

ORDINANCE NO. 98

AN ORDINANCE ESTABLISHING A MUNICIPAL DEPOSITORY BOARD; TO SET THE METHOD FOR SELECTING A CITY COUNCIL MEMBER TO SERVE ON THE MUNICIPAL DEPOSITORY BOARD; TO ADOPT RULES FOR DEPOSITORY AGREEMENTS AND SECURITY FOR DEPOSITS; AND FOR OTHER PURPOSES

WHEREAS, the General Assembly of the State of Arkansas, by Act 619 of 2011, added specific requirements for cities and towns related to bank account agreements and the collateralization of bank deposits that exceed FDIC limits;

WHEREAS, the City Council of the City of Goshen deems it necessary to formally establish a three-member municipal depository board;

WHEREAS, the City Council of the City of Goshen deems it advisable to set the method for selecting a city council member to serve as a member of the above-reference municipal depository board;

WHEREAS, the City Council of the City of Goshen deems it advisable to formally adopt rules for depository agreements entered into by the above-referenced municipal depository board; and

WHEREAS, the promulgation and adoption of this Ordinance is done pursuant to Arkansas Code Annotated §§ 19-8-101, *et seq.*; Arkansas Code Annotated §§ 19-8-201, *et seq.*; and the Arkansas Uniform Commercial Code.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GOSHEN:

SECTION 1. Establishment of Three-Member Municipal Depository Board.

- (a) The City of Goshen shall have a municipal depository board.
- (b) The municipal depository board shall designate depositories and supervise the depositing of all municipal funds and all other public funds held by the city recorder/treasurer.
- (c) The following persons shall constitute the membership of the municipal depository board:
 - (i) The mayor;

- (ii) The city recorder/treasurer; and
- (iii) A city council member selected by the city council in accordance with Section 2 below.

SECTION 2. Selection of City Council Member to Serve on Municipal Depository Board.

- (a) Annually, one member of the city council shall be selected by the city council to serve a one-year term on the municipal depository board.
- (b) Such selection shall be made by a properly presented and passed resolution of the city council.

SECTION 3. Rules for Depository Agreements and Security for Deposits.

- (a) All depository agreements or custodial services agreements entered into by the municipal depository board on behalf of the City shall be in accordance with Arkansas Code Annotated §§ 19-8-101, *et seq.*, specifically including, but not being limited to, Arkansas Code Annotated §§ 19-8-103, 105, and 107 and the Arkansas Uniform Commercial Code, so as to include language necessary to create an enforceable perfected security interest in all collateral for deposits.
- (b) Whenever, pursuant to any statute of the state, any depository in the State of Arkansas must furnish security for the deposit of any public funds of the City, the security listed in Arkansas Code Annotated §§ 19-8-201, *et seq.*, specifically including, but not being limited to, Arkansas Code Annotated § 19-8-203(a), and the Arkansas Uniform Commercial Code, so as to include language necessary to create an enforceable perfected security interest in all collateral for deposits, shall be considered as eligible security for such purposes.
- (c) The aggregate market value of assets pledged or escrowed or the face amount of the surety bond, private deposit insurance, or letter of credit securing the deposit of funds by any single depositor must be equal to or exceed the amount of the deposit to be secured.

SECTION 4. Effect. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. Severability. If any court of competent jurisdiction shall deem any clause, section, phrase, or other portion of this ordinance illegal or unenforceable, the remainder of this ordinance shall remain in full force and effect.

PASSED AND APPROVED this 13th day of November, 2012.




Joe Benson, Mayor

ATTEST:



Sharon Baggett, City Recorder

APPROVED AS TO FORM:



Charles L. Harwell, City Attorney

ROLL CALL VOTE ADOPTING THE ORDINANCE

Names Of Those Voting YEA

Names Of Those Voting NAY

Andy Bethell
Brian Buell
Lanny Samuels
Dick Seddon

None

Absent

Paula Anderson
Joshua Lockhart