

ORDINANCE NO. 714

AN ORDINANCE AUTHORIZING THE CITY OF MONTICELLO TO OBTAIN A LOAN FOR THE PURCHASE OF REAL PROPERTY AND MAKING REPAIRS AND REMODELING TO IMPROVEMENTS SITUATED THEREON, EXECUTE A PROMISSORY NOTE AND MORTGAGE OF THE REAL PROPERTY TO BE PURCHASED AS SECURITY FOR SAID LOAN; PROVIDING FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE SAID LOAN; DESCRIBING OTHER MATTERS RELATING THERETO AND DECLARING AN EMERGENCY

WHEREAS, the City Council of the City of Monticello, AR (hereinafter sometimes referred to as the "Council") have previously determined that there is an immediate need to provide more office space for the City Police Department, Fire Department and District Court; and

WHEREAS, the Council has determined that the purchase of two (2) parcels of real property from Monticello School District No. 18 (herein sometimes referred to as "School District"), known as the W.C. Whaley School and the College Street Campus which buildings and real properties suit the need of the City for such purposes; and

WHEREAS, it is furthered determined that the Police Department, Fire Department and District Court should be relocated to the W. C. Whaley Campus in as expeditious time as possible; and

WHEREAS, it will be necessary to make certain repairs and renovations to the improvements on the W. C. Whaley site to enable the building to be utilized for its intended purposes; and

WHEREAS, it shall be necessary for the City of Monticello to obtain a loan to provide for the purchase of said real property and improvements and to make such repairs as will be immediately necessary and advisable for the purpose of relocating the said Police Department, Fire Department and District Court; and in doing so to execute certain promissory note or notes to obtain said loan; and

WHEREAS, it shall be necessary to pledge the real property and improvements as collateral to the financial institutions; and

WHEREAS, the City has entered into a loan agreement with Union Bank & Trust Co. of Monticello, Arkansas, whereby the said Bank is committed to make a loan to the City in the amount of \$450,000.00 at an interest rate of five percent (5%) per annum; and

WHEREAS, the City is authorized pursuant to Amendment No. 78 of the constitution of the State of Arkansas authorizing cities to obtain short term financing; and

WHEREAS, the repayment of said loan shall be from the proceeds of certain sales and use tax enacted in 1997 or by any other funds possessed by the City of Monticello and contained within the general fund of the City which are not otherwise obligated for the retirement of bonded indebtedness and which may be utilized for such expenditures;

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

Section 1. That the Mayor is hereby authorized and directed to complete the purchase of two parcels of property commonly known as the W.C. Whaley campus and the College Street campus from Monticello School District No. 18 for the sum of \$293,000.00 for the purposes of relocating the Municipal Police Department, Municipal Fire Department and the Monticello District Court, to such facility along with any other departments, programs or offices of the City which he, upon the advise of the City Council, deems advisable; and to make certain repairs and renovations to the existing improvements located thereon to make the said improvements useful and occupiable for the purposes so intended.

Section 2. That the Mayor is hereby authorized and directed to enter into a certain loan agreement with Union Bank & Trust Co. of Monticello, Arkansas, whereby the said Bank will loan and the City will borrow for the sole purpose of purchasing the said real property and making such repairs and renovations as appropriate in the premises.

Section 3. That under the authority of Amendment No. 78 of the Constitution of the State of Arkansas, the City of Monticello is hereby authorized to borrow the sum of \$450,000.00 from Union Bank & Trust Co. and issues evidence therefore its promissory note which shall bear interest at the rate of five percent (5%) per annum with the first regular monthly amortized installment being due on a certain date as stated with the said note, and monthly thereafter, until the face amount of the said promissory note plus interest thereon is fully paid, that the final payment of the entire indebtedness, if not paid sooner, shall be due and payable five (5) years from the date of the promissory note.

Section 4. The note, together with interest thereon, shall be payable from the proceeds of a certain sales and use tax enacted by the City of Monticello in 1997 or by any other funds possessed by the City of Monticello and contained within the general fund of the City which are not otherwise obligated for the retirement of bonded indebtedness and which may be utilized for such expenditures, and the note shall be secured by a statutory mortgage lien on the real property and improvements to said real property.

Section 5. The note shall be signed by the Mayor and City Clerk/Treasurer and sealed with the corporate seal of the City and shall be substantially in the following form:

**SEE ATTACHED EXHIBIT A**

Section 6. That the mortgage shall be signed by the Mayor and City Clerk/Treasurer and sealed with the corporate seal of the City and be substantially in the following form:

**SEE ATTACHED EXHIBIT B**

Section 7. The Mayor of the City shall order and direct that all reporting requirements of Internal Revenue Service of the United States concerning obligations of this type shall be prepared, executed and delivered in proper form and in a timely manner as required by the said Internal Revenue Service.

Section 8. If any provisions of this ordinance shall for any reason be held in illegal or invalid by the Courts, it shall not effect the validity of the remainder of the ordinance.

Section 9. All ordinances or resolutions or parts thereof in conflict herewith may be repealed to the extent of any such conflict.

Section 10. It is ascertained and declared that on the account of the lack of adequate space to properly administer the essential functions of the City of Monticello, the health, lives and property of the inhabitants thereof are daily endangered. It is, therefore, declared that an emergency exist and this ordinance is necessary for the immediate preservation of public peace, health and safety and this ordinance shall take effect and be in force from after its passage.

SO ORDAINED this 25 day of April, 2002.

APPROVED:   
\_\_\_\_\_  
Mayor Harold West

ATTEST:

  
\_\_\_\_\_  
City Clerk/Treasurer

(SEAL)

CERTIFICATION

STATE OF ARKANSAS)  
COUNTY OF D R E W)

I, the undersigned CINDY FAKOURI, hereby certify that I am the duly qualified and acting City Clerk for the City of Monticello, Arkansas, that the foregoing ordinance was adopted by the City Council of Monticello at a meeting of said council duly held on April 25, 2002, and that said ordinance is now duly recorded in the official records of this city, of which records I am the official custodian.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of said City on this 25 day of April, 2002.

  
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Cindy Fakouri, City Clerk-Treasurer

RESOLUTION

BE IT RESOLVED by the City Council of Monticello, Arkansas, now in special meeting duly called and convened, a quorum being present, that Mayor Harold West, acting in behalf of the city, is hereby authorized and directed to obtain loan(s) totalling \$450,000.00 from Union Bank & Trust Company, of Monticello, Arkansas, to finance the purchase of the W. C. Whaley and Old Monticello High School campus sites, and to finance Phase I of the renovation of the Whaley campus; and he is further authorized and directed to execute an appropriate promissory note evidencing said loan(s) and an appropriate mortgage of said properties for the purpose of securing said loan(s), and to take any other action which may be necessary or appropriate relative to such bank financing.

(End of Resolution)

STATE OF ARKANSAS)  
COUNTY OF D R E W)

I, the undersigned CINDY FAKOURI, hereby certify that I am City Clerk of the City of Monticello, Arkansas, and that the foregoing is a true copy of a resolution duly adopted at a meeting of the City Council during the course of a special meeting held on the 7 day of May, 2002, and that said resolution now appears in the minutes of said meeting.

WITNESS HEREUNTO my hand and seal on this 29 day of May, 2002.

  
Cindy Fakouri