

## **ORDINANCE NO. 2004-14**

AN ORDINANCE APPROVING A LEASE FOR THE FINANCING OF A PUBLIC PROJECT IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$55,000; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE; DIRECTING THE MAINTENANCE OF A SINKING FUND AS SECURITY FOR THE LEASE; AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED TO SUCH LEASE, AND CONTAINING A SEVERABILITY CLAUSE, REPEALER CLAUSE AND AN EFFECTIVE DATE

WHEREAS, the City of Russellville, Kentucky (the "Lessee") has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of property for public.

WHEREAS, the City Council of the Lessee (the "Governing Body") has previously determined, and hereby further determines, that the Lessee is in need of an industrial backhoe (the "Project"), as further described in the hereinafter-defined Lease;

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the health, safety and welfare of the Lessee that the Lessee and the Kentucky League of Cities Funding Trust (the "Lessor") enter into a Lease Agreement in a principal amount not to exceed \$55,000 (the "Lease") for the leasing by the Lessee from the Lessor of the Project.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RUSSELLVILLE, KENTUCKY, AS FOLLOWS:**

**Section 1. Recitals and Authorization.** The Lessee hereby approves the Lease Agreement (the "Lease") and all Collateral Documents, as defined in the Lease, each in substantially the form presented to this Governing Body. It is hereby found and determined that the Project identified in the Lease is public property to be used for public purposes. It is further determined that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease and all representations, certifications and other matters contained in the Closing Memorandum with respect to the Lease, or as may be required by the Lessor prior to delivery of the Lease, are hereby approved, ratified and confirmed. The Mayor and Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

**Section 2. General Obligation Pledge.** Pursuant to the Constitution of the Commonwealth and Chapter 66 of the Kentucky Revised Statutes, as amended (the "General Obligation Statutes"), the obligation of the Lessee created by the Lease shall be a full general obligation of the Lessee and, for the prompt payment of the Lease

Payments, the full faith, credit and revenue of the Lessee are hereby pledged. During the period the Lease is outstanding, there shall be and there hereby is levied on all the taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the Lease Payments on the Lease when and as due, it being hereby found and determined that current tax rates are within all applicable limitations. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof; provided, however, that in each year to the extent that the other taxes of the Lessee are available for the payment of the Lease Payments and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes so available and appropriated.

Pursuant to an ordinance adopted by the Governing Body of the Lessee on June 19, 2001 (the "2001 General Obligation Ordinance"), there has heretofore been established a sinking fund (the "Sinking Fund"), which is hereby ordered to be continued and maintained as long as the Lease shall remain outstanding. The funds derived from said tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds or obligations issued under the General Obligation Statutes and all Tax Supported Leases, as defined in General Obligation Statutes, including the Lease herein authorized, when and as the same fall due. Amounts shall be transferred from the Sinking Fund to the Lessor at the times and in the amounts required by the Lease.

**Section 3. Severability.** If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 4. Repealer Clause.** All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

**Section 5. Effective Date.** This Ordinance shall take effect upon its passage and publication, as provided by law.

FIRST READING conducted this the 2<sup>nd</sup> day of November, 2004.

SECOND READING AND PASSAGE by roll call vote on November 16, 2004.

<u>AYES:</u>	<u>NAYS:</u>	<u>ABSTAIN:</u>	<u>ABSENT:</u>
<u>Marie Sweatt</u>	<u>None</u>	<u>None</u>	<u>Ken Barrett</u>
<u>Howard Wren</u>	_____	_____	_____
<u>Russell Jones</u>	_____	_____	_____
<u>Jean Hankins</u>	_____	_____	_____
<u>Pat Bell</u>	_____	_____	_____

ATTEST:

Dal Niggs  
City Clerk

Shirley Garsney  
Mayor