ORDINANCE # 2023-02
INTRODUCED BY Smith
DATE INTRODUCED 2-7-2023
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DATE AMENDED

ADOPTION

INTRODUCTION

CITY OF COVINGTON
STATE OF LOUISIANA

ORDINANCE NUMBER 2023-02

AN ORDINANCE OF THE CITY OF COVINGTON AUTHORIZING THE INCURRINGOF DEBT AND ISSUANCE OF FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($4,750,000) OF GENERAL OBLIGATION BONDS, SERIES 2023, OF CITY OF COVINGTON,STATE OF LOUISIANA; PRESCRIBING THE FORM, TERMS AND CONDITIONS OF SAID BONDS; PROVIDING FOR THE PAYMENT THEREOF IN PRINCIPAL AND INTEREST; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Covington, State of Louisiana, acting as the governing authority of City of Covington, State of Louisiana, that:

SECTION 1. **Definitions**. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"Act" means, collectively, Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

"Agreement" means the agreement to be entered into between the Issuer and the Paying Agent pursuant to this Ordinance.

"Bond" means any Bonds of the Issuer authorized to be issued by this Ordinance, whether initially delivered or issued in exchange for, upon transfer of, or *in lieu* of any Bond previously issued.

"Bond Register" means the records kept by the Paying Agent at its principal corporate trust office in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

"Bonds" means the Issuer's General Obligation Bonds, Series 2023, authorized by this Ordinance in the total aggregate principal amount of Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000), authorized at a special election held on December 10, 2022.

"Code" means the Internal Revenue Code of 1986, as amended.

"Executive Officers" means, collectively, the Council Clerk, Council President and/or the Finance Director of the Governing Authority.

"Governing Authority" means the City Council of the City of Covington, State of Louisiana.

"Government Securities" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which are non-callable prior to their maturity, may be United States Treasury obligations such as the State and Local Government Series and may be in book-entry form.

"Interest Payment Date" means March 1 and September 1 of each year during the period the Bonds are outstanding, commencing March 1, 2024.

"Issuer" or "City" means City of Covington, State of Louisiana.

"Ordinance" means this ordinance authorizing the issuance of the Bonds, as it may be supplemented and amended.

"Outstanding" when used with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

1. Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

2. Bonds for which payment or redemption sufficient funds have been theretofore deposited in trust for the owners of such Bonds, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to this Ordinance or waived;

3. Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;

4. Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Ordinance or by law; and

5. Bonds for the payment of the principal (or redemption price, if any) of and interest on which money or Government Securities or both are held in trust with the effect specified in this Ordinance.

"Owner" or **"Owners"** when used with respect to any Bond means the Person in whose name such Bond is registered in the Bond Register.

"Paying Agent" means Argent Trust Company, in the City of Ruston, Louisiana, until a successor Paying Agent shall have been appointed pursuant to the applicable provisions of this Ordinance and thereafter "Paying Agent" shall mean such successor Paying Agent.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Purchaser" means the original purchaser of the Bonds to be named in a subsequent ordinance of this Governing Authority.

"Record Date" for the interest payable on any Interest Payment Date means the 15th calendar day of the month next preceding such Interest Payment Date.

SECTION 2. **Authorization of Bonds; Maturities**. In compliance with the terms and provisions of the Act, and being authorized at a special election held on December 10, 2022, there is hereby authorized the incurring of an indebtedness of Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000) for, on behalf of, and in the name of the Issuer, for the purpose of making capital improvements in the City, including, but not limited to, constructing, renovating, acquiring,

and/or improving (i) roads, street and bridges; (ii) public buildings, parks and recreational facilities; (iii) drains and drainage facilities; (iv) public safety facilities; (v) sewerage collection and treatment, including acquiring all necessary land, equipment and furnishings, title to which shall be in the public and paying the costs of issuance thereof. To represent said indebtedness, this Governing Authority does hereby authorize the issuance of Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000) of General Obligation Bonds, Series 2023, of the Issuer. The Bonds shall be dated as of the date of delivery, shall be in the denomination of $5,000 or any integral multiple thereof within a maturity and shall be numbered from R-1 upward. The unpaid principal of the Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, commencing March 1, 2024, at the rates of interest per maturity and shall mature on March 1 of each year as shall be set forth in a subsequent ordinance of this Governing Authority.

SECTION 3. **Book-Entry Registration of Bonds**. The Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as registered owner of the Bonds, and held in the custody of DTC. The Council Clerk of the Governing Authority or any other officer of the Issuer is authorized to execute and deliver a Letter of Representation to DTC on behalf of the Issuer with respect to the issuance of the Bonds in "book-entry only" format. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of this Ordinance and said Letter of Representation. Initially, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

Notwithstanding anything to the contrary herein, while the Bonds are issued in book-entry only form, the payment of principal of, premium, if any, and interest on the Bonds may be payable by the Paying Agent by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

(a) DTC determines to discontinue providing its service with respect to the Bonds. Such a determination may be made at any time by giving 30 days' notice to the Issuer and the Paying Agent and discharging its responsibilities with respect thereto under applicable law; or

(b) The Issuer determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in the best interests of the Issuer and/or the Beneficial Owners.

The Issuer and the Paying Agent will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Neither the Issuer nor the Paying Agent are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy *in lieu* of consent.

Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Ordinance of holding, delivering or transferring the Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

SECTION 4. **Redemption Provisions**. Those Bonds maturing March 1, 2034, and thereafter, will be callable for redemption by the Issuer in full or in part at any time on or after March 1, 2033, and if less than a full maturity, then by lot within such maturity, at the principal

amount thereof and accrued interest to the date fixed for redemption. In the event a Bond is of a denomination larger than $5,000, a portion of such Bond ($5,000 or any multiple thereof) may be redeemed. Bonds are not required to be redeemed in inverse order of maturity.

Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid by notice deposited in the United States mails, or by accepted means of electronic communication, not less than twenty (20) days prior to the redemption date addressed to the registered owner of each bond to be redeemed at his address as shown on the registration books of the Paying Agent.

SECTION 5. **Registration and Transfer**. Subject to the provisions of the Book-Entry System set forth in Section 3 hereof, the Issuer shall cause the Bond Register to be kept by the Paying Agent. The Bonds may be transferred, registered, and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of $5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange any Bond during a period beginning (i) at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date or (ii) with respect to Bonds to be redeemed, at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of such Bonds and ending on the date of such redemption.

SECTION 6. **Form of Bonds**. The Bonds and the endorsements to appear thereon shall be in substantially the forms, as attached hereto as **Exhibit A**, subject to any changes as may be approved by the Executive Officers.

SECTION 7. **Execution of Bonds**. The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, which signatures and corporate seal may be either manual or facsimile.

SECTION 8. **Pledge of Full Faith and Credit**. The Bonds shall constitute general obligations of the Issuer, and the full faith and credit of the Issuer is hereby pledged for their payment. This Governing Authority does hereby obligate itself and is bound under the terms and provisions of law and the election authorizing the Bonds to impose and collect annually in excess of all other taxes a tax on all of the property subject to taxation within the territorial limits of the Issuer, sufficient to pay the principal of and the interest on the Bonds falling due each year, said tax to be levied and collected by the same officers, in the same manner and at the same time as other taxes are levied and collected within the territorial limits of the Issuer.

SECTION 9. **Sinking Fund**. For the payment of the principal of and the interest on the Bonds, the Issuer will maintain the special fund held by the regularly designated fiscal agent of the Issuer (the "Sinking Fund"), into which the Issuer will deposit the proceeds of the aforesaid special tax and no other moneys whatsoever (other than investment earnings thereon). The depository for the Sinking Fund shall transfer from the Sinking Fund to the Paying Agent at least one (1) day in advance of each Interest Payment Date, funds fully sufficient to pay promptly the principal and interest falling due on such date.

All moneys deposited with the regularly designated fiscal agent bank or banks of the Issuer or the Paying Agent under the terms of this Ordinance shall constitute sacred funds for the benefit of the Owners of the Bonds, and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

All or any part of the moneys in the Sinking Fund shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana, in which event all income derived from such investments shall be added only to the Sinking Fund.

SECTION 10. **Application of Proceeds**. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Ordinance, to cause the necessary Bonds to be printed, to issue, execute and seal the Bonds, and to effect delivery thereof as hereinafter provided. The proceeds derived from the sale of the Bonds, including any premium derived from the sale thereof, shall be deposited by the Issuer with its fiscal agent bank or banks to be used (i) for the purpose for which the Bonds are issued

and/or (ii) for deposit in the Sinking Fund to be used to pay principal and interest coming due on the Bonds.

SECTION 11. **Bonds Legal Obligations**. The Bonds shall constitute legal, binding and valid obligations of the Issuer, and shall be the only representations of the indebtedness as herein authorized and created.

SECTION 12. **Resolution a Contract**. The provisions of this Ordinance shall constitute a contract between the Issuer and its successors, and the Owner or Owners from time to time of the Bonds and any such Owner or Owners may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Governing Authority or the Issuer as a result of issuing the Bonds.

No material modification or amendment of this Ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of the aggregate principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity or redemption provisions of the Bonds, or a reduction in the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the obligation of the Issuer to pay the principal of and the interest on the Bonds as the same shall come due from the revenues appropriated, pledged and dedicated to the payment thereof by this Ordinance, or reduce the percentage of the Owners required to consent to any material modification or amendment of this Ordinance, without the consent of the Owners of the Bonds.

SECTION 13. **Severability; Application of Subsequently Enacted Laws**. In case any one or more of the provisions of this Ordinance or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance or of the Bonds, but this Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Ordinance which validate or make legal any provision of the Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Ordinance and to the Bonds.

SECTION 14. **Recital of Regularity**. This Governing Authority having investigated the regularity of the proceedings had in connection with the Bonds herein authorized and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

> "It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State."

SECTION 15. **Effect of Registration**. The Issuer, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal (and redemption price) of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the Issuer, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 16. **Notices to Owners**. Wherever this Ordinance provides for notice to Owners of Bonds of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register. In any case where notice to Owners of Bonds is given by mail, neither the failure to mail such notice to any particular Owner of Bonds, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner or Owners entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 17. **Cancellation of Bonds**. All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent and, if not already canceled, shall be promptly canceled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by

the Paying Agent. All canceled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

While the Bonds are held in the Book-Entry System they need not be physically presented to the Paying Agent on the Redemption Date. The transfer of beneficial interest will be affected in accordance with procedures of the Depository Trust Company.

SECTION 18. **Mutilated, Destroyed, Lost or Stolen Bonds**. If (1) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any new Bond under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds. Any additional procedures set forth in the Agreement, authorized in this Ordinance, shall also be available with respect to mutilated, destroyed, lost or stolen Bonds. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 19. **Discharge of Ordinance; Defeasance**. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owners, the principal (and redemption price) of and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the money, securities, and funds pledged under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners of the Bonds shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Ordinance to the Issuer.

Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Governing Authority of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto.

SECTION 20. **Successor Paying Agent; Paying Agent Agreement**. The Issuer will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Ordinance is hereby confirmed and approved. The Issuer reserves the right to appoint a successor Paying Agent by (a) filing with the Person then performing such function a certified copy of a resolution or ordinance giving notice of the termination of the Agreement and appointing a successor and (b) causing notice to be given to each Owner. Every Paying Agent appointed hereunder shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Executive Officers are hereby authorized and directed to execute an appropriate Agreement with the Paying Agent for and on behalf of the Issuer in such form as may be satisfactory to said officers, the signatures of said officers on such Agreement to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 21. **Arbitrage**. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds".

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 22. **Qualified Tax-Exempt Obligations**. The Bonds are designated as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code.

SECTION 23. **Execution of Documents**. In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Ordinance, the signatures of such persons on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 24. **Publication**. This Ordinance shall be published one time in the official journal of the Issuer.

SECTION 26. **Continuing Disclosure**. The Executive Officers are hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set

forth in the official statement issued in connection with the sale and issuance of the Bonds) pursuant to S.E.C. Rule 15c2-12(b)(5).

SECTION 27. **Post-Issuance Compliance.** The Executive Officers and/or their designees are directed to establish, continue and/or amend, as applicable, written procedures to assist the Issuer in complying with various State and Federal statutes, rules and regulations applicable to the Bonds and are further authorized to take any and all actions as may be required by said written procedures to ensure continued compliance with such statutes, rules and regulations throughout the term of the Bonds.

SECTION 28. **Section Headings**. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 29. **Reserved**.

SECTION 30. **Effective Date**. This Ordinance shall become effective immediately.

MOTION FOR ADOPTION by Smith, **seconded by** Roberts

YEAS: 7 **NAYS:** 0

ABSTAIN: 0 **ABSENT:** 0

PASSED AND ADOPTED this 7th day of March 2023.

/s/
LARRY ROLLING
COUNCIL PRESIDENT

/s/ Jo Ann D. Rucker
JOANN D RUCKER
COUNCIL CLERK

Presented to the Mayor this 8th day of March, at 9:20 o'clock A.M.

/s/ Jo Ann D. Rucker
JOANN D RUCKER
COUNCIL CLERK

Approved ✓ or Vetoed ___ by the Mayor on this 8th day of March, 2023.

/s/ Mark R. Johnson
MARK R. JOHNSON
MAYOR

Received from the Mayor on the 8th day of March, 2023, at 1:15 o'clock P.M.

/s/ JoAnn D. Rucker
JOANN D RUCKER
COUNCIL CLERK