in inverse numerical order, except that the City will not be required nor permitted to call bonds for partial payment.

SECTION 6. In order to pay said bonds, with interest thereon, as they mature, there are hereby appropriated out of the proceeds of the tax hereinabove described, and if such proceeds be not sufficient, then out of the general revenues of the City, the sums necessary to meet payments of principal and interest as they mature, to-wit:

| YEAR | PRINCIPAL Jan. 1 of each year | INTEREST Jan. 1 and July 1 of each year | TOTAL |
|------|-------------------------------------|--|-----------|
| 1955 | \$ | \$ | \$1422.60 |
| 1956 | | 1219.37 | 2438.74 |
| 1957 | | 1219.37 | 2438.74 |
| 1958 | 3000.00 | 1219.37 | 5405.00 |
| 1959 | 3000.00 | 1185.63 | 5337.50 |
| 1960 | 3000.00 | 1151.87 | 5270.00 |
| 1961 | 3000.00 | 1118.13 | 5202.50 |
| 1962 | 3000.00 | 1084.37 | 5135.00 |
| 1963 | 3500.00 | 1050.63 | 5561.88 |
| 1964 | 3500.00 | 1011.25 | 5483.12 |
| 1965 | 3500.00 | 971.87 | 5404.37 |
| 1966 | 3500.00 | 932.50 | 5325.63 |
| 1967 | 3500.00 | 893.33 | 5246.88 |
| 1968 | 4000.00 | 853.75 | 5657.50 |
| 1969 | 4000.00 | 803.75 | 5557.50 |
| 1970 | 4000.00 | 753.75 | 5457.50 |
| 1971 | 4000.00 | 703.75 | 5357.50 |
| 1972 | 4500.00 | 653.75 | 5751.25 |
| 1973 | 4500.00 | 597.50 | 5638.75 |
| 1974 | 4500.00 | 541.25 | 5526.25 |
| 1975 | 4500.00 | 485.00 | 5413.75 |
| 1976 | 5000.00 | 428.75 | 5795.00 |
| 1977 | 5000.00 | 366.25 | 5670.00 |
| 1978 | 5000.00 | 303.75 | 5551.25 |
| 1979 | 5000.00 | 247.50 | 5438.75 |
| 1980 | 5500.00 | 191.25 | 5820.63 |
| 1981 | 5500.00 | 129.38 | 5696.88 |
| 1982 | 6000.00 | 67.50 | 6067.50 |

SECTION 7. The Treasurer of the City of Conway is hereby ordered and directed to remit to the paying agent, not less than five days before the date of each interest payment, the amount of interest or principal and interest due on said date, together with the paying charges, which shall be 1/8 of 1% on principal and 5¢ per interest coupon, with the provision that the minimum paying charge shall be \$5.00. This instruction to the Treasurer is irrevocable and may be enforced by mandamus.

SECTION 8. The City agrees to deposit the proceeds of the sale as follows: The accrued interest shall be paid into the Bond and Interest Fund, as hereinabove defined, and the balance received from the sale of the bonds shall be deposited in a separate fund to be known as the "Construction Fund," to be used solely for the payment of the cost of construction plus the expenses of the bond issue.

The City agrees to require from the depository bank in which the Bond and Interest Fund is placed and from the depository bank in which the Construction Fund is placed, security for all of the respective deposits over the \$10,000 insured by the Federal Deposit Insurance Corporation, and such security shall be either in the form of a corporate

surety bond or in the form of government bonds escrowed with some other bank, with the right in the depository to withdraw bonds from the escrow for the Construction Fund deposit as the Construction Fund is withdrawn by the City.

SECTION 9. Both the Bond and Interest Fund and the Construction Fund shall be deposited in a bank or banks holding membership in the Federal Deposit Insurance Corporation. Vouchers upon either fund must be signed by two duly authorized persons.

SECTION 10. If default is made and continues for thirty days in the payment of any interest coupon, the holder of the bond to which it is attached may declare the same immediately due and payable, and the failure of the holder to exercise this option upon any default shall not be a waiver of his right to exercise the option upon any subsequent default.

SECTION 11. The bonds of this issue shall be callable for payment prior to maturity according to the terms set out in the face thereof.

SECTION 12. The City agrees to carry fire, lightning and tornado insurance and extended coverage on the hospital to be erected from the proceeds of this bond issue, and the equipment therein, in companies to be approved by the Trustee and with a provision making the loss payable to the Trustee for the benefit of the bondholders in proportion to their interest in the building, and either the insurance policies shall be deposited with the Trustee or the Trustee shall be furnished satisfactory evidence that the policies have been written and that they carry the loss payable clause for the benefit of the Trustee.

SECTION 13. The Union National Bank of Little Rock, Arkansas, is designated as Trustee, authorized to act for and on behalf of the bondholders, but it shall be responsible only for wilful wrong in the execution of its trust, and the recitals of fact contained herein and in the bonds themselves (except the recitals in the Trustee's Certificate) are statements made by the City and not by the Trustee. The Trustee shall not be required to take notice of any default or to take any action hereunder until it shall have been notified in writing of

said default and indemnified to its satisfaction against any loss, expense or cost that it may incur by taking action. The holders of a majority in value of the outstanding bonds at any time may, by an instrument duly executed and recorded in the office of the City Clerk, appoint a new Trustee, who shall have all of the powers of the Trustee originally named, and the Trustee herein named may resign at any time upon ten days' notice in writing mailed to the City Clerk.

SECTION 14. The terms of this ordinance shall constitute a contract between the City of Conway and the holders of the bonds herein authorized, and, except with the written consent of the holders of all bonds then outstanding, no variation or change in the undertakings herein set out shall be made while any of these bonds are outstanding, and the holder of any bond may at any time, for and on his own behalf, or the Trustee may, for and on behalf of all the bondholders, enforce the obligations of the City by a proper suit for that purpose.

SECTION 15. The provisions of this ordinance are separable, and in the event that any section or part of section shall be held to be invalid, such invalidity shall not affect the remainder of the ordinance.

SECTION 16. It is hereby ascertained and declared that there is an immediate and urgent need for the construction of a municipal hospital for the City of Conway, in order to protect the health, lives and property of the City's inhabitants; therefore, 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: Dec 27, 1955.

Attest;

APPROVED:

M. M. Duttonfield
Mayor

Walter Dumas
City Clerk

CERTIFICATE

I, the undersigned, City Clerk of Conway, Arkansas, hereby certify the foregoing to be a true copy of an ordinance passed by the City Council at a duly called and constituted meeting at which more than two thirds of the total number of members-elect of the Council were present; and voted for said ordinance, which is now of record in Ordinance Book No. 5, page 75-76-77-78⁷⁹⁻⁸⁰⁻⁸¹ of the records of said City.

CERTIFIED under my hand and the seal of said City, this 3rd day of Jan., 1956.

Marta Dunaway
City Clerk

(Seal)