ORDINANCE NO. $\qquad$


#### Abstract

AN ORDINANCE TO AMEND LITTLE ROCK, ARKANSAS, ORDINANCE NO. 21,258 (AUGUST 12, 2016); TO AUTHORIZE A REVISED REPAYMENT SCHEDULE AND INTEREST RATE FOR THE OUTSTANDING CITY OF LITTLE ROCK, ARKANSAS SEWER REVENUE BOND, SERIES 2016; TO PRESCRIBE OTHER MATTERS THAT RELATE THERETO; AND FOR OTHER PURPOSES.


WHEREAS, the City of Little Rock, Arkansas (the "City"), has issued its Sewer Revenue Bond, Series 2016, dated August 12, 2016, as modified effective April 15, 2020 (the "Bond"), in order to finance extensions, betterments and improvements to the City's Water Reclamation System, which is operated by the Little Rock Water Reclamation Authority; and,

WHEREAS, the City entered into a Bond Purchase Agreement, dated June 21, 2016 (the "Bond Purchase Agreement"), with the Arkansas Natural Resources Commission ("ANRC") and the Arkansas Development Finance Authority (the "Bondholder") providing for the purchase by the Bondholder of the Bond in the principal amount of Sixty-One Million Dollars ( $\$ 61,000,000.00$ ); and,

WHEREAS, the Bond Purchase Agreement was supplemented effective April 15, 2020; and,
WHEREAS, the Bond bears interest at the rate of $2.0 \%$ and principal installments are payable on each April $15^{\text {th }}$ and October $15^{\text {th }}$ with the final payment due April 15, 2050; and,

WHEREAS, the City pays a servicing fee to the Bondholder on the dates that interest on the Bond is due at the rate of $1 \%$ on the outstanding principal of the Bond; and,

WHEREAS, ANRC and the Bondholder have agreed to modify the terms of the Bond by deferring the principal of the Bond due in 2021, 2022, and 2023, by three (3) years after the current maturity date; and,

WHEREAS, ANRC and the Bondholder have agreed that the Bond will not bear interest after the current maturity date and that there will not be any additional interest or servicing fee amounts as a result of the restructuring; and,

WHEREAS, the Bond was issued under and pursuant to Ordinance No. 21,258 passed June 28, 2016, as amended and supplemented by Ordinance No. 21,844 of the City passed February 18, 2020 (collectively "Ordinance No. 21,258").

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. The fifth WHEREAS clauses of Ordinance No. 21,258 is hereby amended to read as follows:
"WHEREAS, the City is making arrangements for the sale of a Sixty-One Million Dollar ( $\$ 61,000,000.00$ ) principal amount bond to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par pursuant to a Bond Purchase Agreement (the "Agreement") among the City, the Bondholder and the Arkansas Natural Resources Commission (the "Commission"), which Agreement has been presented to and is before this meeting; and"

Section 2. The ninth WHEREAS clause of Ordinance No. 21,258 is hereby amended to read as follows:
"WHEREAS, the City will also be required to pay to the Arkansas Development Finance Authority, as servicer with respect to the bond, a servicing fee based upon variable rates applied to the outstanding principal amount of the bond (the "Servicing Fee");"

Section 3. Section 2 of Ordinance No. 21,258 is hereby amended to read as follows:
"The sale to the Bondholder of a bond in the maximum principal amount of Sixty-One Million Dollars $(\$ 61,000,000.00)$ at a price of par, subject to the terms and provisions hereafter in this ordinance set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Mayor, his execution to constitute complete evidence of such approval."

Section 4. The second paragraph of Section 4 of Ordinance No. 21,258 is hereby amended to read as follows:
"The bond shall bear interest at the rates and shall be subject to Servicing Fees calculated at the rates based upon a 360 -day year of twelve (12) consecutive thirty (30)-day months compounded semiannually. The bond shall be dated the date of its delivery to the Bondholder. Accrued interest and the Servicing Fee only shall be payable on each April $15^{\text {th }}$ and October $15^{\text {th }}$, commencing October 15, 2016, to and including April 15, 2020. There shall be no interest and Servicing Fees due after April 15, 2050. Principal, interest and the Servicing Fees shall be payable on October 15, 2020, and on each April $15^{\text {th }}$ and October $15^{\text {th }}$ thereafter as follows:

Schedule appears below and on pages 3 and 4

| Payment Date | Total Payment | Interest Rate | Interest | Servicing Fee | Servicing Fee | Principal |
| ---: | ---: | :---: | :---: | :---: | ---: | ---: |
| April 15,2020 |  |  |  |  |  |  |
| October 15,2020 | $\$ 1,548,999.00$ | $2.00 \%$ | $\$ 610,000.00$ | $1.00 \%$ | $\$ 305,000.00$ | $\$ 633,999.00$ |
| April 15,2021 | $905,490.00$ | $2.00 \%$ | $603,660.00$ | $1.00 \%$ | $301,830.00$ | - |
| October 15,2021 | $895,837.00$ | $1.98 \%$ | $597,225.00$ | $0.99 \%$ | $298,612.00$ | - |
| April 15,2022 | $886,040.00$ | $1.96 \%$ | $590,693.00$ | $0.98 \%$ | $295,347.00$ | - |
| October 15,2022 | $876,096.00$ | $1.94 \%$ | $584,064.00$ | $0.97 \%$ | $292,032.00$ | - |
| April 15,2023 | $866,002.00$ | $1.91 \%$ | $577,335.00$ | $0.96 \%$ | $288,667.00$ | - |
| October 15,2023 | $855,757.00$ | $1.89 \%$ | $570,505.00$ | $0.95 \%$ | $285,252.00$ | - |


| April 15, 2024 | 1,548,999.00 | 1.87\% | 563,572.00 | 0.93\% | 281,786.00 | 703,641.00 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| October 15, 2024 | 1,548,999.00 | 1.87\% | 556,536.00 | 0.93\% | 278,268.00 | 714,195.00 |
| April 15, 2025 | 1,548,999.00 | 1.86\% | 549,394.00 | 0.93\% | 274,697.00 | 724,908.00 |
| October 15, 2025 | 1,548,999.00 | 1.86\% | 542,145.00 | 0.93\% | 271,072.00 | 735,782.00 |
| April 15, 2026 | 1,548,999.00 | 1.86\% | 534,787.00 | 0.93\% | 267,394.00 | 746,818.00 |
| October 15, 2026 | 1,548,999.00 | 1.86\% | 527,319.00 | 0.93\% | 263,659.00 | 758,021.00 |
| April 15, 2027 | 1,548,999.00 | 1.86\% | 519,739.00 | 0.93\% | 259,869.00 | 769,391.00 |
| October 15, 2027 | 1,548,999.00 | 1.85\% | 512,045.00 | 0.93\% | 256,022.00 | 780,932.00 |
| April 15, 2028 | 1,548,999.00 | 1.85\% | 504,235.00 | 0.93\% | 252,118.00 | 792,646.00 |
| October 15, 2028 | 1,548,999.00 | 1.85\% | 496,309.00 | 0.93\% | 248,154.00 | 804,536.00 |
| April 15, 2029 | 1,548,999.00 | 1.85\% | 488,264.00 | 0.92\% | 244,132.00 | 816,603.00 |
| October 15, 2029 | 1,548,999.00 | 1.85\% | 480,098.00 | 0.92\% | 240,049.00 | 828,852.00 |
| April 15, 2030 | 1,548,999.00 | 1.84\% | 471,809.00 | 0.92\% | 235,905.00 | 841,285.00 |
| October 15, 2030 | 1,548,999.00 | 1.84\% | 463,396.00 | 0.92\% | 231,698.00 | 853,905.00 |
| April 15, 2031 | 1,548,999.00 | 1.84\% | 454,857.00 | 0.92\% | 227,429.00 | 866,713.00 |
| October 15, 2031 | 1,548,999.00 | 1.84\% | 446,190.00 | 0.92\% | 223,095.00 | 879,714.00 |
| April 15, 2032 | 1,548,999.00 | 1.83\% | 437,393.00 | 0.92\% | 218,696.00 | 892,910.00 |
| October 15, 2032 | 1,548,999.00 | 1.83\% | 428,464.00 | 0.91\% | 214,232.00 | 906,303.00 |
| April 15, 2033 | 1,548,999.00 | 1.83\% | 419,401.00 | 0.91\% | 209,700.00 | 919,898.00 |
| October 15, 2033 | 1,548,999.00 | 1.82\% | 410,202.00 | 0.91\% | 205,101.00 | 933,696.00 |
| April 15, 2034 | 1,548,999.00 | 1.82\% | 400,865.00 | 0.91\% | 200,432.00 | 947,702.00 |
| October 15, 2034 | 1,548,999.00 | 1.81\% | 391,388.00 | 0.91\% | 195,694.00 | 961,917.00 |
| April 15, 2035 | 1,548,999.00 | 1.81\% | 381,769.00 | 0.90\% | 190,884.00 | 976,346.00 |
| October 15, 2035 | 1,548,999.00 | 1.81\% | 372,005.00 | 0.90\% | 186,003.00 | 990,991.00 |
| April 15, 2036 | 1,548,999.00 | 1.80\% | 362,095.00 | 0.90\% | 181,048.00 | 1,005,856.00 |
| October 15, 2036 | 1,548,999.00 | 1.80\% | 352,037.00 | 0.90\% | 176,018.00 | 1,020,944.00 |
| April 15, 2037 | 1,548,999.00 | 1.79\% | 341,827.00 | 0.90\% | 170,914.00 | 1,036,258.00 |
| October 15, 2037 | 1,548,999.00 | 1.78\% | 331,465.00 | 0.89\% | 165,732.00 | 1,051,802.00 |
| April 15, 2038 | 1,548,999.00 | 1.78\% | 320,947.00 | 0.89\% | 160,473.00 | 1,067,579.00 |
| October 15, 2038 | 1,548,999.00 | 1.77\% | 310,271.00 | 0.89\% | 155,135.00 | 1,083,593.00 |
| April 15, 2039 | 1,548,999.00 | 1.76\% | 299,435.00 | 0.88\% | 149,717.00 | 1,099,847.00 |
| October 15, 2039 | 1,548,999.00 | 1.76\% | 288,436.00 | 0.88\% | 144,218.00 | 1,116,345.00 |
| April 15, 2040 | 1,548,999.00 | 1.75\% | 277,273.00 | 0.87\% | 138,637.00 | 1,133,089.00 |
| October 15, 2040 | 1,548,999.00 | 1.74\% | 265,942.00 | 0.87\% | 132,971.00 | 1,150,086.00 |
| April 15, 2041 | 1,548,999.00 | 1.73\% | 254,441.00 | 0.86\% | 127,221.00 | 1,167,337.00 |
| October 15, 2041 | 1,548,999.00 | 1.72\% | 242,768.00 | 0.86\% | 121,384.00 | 1,184,847.00 |
| April 15, 2042 | 1,548,999.00 | 1.70\% | 230,919.00 | 0.85\% | 115,460.00 | 1,202,620.00 |
| October 15, 2042 | 1,548,999.00 | 1.69\% | 218,893.00 | 0.85\% | 109,447.00 | 1,220,659.00 |
| April 15, 2043 | 1,548,999.00 | 1.68\% | 206,687.00 | 0.84\% | 103,343.00 | 1,238,969.00 |
| October 15, 2043 | 1,548,999.00 | 1.66\% | 194,297.00 | 0.83\% | 97,148.00 | 1,257,554.00 |
| April 15, 2044 | 1,548,999.00 | 1.64\% | 181,721.00 | 0.82\% | 90,861.00 | 1,276,417.00 |
| October 15, 2044 | 1,548,999.00 | 1.62\% | 168,957.00 | 0.81\% | 84,479.00 | 1,295,563.00 |
| April 15, 2045 | 1,548,999.00 | 1.59\% | 156,002.00 | 0.80\% | 78,001.00 | 1,314,996.00 |
| October 15, 2045 | 1,548,999.00 | 1.56\% | 142,852.00 | 0.78\% | 71,426.00 | 1,334,721.00 |
| April 15, 2046 | 1,548,999.00 | 1.53\% | 129,504.00 | 0.76\% | 64,752.00 | 1,354,743.00 |
| October 15, 2046 | 1,548,999.00 | 1.49\% | 115,957.00 | 0.74\% | 57,978.00 | 1,375,064.00 |
| April 15, 2047 | 1,548,999.00 | 1.44\% | 102,206.00 | 0.72\% | 51,103.00 | 1,395,690.00 |
| October 15, 2047 | 1,548,999.00 | 1.38\% | 88,249.00 | 0.69\% | 44,125.00 | 1,416,625.00 |


| April 15,2048 | $1,548,999.00$ | $1.30 \%$ | $74,083.00$ | $0.65 \%$ | $37,042.00$ | $1,437,874.00$ |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| October 15,2048 | $1,548,999.00$ | $1.20 \%$ | $59,704.00$ | $0.60 \%$ | $29,852.00$ | $1,459,443.00$ |
| April 15,2049 | $1,548,999.00$ | $1.06 \%$ | $45,110.00$ | $0.53 \%$ | $22,555.00$ | $1,481,334.00$ |
| October 15,2049 | $1,548,999.00$ | $0.86 \%$ | $30,297.00$ | $0.43 \%$ | $15,148.00$ | $1,503,554.00$ |
| April 15,2050 | $1,549,007.00$ | $0.55 \%$ | $15,261.00$ | $0.28 \%$ | $7,631.00$ | $1,526,115.00$ |
| October 15,2050 | $643,509.00$ | $0.00 \%$ | - | $0.00 \%$ | - | $643,509.00$ |
| April 15,2051 | $653,162.00$ | $0.00 \%$ | - | $0.00 \%$ | - | $653,162.00$ |
| October 15,2051 | $662,959.00$ | $0.00 \%$ | - | $0.00 \%$ | - | $662,959.00$ |
| April 15,2052 | $672,903.00$ | $0.00 \%$ | - | $0.00 \%$ | - | $672,903.00$ |
| October 15,2052 | $682,997.00$ | $0.00 \%$ | - | $0.00 \%$ | - | $682,997.00$ |
| April 15,2053 | $693,242.00$ | $0.00 \%$ | - | $0.00 \%$ |  | $693,242.00$ |

Section 5. The Mayor, for and on behalf of the City, is hereby authorized and directed to enter into a supplement to the Bond Purchase Agreement having terms consistent with the provisions of this ordinance.

Section 6. The Mayor and City Clerk, for and on behalf of the City, are authorized to execute and deliver a new bond certificate providing (a) that this ordinance has been adopted, (b) for the new debt service payment schedule, (c) for variable interest rates and Servicing Fees and (d) such other terms as consistent with this ordinance. The new Bond Certificate shall be a bond issued under the provisions of Ordinance No. 21,258 and shall be entitled to the benefits, security and terms of Ordinance No. 21,258, except as to the interest rate, Servicing Fee and repayment terms set forth herein.

Section 7. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the ordinance.

Section 8. Repealer. All ordinances, resolutions, bylaws, and other matters inconsistent with this ordinance, particularly including but not limited to Little Rock, Arkansas, Ordinance No. 21,258 (August $12,2016)$, are hereby repealed to the extent of such inconsistency.

PASSED: October 20, 2020
ATTEST:

## Susan Langley, City Clerk

## APPROVED AS TO LEGAL FORM:

## Thomas M. Carpenter, City Attorney <br> // <br> //

