ORDINANCE # 2023-25
INTRODUCED BY SMITH
DATE INTRODUCED 10-03-2023
ITEM NUMBER 2023-10-02
PUBLIC HEARING 11-14-2023
ADOPTED/TABLED
EFFECTIVE
BOOK # PAGE #
RECORDATION #
AMENDED BY ORDINANCE #
DATE AMENDED

ADOPTION

INTRODUCTION

CITY OF COVINGTON
STATE OF LOUISIANA

ORDINANCE NUMBER 2023-25

# AN ORDINANCE OF THE CITY OF COVINGTON AUTHORIZING THE ISSUANCE OF A $400,000 CREDIT SALE PROMISSORY NOTE AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

**WHEREAS,** Ordinance Number 2023-15 authorized the Mayor to purchase certain immovable property, such purchase to be owner financed by the seller on such terms and conditions as determined by the Mayor; and

**WHEREAS**, this City Council now desires to provide for the details of the financing as requested by the Mayor;

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

**SECTION 1**. Authorization of Promissory Note. There is hereby authorized the issuance of a $400,000 Promissory Note, in substantially the form attached as Exhibit A hereto (the "Note"), of the City of Covington, State of Louisiana (the "Issuer") for, on behalf of, and in the name of the Issuer, pursuant to Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"), for the purpose of acquiring immovable property within the Issuer for public purposes, said Note to be secured by and payable from a pledge of all funds or revenues received or to be received by the Issuer to the extent legally available for the payment of debt service on the Note, provided that no such funds or revenues shall be so included which have been or are in the future legally dedicated and required for purposes inconsistent therewith by the electorate, by the terms of specific grants, by the terms of particular obligations issued or to be issued or by operation of law (such amounts being the "Available Funds of the Issuer"). The Note will bear interest at a rate of 6.5% per annum and shall mature over a period of ten (10) years. The Note shall be dated the date of delivery, with principal and interest being paid in installments on each anniversary of the dated date of the Note. The Mayor, Council President and/or the Council Clerk are authorized to take such action and execute such documents and instruments, including the Note, to effect the issuance of the Note and consummation of the transactions contemplated by this Ordinance and

**SECTION 2.** Prepayment of Promissory Note. The Note may be prepaid by the Issuer at any time at the principal amount thereof plus accrued interest and a premium calculated as follows:

| **Prepayment Date:** | **Premium:** |
|---|---|
| On or before the 5th Anniversary Date of this Note | 10% of prepaid principal |
| After the 5th Anniversary Date of this | None |

**MOVED FOR ADOPTION** by Botsford, seconded by Verret.

**YEAS:** 6 **ABSENT:** 1

**NAYS:** 0 **ABSTAIN:** 0

**PASSED AND ADOPTED** this — day of November, 2023.

/s/ _____
LARRY ROLLING
COUNCIL PRESIDENT

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

Presented to the Mayor this 15th day of November, 2023, at 9, A.M.

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

Approved ✓ or Vetoed ___ by the Mayor on this 15th day of November, 2023.

/s/ _____
MARK R. JOHNSON
MAYOR

Received from the Mayor on this 15th day of November, 2023, at 2:25, P.M.

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