

ORDINANCE # 2014-10-01

AN ORDINANCE AUTHORIZING THE ISSUANCE
OF A \$235,900 PRINCIPAL AMOUNT
GENERAL OBLIGATION WARRANT, SERIES 2014-B

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROANOKE, Alabama, as follows:

Section 1. Definitions and Use of Phrases. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

“Depository” means Small Town Bank, Roanoke, Alabama, or its successors.

“Warrant” means the Municipality’s General Obligation Warrant, Series 2014, to be dated the date of issuance.

The definitions set forth in this section shall be deemed applicable whether the words defined are used herein in the singular or the plural. Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings and Representations. The Municipality, by and through its City Council, does hereby find, determine, represent, and warrant that the assessed valuation of the taxable property in the Municipality for the preceding fiscal year (ending September 30, 2013) is not less than \$51,480,980 and the total indebtedness of the Municipality (including the Warrant) chargeable against the debt limitation for the Municipality prescribed by the Constitution of the State of Alabama is not more than twenty percent of said assessed valuation.

Section 3. Authorization and Description of Warrant. (a) Pursuant to the applicable provisions of the laws of the State of Alabama, including particularly Section 11-47-2 of the CODE OF ALABAMA 1975, as amended, there is hereby authorized to be issued a “General Obligation Warrant, Series 2014-B” in the principal amount of \$235,900, the proceeds of which will be used to finance the purchase of eleven (11) police cars. The Warrant shall be dated the date of its initial issue, and shall be in registered form, without coupons. Payments of principal and interest on the Warrant shall be payable in the amounts and on the dates as set forth in the form of the Warrant.

(b) The principal of, premium, if any, and interest on the Warrant shall be payable in lawful money of the United States at par and without discount, exchange, deduction or charge therefor at the main office of Small Town Bank, Roanoke, Alabama.

Section 4. Redemption of Warrant. (a) The Warrant shall be optionally redeemable, in whole or in multiples of \$1,000, at the option of the Municipality on any date at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium or penalty.

(b) Notice of any optional redemption shall be sent by United States registered or certified mail to the registered owner of the Warrant not less than three (3) days prior to the date fixed for redemption. If any principal portion so redeemable shall have been called for redemption, interest thereon shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

(c) The record of all redemptions or prepayments of principal of the Warrant shall be maintained by the Depository and the record of the Depository as to the then outstanding principal amount of the Warrant shall be binding and conclusive, the Municipality, the Depository and the holder of the Warrant, in the absence of manifest error. Any transferee of the Warrant shall be required to verify with the Depository the principal amount thereof then outstanding and unpaid.

Section 5. Form of the Warrant. The form of the Warrant and the requisite certificates thereof shall be substantially as follows, with appropriate changes, variations and insertions as provided herein:

(Form of Warrant)

UNITED STATES OF AMERICA
STATE OF ALABAMA
CITY OF ROANOKE
GENERAL OBLIGATION WARRANT
SERIES 2014-B

The CITY OF ROANOKE, a municipal corporation organized and existing under and by virtue of the laws of the State of Alabama (the "Municipality"), for value received, hereby acknowledges itself indebted to the UNITED STATES DEPARTMENT OF AGRICULTURE (the "Warrantholder"), or registered assigns in the principal sum of

TWO HUNDRED THIRTY-FIVE THOUSAND NINE HUNDRED DOLLARS
AND NO/100s

(\$235,900)

and hereby orders and directs the City Clerk of the Municipality to pay to said payee or registered assigns solely from the Fund hereinafter designated said sum in installments as specified below:

(a) on October __, 2015, and continuing on each October __ thereafter, through and including October __, 2018, the sum of \$47,180 plus an amount equal to the accrued but unpaid interest calculated at the per annum rate of 4.000% (subject to the provisions below), each such amount to be applied first to the payment of accrued but unpaid interest and then to the reduction of outstanding principal; provided that if the interest on the Warrant is determined by the Internal Revenue Service to be includable in gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") or if it is determined by the Internal Revenue Service that the Warrant is not a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Code, the Warrant shall bear interest at the rate of 6.0% per annum from (a) the date such interest must be included in such gross income, or (b) the date the Warrantholder is required to take 100% (rather than 20%) of the interest thereon into account in complying with the said Section 265(b), whichever is the earlier. If either such determination is made, the difference between (1) the interest then due computed at the higher rate, and (2) the interest already paid at the lower rate, shall be paid within thirty (30) days after the date a written notice is mailed by the Warrantholder stating that such a determination has been made and stating the amount of additional interest then due. The obligation to pay such additional interest shall survive the payment of principal of the Warrant; and

(b) on October __, 2019, the entire outstanding principal amount due and owing pursuant to the Warrant plus accrued interest through the date of payment.

Interest shall be computed on the basis of actual number of days elapsed over an assumed 365-day year. The principal of and interest on this Warrant are payable in lawful money of the United States of America, at par and without deduction for exchange or costs of collection.

Payments shall be deemed timely made if received on the first day of each month (or if such date is not a business day, on the business day next following such payment date). All such payments shall be valid and effectual to satisfy and discharge the liability of the Municipality or the Depository upon this Warrant to the extent of the sum or sums so paid.

This Warrant is all of a duly authorized issue of General Obligation Warrant, Series 2014-B, of the Municipality (the "Warrant") limited to an aggregate principal amount of \$235,900, issued pursuant to the Constitution and laws of the State of Alabama, as amended, including the provisions of Section 11-47-2 of the CODE OF ALABAMA 1975, as amended, and an ordinance and proceedings of the Municipality duly passed, held and conducted (the "Authorizing Ordinance"). The indebtedness evidenced by the Warrant is a general obligation of the Municipality, and the full faith and credit of the Municipality are hereby sacredly and irrevocably pledged to the punctual payment of the principal thereof and interest thereon.

The Municipality has established a special fund designated "Series 2014 General Obligation Warrant Fund" for the payment of the principal of, premium, if any, and interest on the Warrant and has obligated itself to pay or cause to be paid into said Fund from the taxes, revenues or funds of the Municipality sums sufficient to provide for the payment of the principal of, premium, if any, and interest on the Warrant as the same mature and come due.

The Warrant shall be subject to redemption, in whole or in multiples of \$1,000, at the option of the Municipality on any date at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption, without premium or penalty.

The record of all prepayments of principal of the Warrant, shall be maintained by the Depository and the record of the Depository as to the then outstanding principal amount of each Warrant shall be binding and conclusive on all parties, the Municipality, the Depository and the holder of the Warrant, in the absence of manifest error. If the registered owner hereof shall assign this Warrant by execution of the Assignment attached hereto, the assignee shall surrender this Warrant to the Depository for a verification of the principal amount hereof and interest hereon paid or prepaid, and EVERY ASSIGNEE HEREOF SHALL TAKE THIS WARRANT SUBJECT TO SUCH CONDITION.

Notice of any optional redemption shall be sent by United States registered or certified mail to the registered owner of this Warrant not less than three (3) days prior to each proposed redemption date. Notice having been so given and payment of the redemption price having been duly made or provided, interest on the principal portion hereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

The Warrant is issuable only as a fully registered Warrant. The Warrant may be transferred by the registered owner in person or by authorized attorney, only on the books of the Depository and only upon surrender of the Warrant to the Depository with a written instrument of transfer acceptable to the Depository executed by the registered owner or his duly authorized attorney, for notation of the new registered owner thereon and upon any such transfer, no new Warrant shall be issued to the transferee in exchange therefor. Each registered owner, by receiving or accepting this Warrant, shall consent and agree and shall be estopped to deny that insofar as the Municipality and the Depository are concerned, this Warrant may be transferred only in accordance with the provisions of the Authorizing Ordinance. Provision is made in the Authorizing Ordinance for the replacement of this Warrant if it shall be or become mutilated, lost, stolen or destroyed by the issuance, authentication and registration of a new Warrant of like tenor, subject, however, to the terms, conditions and limitations contained in the Authorizing Ordinance with respect thereto.

No charge shall be made for the privilege of transfer, but the registered owner of this Warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this Warrant is lawfully due without condition, abatement or offset of any description, that this Warrant has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this Warrant, and the adoption of the Authorizing Ordinance, do exist and have been performed as so required and that the principal amount of this Warrant, together with all other indebtedness of the Municipality, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the Municipality has caused this Warrant to be executed in its name and on its behalf by its Mayor, and attested by its City Clerk, and its corporate seal to be affixed hereto, and has caused this Warrant to be dated October __, 2014.

CITY OF ROANOKE

By _____
Its Mayor

SEAL

Attest: Penny Holloway
City

AUTHENTICATION AND REGISTRATION DATE: October __, 2014.

AUTHENTICATION AND REGISTRATION CERTIFICATE

This Warrant is hereby authenticated and has been registered by the City of Roanoke on the registration books maintained with the Depository in the name of the above-named registered owner on the Authentication and Registration Date noted above.

U.S. DEPARTMENT OF AGRICULTURE

By _____
Its Authorized Officer

REGISTRATION CERTIFICATE

I hereby certify that this Warrant has been duly registered by me as a claim against the City of Roanoke, in the State of Alabama, and the Warrant Fund referred to herein.

Benny Holloway
City Clerk of the City of Roanoke, Alabama

ASSIGNMENT

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within Warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within mentioned Depository.

Dated this ____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank, Trust Company or Firm)

By _____
(Authorized Officer)

Section 6. Execution of the Warrant, Registration Certificate and Authentication and Registration Certificate. The Warrant shall be executed in the name and on behalf of the Municipality by the Mayor, and shall be attested by the City Clerk, and the official seal of the Municipality shall be impressed thereon. The Warrant shall be registered by the City Clerk of the Municipality, in the records maintained by the said City Clerk, as a claim against the Municipality and the Warrant Fund. The certificate of registration on the Warrant shall be executed by the City Clerk of the Municipality. Said officers are hereby directed to so execute, attest and register the Warrant. In case any officer whose signature shall appear on the Warrant shall cease to be such officer before the authentication and delivery of such Warrant, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had

remained in office until authentication and delivery.

Section 7. The Warrant Fund. The Municipality shall pay or cause to be paid into the Series 2014 General Obligation Warrant Fund hereby created, an amount necessary each month to satisfy the amount due on the next ensuing payment date.

Moneys on deposit in the Warrant Fund shall be used to pay the principal of and interest on the Warrant as such principal and interest mature and become due.

Section 8. Sale and Delivery of Warrant; Closing Papers. The Warrant is hereby sold to the United States Department of Agriculture, upon the payment to the Municipality of the purchase price of the par value or principal amount of the Warrant.

The City Council has determined that the sale of the Warrant to such purchaser on such terms is most advantageous to the Municipality. The Warrant shall be delivered to such purchaser in Anniston, Alabama, upon the payment to the Municipality of the aforesaid purchase price. The Mayor and the City Clerk, or any of them, are hereby authorized and directed to effect such delivery and in connection therewith to deliver such closing papers, documents and contracts containing such representations as are required to demonstrate: the legality and validity of the Warrant as herein provided; the exemption of interest on the Warrant from Federal and State of Alabama income taxation; and the absence of pending or threatened litigation with respect to any of such matters. The City Clerk shall give a receipt to the said purchaser for the purchase price paid, and such receipt shall be full acquittal to the said purchaser and the said purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrant. Nevertheless, the proceeds of the Warrant shall be held in trust and applied solely for the purpose specified in this ordinance.

Section 9. Application of Proceeds of Warrant. The proceeds from the sale of the Warrant shall be used to finance the acquisition and equipping of eleven (11) police cars (the "Series 2014 Improvements") for use for municipal purposes. The actions by the Municipality of incurring such indebtedness are hereby ratified and approved and the proceeds of the Warrant are to be used to retire said indebtedness.

Section 10. Covenant With Respect to Tax Exemption for Interest. The Municipality hereby covenants and agrees with the registered owner from time to time of the Warrant that the proceeds of the Warrant shall not be used or applied by it, and the taxes or other revenues of the Municipality shall not be accumulated in the Warrant Fund in such a manner and no investment of any of the foregoing shall be made, as to cause the Warrant to be or become an "arbitrage bond", as that term is defined in Section 148 of the Code.

With respect to the Code, the Municipality does hereby make the following representations and covenants:

(a) None of the proceeds of the Warrant will be applied for any “private business use” nor will any part of the proceeds of the Warrant be used (directly or indirectly) to make or finance loans to persons other than a governmental unit.

(b) The payment of the principal of and interest on the Warrant is not (i) secured in any way by any property used or to be used for a “private business use” or by payments in respect of such property or (ii) to be derived from payments (whether or not to the Municipality) in respect of property, or borrowed money, used or to be used for a “private business use.”

(c) To the extent permitted by law, the Municipality will not take any action, or omit to take any action with respect to the Warrant that would cause the interest on the Warrant not to be and remain excludable from gross income pursuant to the provisions of Section 103 of the Code.

(d) The Municipality will make no use of the proceeds of the Warrant that would cause the Warrant to be or become an “arbitrage bond” under Section 148 of the Code.

(e) The Municipality will comply with the requirements of Section 148(f) of the Code with respect to any required rebate to the United States.

(f) The Municipality will make no use of the proceeds of the Warrant that would cause the Warrant to be “federally guaranteed” under Section 149(b) of the Code and the payment of the principal of and interest on the Warrant shall not be (directly or indirectly) “federally guaranteed” in whole or in part as described in said Section.

(g) The Municipality hereby designates the Warrant as a “qualified tax-exempt obligation” for the purposes of paragraph (3) of subsection (b) of Section 265 of the Code. The Municipality does hereby represent that neither it nor its “subordinate entities” have issued in the aggregate more than \$10,000,000 of “qualified tax-exempt obligations” during this calendar year, and the Municipality does hereby further represent that it reasonably anticipates that the amount of neither “qualified tax-exempt obligations” nor “tax-exempt obligations” which will be issued by the Municipality or its “subordinate entities” during this calendar year will exceed \$10,000,000.

The City Council acknowledges that it has been necessary for an investigation to be made of the records of the Municipality as to the public corporations, districts, agencies, bureaus or commissions that may constitute “subordinate entities” within the meaning of the Code. For purposes of this investigation, the City Clerk and Mayor have identified all of the above entities for which the City Council of the Municipality appoints any members of the board of directors or other governing body of the above entities and concluded that the Municipality (and its subordinate entities) has not issued nor does it reasonably anticipate to issue \$10,000,000 or more in bank qualified tax-exempt debt.

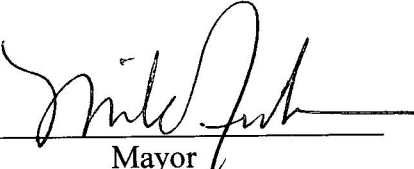
The terms used in this Section in quotation marks shall have the definitions and meanings

provided by the Code.

Section 11. Provisions of Ordinance a Contract. The terms, provisions and conditions set forth in this ordinance constitute a contract between the Municipality and the registered owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.


Section 12. Severability. The provisions of this ordinance are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this ordinance or of the Warrant, and this ordinance and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Adopted this 20th day of October, 2014.



Mayor

SEAL

Attest: 

City Clerk

It was moved by Councilmember Cummings that all rules and regulations which, unless suspended, would prevent the immediate consideration and adoption of the said ordinance be suspended and that unanimous consent to the immediate consideration and adoption of the said ordinance be given. The motion was seconded by Councilmember Bell and on roll call was unanimously adopted, those answering aye being:

Ayes: Mack Arthur Bell
 Mike Parmer
 Tammi Holley
 Russ Cummings
 Terry Cole

Nays: None

The Mayor declared the motion unanimously carried.

After the said ordinance had been discussed and considered in full by the Council, it was moved by Councilmember Bell that the said ordinance be now placed upon its final passage and adopted. The motion was seconded by Councilmember Cole. The question being put as to the adoption of the said motion and the final passage of the said ordinance, the roll was called with the following results:

Ayes: Mack Arthur Bell
 Mike Parmer
 Tammi Holley
 Russ Cummings
 Terry Cole

Nays: None

The Mayor declared the motion unanimously carried and the said ordinance passed and adopted as introduced.

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

MINUTES APPROVED:



Mayor

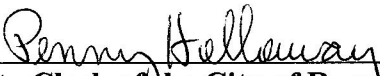
Attest: 

City Clerk

CERTIFICATE OF CITY CLERK

The undersigned duly elected, qualified and acting City Clerk of the City of Roanoke hereby certifies as follows: the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from all those parts of the minutes of a regular meeting of the City Council of the City duly held on the 20th day of October, 2014, pertaining to the matters therein referred to, the original of which is on file and of record in the minute book of the City Council in my custody; the ordinances set forth in such excerpts are complete, verbatim and compared copies of such ordinances as introduced and adopted by the City Council on such date and said ordinances are still in full force and effect and have not been repealed, amended, or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk and have affixed the official seal of the City , this ____ day of October, 2014.



City Clerk of the City of Roanoke

SEAL