

ORDINANCE NO. 1251

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE
OF \$500,000 PRINCIPAL AMOUNT OF GENERAL
OBLIGATION SECURED REFUNDING WARRANTS,
SERIES 1970, OF THE CITY OF PRICHARD,
ALABAMA

BE IT ORDAINED by the City Council of the City
of Prichard, Alabama, as follows:

Section 1. Definitions and Use of Phrases.

(a) Definitions. The following words and phrases,
in the absence of clear implication herein otherwise, shall
be given the following respective interpretations where used
in this ordinance:

"Additional Parity Securities" means any securities which the City may at the time of issuance be authorized to issue and for the payment of the principal of and interest on which the Gross Receipts Tax may be pledged under the reserved right so to do contained in and in accordance with the provisions of Section 9 hereof.

"Annual Debt Service Requirement" means the amount of principal and interest having a stated maturity during a Fiscal Year.

"Called Warrant" means a Warrant that has been called for redemption pursuant to the provisions of Section 5(a) hereof.

"City" means the municipal corporation of Prichard in the State of Alabama and includes its successors and assigns and any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"City Clerk" means the city clerk of the City.

"City Treasurer" means the city treasurer of the City.

"Council" means the governing body of the City as from time to time constituted.

"Coupons" means the interest coupons provided for herein which evidence the interest on the Warrants.

"Financial Journal" means a journal devoted primarily to news of financial matters and having general circulation among those interested in financial matters.

"Fiscal Year" means a fiscal year of the City beginning on any October 1 and ending on the next ensuing September 30.

"Gross Receipts Tax" means that certain privilege or license tax of the City levied by Ordinance No. 880 of the City adopted October 3, 1960, as amended by Ordinances Nos. 977, 1007, 1182, and 1197 of the City adopted respectively on February 2, 1965, March 1, 1965, February 24, 1969, and April 9, 1969, on persons, corporations and others engaging in the business of selling at retail tangible personal property and on the business of conducting or operating places of amusement, to the extent that the said tax is levied with respect to business conducted within the corporate limits of the City.

"Interest Payment Date" means any May 1 or November 1 during the period beginning November 1, 1970, and continuing until and including May 1, 1990.

"Mayor" means the mayor of the City.

"Month" means a calendar month.

"Newspaper" means a journal or newspaper printed in the English language and customarily published not less than five days during each calendar week.

"Ordinance No. 1024" means Ordinance No. 1024 of the City adopted May 10, 1965.

"Ordinance No. 1205" means Ordinance No. 1205 of the City adopted May 19, 1969.

"Outstanding Parity Securities" means those of the 1965 Parity Securities and the 1969 Warrants that now remain outstanding.

"Outstanding Warrants" means the General Obligation Warrants both dated May 1, 1970, which are referred to in subsection (a) of Section 2 hereof as being outstanding and the refunding of which is herein provided for.

"Parity Securities" means the 1965 Parity Securities, the 1969 Warrants, the Warrants, and any Additional Parity Securities that may hereafter be issued pursuant to the provisions of Section 9 hereof.

"1965 Parity Securities" means those bonds and warrants that were heretofore issued pursuant to authorization in Ordinance No. 1024, including (a) the General Obligation Secured Refunding Bonds, Series 1965, of the City dated May 1, 1965, issued in the original principal amount of \$823,000, of which those numbered 61 to 823,

inclusive, aggregating \$763,000 in principal amount, now remain outstanding; (b) the General Obligation Secured Warrants, Series 1965, of the City dated May 1, 1965, issued in the original principal amount of \$164,000, of which those numbered 65 to 164, inclusive, aggregating \$100,000 in principal amount, now remain outstanding; and (c) the \$1,467,000 principal amount of General Obligation Secured Refunding Warrants, Series 1965A, of the City dated May 1, 1965, all of which presently remain outstanding.

"Pledged Tax Revenues" means the proceeds derived from the Gross Receipts Tax.

"Redemption Date" means the date fixed for redemption of any of the Warrants in a Resolution adopted by the Council pursuant to the provisions of Section 5(a) hereof.

"Redemption Price" means the price at which any Warrant called for redemption may be redeemed.

"Resolution" means a resolution duly adopted by the Council.

"Secular Day" means any day on which business is normally transacted and does not include any Sunday or legal holiday.

"Special Fund" means the Gross Receipts Tax Fund created in Section 16 of Ordinance No. 1024.

"Warrants", without other qualifying language, means the General Obligation Secured Refunding Warrants, Series 1970, herein authorized.

"1969 Warrants" means the General Obligation Secured Warrants, Series 1969, dated May 1, 1969, heretofore issued, pursuant to authorization in Ordinance No. 1205, in the original principal amount of \$1,000,000, of which those numbered 9 to 200, inclusive, aggregating \$960,000 in principal amount, now remain outstanding.

(b) Use of Phrases. The following words and phrases, where used in this ordinance, shall be given the following respective interpretations:

"Herein", "hereof", "hereunder", and other equivalent words refer to this ordinance and not to any particular portion hereof in which any such word is used.

The definitions set forth in subsection (a) of this section shall be deemed applicable whether the words defined are herein used in the singular or 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. The Council has ascertained and found and does hereby declare that the following facts are true and correct:

(a) There are now outstanding and unpaid the following:

(1) the General Obligation Warrant of the City in the principal amount of \$250,000, dated May 1, 1970, due August 1, 1970, bearing interest at the rate of 6% per annum from June 8, 1970, to its maturity payable at maturity, which was issued pursuant to authorization in Ordinance No. 1244 of the City adopted June 1, 1970, for the purpose of paying costs of acquiring fire fighting equipment and of acquiring, providing and constructing a fire station and a building to be used as a public library and for public recreational purposes in the City; and

(2) the General Obligation Warrant of the City in the principal amount of \$250,000, dated May 1, 1970, due October 15, 1970, bearing interest at the rate of 6% per annum from July 24, 1970, to its maturity payable at maturity, which was issued pursuant to authorization in Ordinance No. of the City adopted July 20, 1970, for the purpose of paying costs of acquiring fire fighting equipment, acquiring, providing and constructing a fire station, and establishing and improving public parks in the City;

(b) Each of the Outstanding Warrants was signed in the name of and behalf of the City and the corporate seal of the City was affixed thereto; each of the Outstanding Warrants was attested in the manner provided by the laws of Alabama and by the ordinance under which it was issued; no part of the principal of or interest on the Outstanding Warrants has been paid; and each of the Outstanding Warrants represents a valid general obligation indebtedness of the City against which there are no offsets or counterclaims;

(c) The Council has determined that it is necessary, desirable and in the public interest that the City issue the Warrants hereinafter authorized for the purpose of refunding the principal of the Outstanding Warrants.

(d) The proceeds received by the City from the Gross Receipts Tax for the Fiscal Year that ended September 30, 1968, were \$784,400.11; the proceeds received from the Gross Receipts Tax during the Fiscal Year that ended September 30, 1969, were \$917,476.44; and the average annual proceeds derived from the Gross Receipts Tax during the said two Fiscal Years were, therefore, \$850,939.27;

(e) The maximum Annual Debt Service Requirement with respect to the Outstanding Parity Securities and the Warrants is \$ 331,588.00, being the amount of principal and interest that will mature with respect to the Outstanding Parity Securities and the Warrants during the Fiscal Year ending September 30, 1982; 1.75 times the sum of \$ 331,588.00 (or 175% of the said sum) is \$ 580,279.00;

(f) The sum of \$850,939.27 is greater than the sum of \$ 580,279.00; the average annual proceeds derived from the Gross Receipts Tax during the two Fiscal Years ending September 30, 1968, and September 30, 1969 (which are the two Fiscal Years next preceding the issuance of the Warrants), is, therefore, more than 1.75 times the maximum amount of principal and interest that will mature during any succeeding Fiscal Year with respect to the Outstanding Parity Securities and the Warrants; and the Warrants are therefore eligible to be issued on a parity with the Outstanding Parity Securities, all pursuant to and in accordance with the provisions of Section 14 of Ordinance No. 1024 and of Section 9 of Ordinance No. 1205, upon the filing in the office of the City Clerk of a certificate by the Mayor and City Treasurer setting forth the facts recited in this paragraph and in the foregoing paragraphs (d) and (e) of this section; and

(g) An Official Invitation for Bids for purchase from the City of the Warrants, together with pertinent financial information with respect to the City, has been circulated among securities dealers and banks; at the time and place fixed in the aforesaid Official Invitation for Bids for the opening of sealed bids for purchase of the Warrants, viz., on July 28, 1970, at 12:00 o'clock, Noon, Central Daylight Time, at the City Hall in the City, and at a duly convened session of the Council, sealed bids for purchase from the City of the Warrants were received by the City; each of the said sealed bids was publicly opened at the said time and place and each thereof was accompanied by a certified check or cashier's check in the amount of \$10,000.00 payable to the order of the City and drawn on a member bank of the Federal Reserve System; the said Official Invitation for Bids invited bids on either or both of two alternate schedules of maturities; the Council has determined that it will be advantageous to the City to accept the best bid submitted on that one of the said alternate schedules that was designated in the said invitation as Alternate Schedule No. 1; of the bids so opened with respect to the said Alternate Schedule No. 1, the best bid and the one that reflected the lowest net interest cost to the City was that of

which reflected a net interest cost to the City of \$ 593,437.50, and an average annual net interest rate of 7.68203%, and which specified a dollar price of \$ 500,000.00 and the interest rates hereinafter provided for.

Section 3. Authorization of the Warrants. Pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 253 of Title 37 of the Code of Alabama of 1940, and for the purpose of refunding the principal of the Outstanding Warrants, there are hereby authorized to be issued by the City one hundred (100) General Obligation Secured Refunding Warrants, Series 1970, of the City in the aggregate principal amount of \$500,000, which shall be in the denomination of \$5,000 each, shall be dated May 1, 1970, and shall mature on May 1 as follows:

<u>Warrant Numbers</u> <u>(both inclusive)</u>	<u>Year of Maturity</u>	<u>Aggregate Principal</u> <u>Amount Maturing</u>
1 to 5	1980	\$25,000
6 to 10	1981	25,000
11 to 20	1982	50,000
21 to 30	1983	50,000
31 to 40	1984	50,000
41 to 50	1985	50,000
51 to 60	1986	50,000
61 to 70	1987	50,000
71 to 80	1988	50,000
81 to 90	1989	50,000
91 to 100	1990	50,000

The Warrants shall bear interest from their date until their respective maturities at the following per annum rates: 6 3/4 % on those having stated maturities in 1980 and 1981;

and

7 3/4 % on those having stated maturities in 1982 ~~1983~~ and thereafter.

The said interest shall be payable semiannually on May 1 and November 1 of each year until and at the respective maturities of the Warrants and shall be evidenced by separate interest coupons attached thereto.

Section 4. Interest After Maturity. Place of Payment. The Warrants and the Coupons applicable thereto shall bear interest at the rate of 8% per annum after their respective maturities until paid. The Warrants shall be payable in lawful money of the United States of America at the principal office of The Merchants National Bank of Mobile in the City of Mobile in the State of Alabama.

Section 5. Optional Redemption in Whole. While the City is not in default in payment of the principal of or the interest on any of the Warrants, those of the Warrants having stated maturities in 1981 and thereafter shall be subject to redemption and payment by the City at its option, on May 1, 1980, and on any Interest

Payment Date thereafter, at a Redemption Price for each Warrant redeemed equal to its face value plus a premium equal to one year's interest thereon computed at the coupon rate thereof. Any such redemption may be as a whole or in part of the Warrants then outstanding (and subject to redemption) and, if in part, such redemption shall be accomplished in the inverse numerical order of those of the Warrants at the time outstanding and (subject to redemption). Any such redemption shall be effected in the following manner:

(a) The City shall by Resolution adopted by the Council call for redemption on a stated Interest Payment Date when they are by their terms subject to redemption Warrants bearing stated numbers, and shall recite in said Resolution (i) that the City is not in default in the payment of the principal of or interest on any of the Warrants or (ii) that all of the Warrants then outstanding are to be retired on the Redemption Date.

(b) The City shall cause to be published one time either in a Newspaper published in the City of Birmingham, Alabama, or in a Financial Journal published in the City of New York, New York, a notice stating the numbers of the Warrants so called for redemption, and stating that the Warrants bearing such numbers will become due and payable on a specified date (which shall be the Redemption Date fixed by Resolution adopted by paragraph (a) of this section) at the Redemption Price (which shall be specified in said notice), and that all interest on the Called Warrants will cease after the Redemption Date. Any such notice shall be published not less than thirty days prior to the Redemption Date.

(c) On or prior to the Redemption Date, the City shall notify the bank at which the Warrants are payable of the City's compliance with the requirements of paragraphs (a) and (b) of this section and shall make available at the said bank the total Redemption Price of the Called Warrants.

Upon compliance with the foregoing requirements on its part contained in this section, and if the City is not on the Redemption Date in default in the payment of the principal of or interest on any of the Warrants, the Called Warrants shall become due and payable on the Redemption Date, and interest thereon shall cease. The bank at which the Warrants are payable shall not be required to pay any such Warrant on the Redemption Date which is applicable to any Called Warrant unless the Called Warrant to which such Redemption Date is also presented for payment; provided, that in the event the said bank should pay any such Coupon without payment of the applicable Called Warrant it shall not be liable