

ORDINANCE - 75-13

AN ORDINANCE AUTHORIZING THE REINVESTMENT
OF A PORTION OF THE deGRAFFENRIED LEGACY,
AND THE USE OF THE INCOME DERIVED THEREFROM

WHEREAS, as authorized by ordinance of the City
of Russellville dated January 5, 1965, and thereafter approved
by the Logan Circuit Court, \$200,000.00 of the corpus of the
deGraffenried legacy was invested for the purpose of using the
income received therefrom to provide scholarship grants and

loans to qualified applicants for college, graduate and professional school expenses, and

WHEREAS, since the adoption of the aforesaid ordinance the fund has become partially self perpetuating, other sources have become available for loans to such individuals, and the interest rate on the investment has materially increased, making it advisable to reduce the investment to \$100,000.00 so that the income from the remainder may be used for other educational purposes, and

WHEREAS, in order to enable the Board of Education of the Russellville Independent School District to construct the Stevenson Elementary School by underwriting a portion of the revenue bonds to the extent of \$7,500.00 annually, \$180,000.00 4½% U. S. Treasury Bonds, Series 1987-92 were purchased for \$135,966.25 from the corpus of the deGraffenried legacy as authorized by ordinance dated February 4, 1969, and approved by the Logan Circuit Court, and

WHEREAS, the sum of \$100,000.00 can now be invested in U. S. Treasury bonds, Series 8¼% 1990, which will produce sufficient semi-annual income to meet the underwriting requirements of said revenue bonds, making it advisable to reduce the investment so that the income from the remainder realized from the redemption may be used for other educational purposes, and

WHEREAS, there is now invested an additional portion of the corpus of the deGraffenried legacy the income from which is not presently pledged, and

WHEREAS, the Board of Education of the Russellville Independent School District has requested that income from \$175,000.00 of the corpus of the deGraffenried legacy be pledged to provide to the students in the Russellville Independent School District educational opportunities in the areas of speech, drama, journalism and music which are not provided from other revenue sources, and

WHEREAS, the sum of \$175,000.00 for such investment can be made available by (a) reduction of the scholarship investment to the sum of \$100,000.00, (b) reduction of the Stevenson Elementary School investment to \$100,000.00, and

(c) the use of a sufficient portion of the corpus of the legacy which is now producing income which is not pledged, now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RUSSELLVILLE, KENTUCKY, as follows:

1. That the investment of \$200,000.00 of the corpus of the deGraffenried legacy made pursuant to the provisions of the ordinance dated January 5, 1965, for the purpose of using the income received therefrom to provide scholarships, is hereby reduced to the sum of \$100,000.00, and the aforesaid ordinance is modified and amended to that extent only.

2. That U. S. Treasury Bonds of the maturity value of \$180,000.00, being 4 $\frac{1}{4}$ % 1987-92 Series, which were purchased from the corpus of the deGraffenried legacy, as provided by ordinance dated February 4, 1968, to provide semi-annual income to apply to the payment of revenue bonds to enable the Board of Education of the Russellville Independent School District to construct the Stevenson Elementary School be redeemed, and in lieu thereof the sum of \$100,000.00 realized from the redemption of said bonds be invested in U. S. Treasury Bonds, Series 8 $\frac{1}{4}$ % 1990, which will produce sufficient semi-annual income to meet the underwriting requirements of said revenue bonds.

3. That the sum of \$175,000.00 of the corpus of the deGraffenried legacy be invested in securities which are direct obligations of the United States, and the income realized from such investment be paid semi-annually to the Board of Education of the Russellville Independent School District to provide to the students in the Russellville Independent School District educational opportunities in the areas of speech, drama, journalism and music which are not provided from other revenue sources.

4. That the sum realized from the investments referred to in the preceding paragraph of this ordinance shall be expended by the Board of Education of the Russellville Independent School District according to the recommendations made to it by a committee of three (3) citizens of Russellville, one of whom shall be appointed by the Board of Education of the Russellville Independent School District, one by the City Council of the City of Russellville, and the other by the Judge of the Logan Circuit Court, each of whom shall serve until a successor is appointed and qualifies.

