

AN ORDINANCE OF THE CITY COUNCIL AUTHORIZING THE CHIEF FINANCIAL OFFICER TO FINALIZE/SECURE A \$2 MILLION LINE OF CREDIT (“LOC”) WITH ARVEST BANK TO FUND SHORT TERM CASH FLOW FOR WATER IMPROVEMENTS AS A SPECIAL, LIMITED OBLIGATION PAYABLE SOLELY FROM WATER FUND REVENUES

WHEREAS, the City of Republic, Missouri (“City” or “Republic”) is a municipal corporation and Charter City located in Greene County, Missouri, being duly organized and existing under the laws of the State of Missouri; and

WHEREAS, the City is currently engaged in infrastructure projects for Water improvements (“Projects”); and

WHEREAS, the Water rates were increased to fund upgrades to the water infrastructure, including but not limited to the water tower by Convoy of Hope, the upgrade of the 4- and 6-inch mains, and the upgrade of our meter collection system to AMI; and

WHEREAS, there may be timing issues between revenue generated through rate increases and the timing of the required investment; and

WHEREAS, the City finds a Line of Credit (“LOC”) is necessary to manage the cash flow during these capital expenditures as revenue is growing to ensure needed funds are available to keep the projects on schedule for the targeted completion dates; and

WHEREAS, the City Council intends that the LOC authorized herein shall constitute a special obligation payable solely from Water Fund revenues and shall not constitute an indebtedness of the City within the meaning of Article VI, Section 26(a) of the Missouri Constitution.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF REPUBLIC, MISSOURI, AS FOLLOWS:

- Section 1.** The City Administrator, Chief Financial Officer, or their designee(s), on behalf of the City, is authorized to execute all documents necessary to secure a Line of Credit of up to \$2 Million for use towards ongoing infrastructure projects.
- Section 2.** Limited Source of Payment. All principal, interest, fees, and other amounts payable on the LOC shall be payable solely and exclusively from the revenues, receipts, and funds on deposit in, or hereafter credited to, the Water Fund derived from the ownership and operation of the City’s water utility, including user rates, charges, and other income allocable to the Water Fund, and from no other source.
- Section 3.** No General Revenues; No Full Faith and Credit. The LOC shall not be payable from, secured by, or deemed a debt of the City payable from ad valorem taxes or any general revenues of the City, and the full faith and credit of the City is not pledged to the payment of the LOC. The City shall have no obligation to levy or collect taxes to pay amounts due under the LOC.
- Section 4.** The whereas clauses are specifically incorporated herein by reference.
- Section 5.** This ordinance shall take effect after passage as provided by law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Republic, Missouri,
this _____ day of _____, 2026.

Attest:

Eric Franklin, Mayor

Laura Burbridge, City Clerk

Approved as to Form:

 Digitally signed by Justin Rogers
Date: 2026.02.24 16:29:24 -06'00'

Justin Rogers, City Attorney

Final Passage and Vote: