

ORDINANCE NO. 23-1161

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**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DOUGLAS, COCHISE COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE AND DELIVER AN INSTALLMENT LOAN AGREEMENT WITH BAYSTONE GOVERNMENT FINANCE, A DIVISION OF KS STATEBANK FOR PURPOSES OF FINANCING A WHEEL LOADER FOR THE CITY OF DOUGLAS WASTEWATER TREATMENT PLANT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS ORDINANCE; ESTABLISHING SEVERABILITY OF COMPONENTS OF ORDINANCE; AND DECLARING AN EMERGENCY.**

**WHEREAS**, as part of the efforts to improve the operation of the Wastewater Treatment Plant in the City of Douglas, the Mayor and City Council determined that it is in the best interest of the city to acquire and finance the acquisition of awheel loader and enter into an Installment Lease/Purchase Agreement;

**WHEREAS**, to pay the costs of the wheel loader, the Mayor and Council of the City deem it necessary and desirable to borrow funds not to exceed \$200,333.42 from Baystone Government Finance a division of KS State Bank (the "Lender") pursuant to a request for proposal issued by the City of Douglas; and

**WHEREAS**, the interest rate offered by Baystone Government Finance will expire in less than thirty (30) days.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Council of the City of Douglas, Arizona, as follows:

**Section 1.** The City Manager of the City is hereby authorized and directed to enter into and execute on behalf of the City the Installment Lease/Purchase Agreement, attached hereto as Exhibit A and incorporated herein by reference, including other documents necessary to consummate the acquisition of the wheel loader with the following restrictions: (1) a total principal amount of the funding not to exceed \$200,333.42; (2) a five (5) year maturity amortization schedule; and (3) the interest rate (which shall not exceed five point twelve (5.120%) per annum and the dates for payment of such interest (the "Interest Payment Dates").

**Section 2.** The obligation of the City to make the payments under the Installment Lease/Purchase Agreement does not constitute an obligation of the City or the State of Arizona, or any of its political subdivisions, for which the City or the State of Arizona, or any of its political subdivisions, is obligated to levy or pledge any form of property taxation nor does the obligation to make payments under the Installment Lease/Purchase Agreement constitute an indebtedness of the City or of the State of Arizona, or any of its political subdivisions, within the meaning of the Constitution of the State of Arizona or otherwise.

**Section 3.** The officers and agents of the City are hereby authorized and directed to take all actions, execute all certificates, documents, and agreements, and do all things reasonable and necessary to (A) obtain the funding, (B) acquire, renovate, furnish, and equip the wheel loader and (C) otherwise carry out the terms of this Ordinance.

**Section 4. Severability.** If any chapter, section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

1 **Section 5. Emergency Clause.** Whereas the immediate operation of this Ordinance is necessary to the  
2 preservation of the public health, peace and welfare, an emergency is declared to exist, and this Ordinance  
shall come into full force and effect by its terms from and after its passage by six-sevenths (6/7) of the  
Council and approval of the Mayor.

3 **PASSED AND ADOPTED** by the Mayor and Council of the City of Douglas, Arizona, this 22<sup>nd</sup> day of  
4 February 2023.

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Donald C. Huish, Mayor

7 Attest:

Approved as to form:

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Alma Andrade, City Clerk

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Denis Fitzgibbons, City Attorney

10 Prepared by:  
Alejandro Martinez, Finance Director