

ORDINANCE NO. 2021-10

AN ORDINANCE ESTABLISHING THE MATURITY SCHEDULE FOR THE CITY OF HEBER SPRINGS, ARKANSAS WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2021; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Ordinance No. 2021-08, adopted August 2, 2021 ("Ordinance No. 2021-08"), the City Council of the City of Heber Springs, Arkansas (the "City") has authorized the issuance of the City's Water and Sewer Refunding Revenue Bonds, Series 2021 (the "Bonds") in the maximum aggregate principal amount of \$8,700,000 for the purpose of refunding the City's Water and Sewer Refunding and Construction Revenue Bonds, Series 2016A (the "Series 2016A Bonds") and the City's Water and Sewer Refunding Revenue Bonds, Series 2016B (the "Series 2016B Bonds"); and

WHEREAS, the City has made arrangements for the sale of \$7,620,000 in aggregate principal amount of the Bonds to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement between the Purchaser and the City (the "Purchase Agreement"), the form of which has been approved by Ordinance No. 2021-08; and

WHEREAS, the Bonds have been offered and sold within the parameters and conditions set by Ordinance No. 2021-08; and

WHEREAS, the first optional redemption date for the Bonds shall be November 1, 2026, which is within the parameters set by Ordinance No. 2021-08;

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

Section 1. The sale of the Bonds to the Purchaser at a price of \$7,690,122.30 (principal amount plus \$146,322.30 of net original issue premium less \$76,200 of underwriter's discount) pursuant to the Purchase Agreement is hereby ratified and confirmed. The purchase price of the Bonds is not less than 97% of par.

Section 2. The Bonds shall be issued in the principal amount of \$7,620,000, and shall bear interest at the rates and shall mature on November 1 in the amounts and in the years as follows:

<u>Year</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2021	\$ 20,000	3.000%
2022	700,000	3.000
2023	335,000	3.000
2024	340,000	3.000
2025	350,000	3.000
2026	365,000	3.000
2027	370,000	2.000
2028	380,000	2.000
2029	385,000	2.000
2030	390,000	2.000
2031	400,000	2.000
2036	1,705,000	2.000
2041	1,880,000	2.125

The mandatory sinking fund redemption schedule for the Bonds maturing on November 1 in the years 2036 and 2041 is as follows:

Bonds Maturing November 1, 2036

<u>Year</u> <u>(November 1)</u>	<u>Amount</u>
2032	\$325,000
2033	335,000
2034	340,000
2035	350,000
2036 (maturity)	355,000

Bonds Maturing November 1, 2041

<u>Year</u> <u>(November 1)</u>	<u>Amount</u>
2037	\$360,000
2038	365,000
2039	380,000
2040	385,000
2041 (maturity)	390,000

Section 3. The first optional redemption date for the Bonds shall be November 1, 2026.

Section 4. The refunding of the Series 2016A Bonds will produce an aggregate net present value savings of at least 3% of the present principal balance of the Series 2016A Bonds being refunded, and the refunding of the Series 2016B Bonds will produce an aggregate net present

value savings of at least 3% of the present principal balance of the Series 2016B Bonds being refunded.

Section 5. The form of Bond contained in Ordinance No. 2021-08 shall be completed according to the terms of this Ordinance.

Section 6. This Ordinance shall supplement Ordinance No. 2021-08 in authorizing the issuance of the Bonds.

Section 7. Following adoption, this Ordinance shall be posted in the following five public places in the City: City Hall, Library, Community Center, Cleburne County Courthouse and Cleburne County Judge's Office Building.

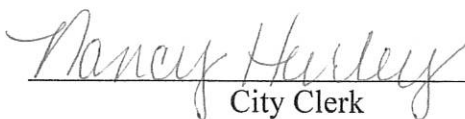
Section 8. The provisions of this Ordinance are separable and in the event that any section or part hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

Section 9. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

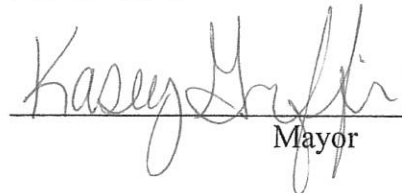
Section 10. It is hereby ascertained and declared that the refunding of the Series 2016A Bonds and the Series 2016B Bonds (the "Refunding") must be accomplished as soon as possible in order to lower the interest cost on bonds secured by revenues of the City's water and sewer system. The Refunding cannot be accomplished without the issuance of the Bonds, which cannot be sold at the interest rates 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: August 19, 2021.

ATTEST:

  
\_\_\_\_\_  
City Clerk

APPROVED:

  
\_\_\_\_\_  
Mayor

(SEAL)