

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REFUNDING REVENUE BONDS; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING THE PLACEMENT OF THE BONDS; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.**

WHEREAS, the City of North Little Rock, Arkansas (the "City") owns an electric generation, transmission and distribution system (the "System"); and

WHEREAS, in order to achieve debt service savings, the City Council has determined that it is in the best interest of the City to refund its Electric System Revenue Bonds, Taxable Refunding Series 2012-A (the "Series 2012-A Bonds") and its Electric System Revenue Bonds, Series 2012-B (the "Series 2012-B Bonds"); and

WHEREAS, the City can finance the refunding of the Series 2012-A Bonds and the Series 2012-B Bonds (the "Refunding") by the issuance of an Electric System Refunding Revenue Bond, Taxable Series 2020-A in the principal amount of not to exceed \$13,900,000 (the "Series 2020-A Bond") and an Electric System Refunding Revenue Bond, Series 2020-B in the principal amount of not to exceed \$3,100,000 (the "Series 2020-B Bond"); and

WHEREAS, the Series 2020-A Bond and the Series 2020-B Bond (collectively, the "Bonds") will be equally and ratably secured by a lien on revenues of the System which lien will be subordinate to the lien on revenues of the System in favor of the City's outstanding Electric System Refunding Revenue Bond, Series 2016 (the "Senior Bond"); and

WHEREAS, with the advice and assistance of Stephens Inc., as Municipal Advisor (the "Municipal Advisor"), the City has made arrangements with U. S. Bank National Association (the "Lender") to purchase the Bonds as evidence of loans from the Lender pursuant to a Letter of Offer and Representation (the "Letter of Offer"); and

WHEREAS, the following documents have been prepared in connection with the issuance of the Bonds and have been reviewed by the City and Friday, Eldredge & Clark, LLP, Bond Counsel: (a) a Trust Indenture (the "Indenture"), between the City and Regions Bank, as Trustee (the "Trustee"), establishing the general provisions and details of the Bonds, establishing the funds and accounts relating to the Bonds, and providing for the security and payment of the Bonds and the rights of the owner thereof, (b) a Loan Agreement between the City and the Lender (the "Loan Agreement") providing for the loans and the reimbursement and other payment obligations of the City in connection therewith, (c) the Letter of Offer, and (d) a Municipal Advisor Agreement between the City and the Municipal Advisor (the "Municipal Advisor Agreement").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: The Refunding is hereby authorized. The Mayor and other officials of the City are hereby authorized to take, or cause to be taken, all action necessary to accomplish the Refunding and to execute all required contracts. The Series 2012-A Bond and the Series 2012-B Bond (the "Bonds Refunded") shall be called for redemption on April 15, 2020 or the earliest practical date thereafter.

SECTION 2: All moneys in the Debt Service Fund and the Debt Service Reserve Fund established for the Bonds Refunded are hereby appropriated and shall be used as necessary for the accomplishment of the Refunding, with any balance to be deposited into the bond fund established under the Indenture.

SECTION 3: The sale of the Bonds to the Lender at a price of par pursuant to the Letter of Offer, to evidence the loans from the Lender, subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby approved, and the Bonds are hereby sold to the Lender. The Mayor is hereby authorized to execute and deliver the Letter of Offer. The Letter of Offer is hereby approved in substantially the form submitted to this meeting, with such changes as shall be approved by the Mayor, his execution to constitute conclusive evidence of such approval.

SECTION 4: Under the authority of the Constitution and laws of the State of Arkansas, including particularly Title 14, Chapter 203 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), the Series 2020-A Bond, to be designated "City of North Little Rock, Arkansas Electric System Refunding Revenue Bond, Taxable Series 2020-A," is hereby authorized and ordered issued in the principal amount of not to exceed \$13,900,000, the proceeds of the sale of which are necessary to provide the funds, along with other funds appropriated hereby, to accomplish the Refunding of the Series 2012-A Bonds, pay expenses incidental thereto and expenses of issuing the Series 2020-A Bond.

The Series 2020-A Bond shall bear interest at the rate of \_\_\_\_% per annum. Interest will be payable semiannually (calculated on the basis of a 360 day year of twelve thirty day months and actual number of days elapsed) on January 1 and July 1 of each year, commencing July 1, 2020. The rate on the Series 2020-A Bond is subject to adjustment as provided in the Indenture in the event the City defaults in making the scheduled payments of the principal of and interest on the Series 2020-A Bond when due.

The Series 2020-A Bond shall be dated the date of delivery to the Lender. Principal of the Series 2020-A Bond shall be paid annually on July 1 of each year, commencing July 1, 2020 with the final payment due July 1, 2025. The weighted average maturity of the Series 2020-A Bond shall not exceed 3.0 years.

SECTION 5: Under the authority of the Authorizing Legislation, the Series 2020-B Bond, to be designated "City of North Little Rock, Arkansas Electric System Refunding Revenue Bond, Series 2020-B," is hereby authorized and ordered issued in the principal amount of not to exceed \$3,100,000, the proceeds of the sale of which are necessary to provide the funds, along with other funds appropriated hereby, to accomplish the Refunding of the Series 2012-B Bonds, pay expenses incidental thereto and expenses of issuing the Series 2020-B Bond.

The Series 2020-B Bond shall bear interest at the rate of \_\_\_\_% per annum. Interest will be payable semiannually (calculated on the basis of a 360 day year of twelve thirty day months and actual number of days elapsed) on January 1 and July 1 of each year, commencing July 1, 2020. The rate on the Series 2020-B Bond is subject to adjustment as provided in the Indenture in the event the City defaults in making the scheduled payments of the principal of and interest on the Series 2020-B Bond when due.

The Series 2020-B Bond shall be dated the date of delivery to the Lender. Principal of the Series 2020-B Bond shall be paid annually on July 1 of each year, commencing July 1, 2020 with the final payment due July 1, 2025. The weighted average maturity of the Series 2020-B Bond shall not exceed 3.0 years.

SECTION 6: The Bonds shall be executed on behalf of the City by the Mayor and City Clerk and shall have impressed thereon the seal of the City. The Bonds are not general obligations of the City but are special obligations, the principal of and interest on which are secured by a pledge of and are payable from revenues derived from the System and the other security provided therefor in the Indenture. The Bonds and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation. The lien on and pledge of revenues of the System in favor of the Bonds is subordinate to the lien on and pledge of revenues of the System in favor of the Senior Bond.

SECTION 7: To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, delivered, issued, accepted, held and secured, the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Indenture. The Indenture is hereby approved in substantially the form submitted at this meeting, with such modifications as shall be approved by the Mayor and the City Clerk, their execution to constitute conclusive evidence of such approval.

SECTION 8: The Mayor and the City Clerk are hereby authorized and directed to execute and deliver the Loan Agreement. The Loan Agreement is hereby approved in substantially the form submitted to this meeting, with such changes as shall be approved by the Mayor and City Clerk, their execution to constitute conclusive evidence of such approval.

SECTION 9: The Mayor is hereby authorized and directed to execute and deliver the Municipal Advisor Agreement. The Municipal Advisor Agreement is hereby approved in substantially the form submitted to this meeting, with such changes as shall be approved by the Mayor, his execution to constitute conclusive evidence of such approval.

SECTION 10: The Bonds are not subject to optional redemption prior to maturity.

SECTION 11: 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 execution and delivery of the Indenture; the execution and delivery of the Loan Agreement; the execution and delivery of the Letter of Offer; and the execution and delivery of the Municipal Advisor Agreement; 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, certificates and other instruments that may be required for the carrying out of such authority as to evidence the exercise thereof.

SECTION 12: The City Clerk shall maintain, in the permanent records of the City, for inspection by any interested person, a copy of the Indenture, the Letter of Offer, the Loan Agreement and the Municipal Advisor Agreement.

SECTION 13: The Series 2020-B Bond is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"). The City represents that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 141 of the Code which are not "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities, issued in calendar year 2020 will not exceed \$10,000,000.

SECTION 14: The provisions of this Ordinance are hereby declared to be severable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of the Ordinance.

SECTION 15: All Ordinances and resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 16: It is hereby ascertained and declared that the Refunding must be accomplished as soon as possible in order to take advantage of low interest rates. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in force from and after its passage.

PASSED:

APPROVED:

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\_\_\_\_\_  
Mayor Joe A. Smith

SPONSOR:

ATTEST:

  
\_\_\_\_\_  
Mayor Joe A. Smith

\_\_\_\_\_  
Diane Whitbey, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/cf

FILED	9:20	A.M.	_____	P.M.
By	A. Fields			
DATE	3-3-20			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	S. Ussery			