



Regular Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

Agenda - Monday, July 01, 2019 - 6:00 PM

Call to Order

Roll Call

Invocation and Pledge of Allegiance given by Assistant Mayor Linda Teeters

PRESENTATION(S)

1. Presentation of the City of Texarkana, Arkansas Employee Service Awards. (CCD)

CONSENT

2. Approval of the minutes of the regular meeting June 17, 2019. (CCD)
3. Adopt a Resolution authorizing the City Manager to submit an application to the Arkansas Department of Parks and Tourism for a 2020 Arkansas State Parks Matching Grant under the Outdoor Recreation Grants Program, assisting in development of outdoor recreational facilities. (PWD)

REGULAR

4. Consider the following action concerning substandard structures:

Conduct a Public Hearing regarding the condemnation of a substandard residential structure located at 309 Charles Street.

Adopt a Resolution condemning a residential structure located at 309 Charles Street. (PWD)
Building Official Shawn Maxey

5. Adopt an Ordinance authorizing the issuance and sale of a General Revenues Note, Series 2019, by the City of Texarkana, Arkansas, in the principal amount of \$875,000. (FIN)
TyRhonda Henderson and Attorney Jim Fowler, Rose Law Firm

The applicant requests an emergency clause. An emergency clause requires a separate and distinct vote of the board and is valid only if there is a two-thirds vote of approval by the board. (Hdbk. Const. Amend 7)

CITIZEN COMMUNICATION

NEXT MEETING DATE: Monday, July 15, 2019

ADJOURN

2019 City Calendar

Gateway Farmer's Market – Every Tuesday, Thursday and Saturday

AMA Benefit Show - Saturday, September 28, 2019

Komen Race for the Cure - Saturday, October 19, 2019



**CITY OF TEXARKANA, AR
BOARD OF DIRECTORS**

AGENDA TITLE: Presentation of the City of Texarkana, Arkansas Employee Service Awards. (CCD)

AGENDA DATE: 07/01/2019

ITEM TYPE: Ordinance Resolution Other : Presentation

DEPARTMENT: City Clerk

PREPARED BY: Heather Soyars, City Clerk

REQUEST: Presentation of employee service awards.

EMERGENCY CLAUSE: N/A

SUMMARY: Presentation of employee service awards.

EXPENSE REQUIRED: N/A

AMOUNT BUDGETED: N/A

APPROPRIATION REQUIRED: N/A

RECOMMENDED ACTION: N/A

EXHIBITS: Employee Service Awards List.

City of Texarkana, Arkansas Employee Service Awards

<u>NAME</u>	<u>Department</u>	<u>Years of Service</u>
Joshua Davis	FIRE	20



CITY OF TEXARKANA, AR
BOARD OF DIRECTORS

AGENDA TITLE: Approval of the minutes of the regular meeting June 17, 2019. (CCD)

AGENDA DATE: 07/01/2019

ITEM TYPE: Ordinance Resolution Other : Minutes

DEPARTMENT: City Clerk

PREPARED BY: Heather Soyars, City Clerk

REQUEST: Approval of meeting minutes.

EMERGENCY CLAUSE: N/A

SUMMARY: Approval of meeting minutes.

EXPENSE REQUIRED: N/A

AMOUNT BUDGETED: N/A

APPROPRIATION REQUIRED: N/A

RECOMMENDED ACTION: The City Clerk recommends approval.

EXHIBITS: Meeting minutes.



Regular Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

Minutes - Monday, June 17, 2019 - 6:00 PM

Mayor Allen Brown called the meeting to order.

PRESENT: Mayor Allen Brown, Ward 1 Assistant Mayor Linda Teeters, Ward 2 Director Laney J. Harris, Ward 5 Director Barbara S. Miner, and Ward 6 Director Terri Peavy.

ALSO PRESENT: City Manager Dr. Kenny Haskin, City Clerk Heather Soyars and Deputy City Clerk Jenny Narens.

Ward 3 Director Steven Hollibush, Ward 4 Director Travis Odom and City Attorney George Matteson were absent.

Director Terri Peavy gave the Invocation and led the Pledge of Allegiance.

CONSENT

Motion to approve the Consent Agenda made by Assistant Mayor Teeters, Seconded by Director Miner.

The motion carried unanimously, and Mayor Brown declared the Consent Agenda approved. The items approved were:

1. Approval of the minutes of the regular meeting June 3, 2019. (CCD)

REGULAR

2. Resolution No. 2019-23 accepts the Section 108 Loan/Grant Funding from the U.S. Department of Housing and Urban Development (HUD) for the rehabilitation of the old Boys and Girls Club. (PWD)

Assistant Public Works Director Tracie Lee said the Public Works Department submitted a Section 108 Loan application to the U.S. Department of HUD in the amount of \$884,871 for the rehabilitation of the old Boys and Girls Club. On May 29, 2019 the City received notification via email of approval for the Section 108 Loan application. She said the deadline to sign the loan agreement would be September 30, 2020, or the commitment to the loan would expire. HUD approved a 20-Year loan term and the loan payment was estimated to be approximately \$49,000 annually, paid directly from the City's annual Community Development Block Grant (CDBG). The City was required to pay a fee of 2.23% of the principal amount of loan guaranteed under this commitment to cover the credit subsidy costs.

Assistant Mayor Teeters asked about the 90 day deadline.

Assistant Public Works Director Tracie Lee said the 90 days was for the 2.23% interest agreement to be locked in place.

City Manager Dr. Kenny Haskin asked what the projected interest rate was.

Assistant Public Works Director Tracie Lee said 3%.

Mayor Brown asked if the 2.23%, \$21,000, would have to be paid upfront like a loan application fee.

Assistant Public Works Director Tracie Lee said the 2.23% would be the interest on the loan.

Mayor Brown asked if the City were getting \$21,000, less \$885,000, or would the City have to pay the \$21,000.

Assistant Public Works Director Tracie Lee said the City would pay the \$21,000 out of the CDBG entitlement. She said Public Works Director Tyler Richards, Finance Director TyRhonda Henderson, City Attorney George Matteson and herself would have a conference call with Housing and Urban Development (HUD) regional office and Washington, DC to go over the specifics of the loan details.

Mayor Brown said this was a collateralized loan, the property and the Boys and Girls Club would be held as collateral if it were deemed enough collateral. He asked what the plans were if they did not accept.

Assistant Public Works Director Tracie Lee said they had already accepted the offer. She said there was a market study on the building and right now without any improvements the appraisal came in at \$560,000, and once the improvements were complete the Boys and Girls Club would be estimated at \$1.2 million.

Mayor Brown said this resolution was just to accept the award and then there would be an ordinance to accept the money.

Assistant Public Works Director Tracie Lee said that was correct.

Director Harris asked when the Boys and Girls Club would be complete.

Public Works Director Tyler Richards said right now the important thing was to hire an architect, he did not want to give a completion date before hiring an architect. He said it would be more than a year to complete the building.

Director Harris asked if there would be a walkway on Highway 71.

Public Works Director Tyler Richards said there were plans already made with the Recreation Trails Program (RTP) Funds from the Arkansas Highway Department, that would begin construction later this year, for a bridge across the creek as well as extending the pathway on the other side of the creek. He said you would be able to go under Highway 71 instead of over Highway 71.

Director Harris asked if there were an itemized expenditure for the building. He asked how much money was going to be allocated for the asbestos on the gym floor.

Public Works Director Tyler Richards said the price for the asbestos abatement was included in the per square foot price of the demolition.

Director Harris said from his research the amount would be around \$250,000 to \$500,000. He said he requested a FOIA and wanted to know why he had to pay to receive the information.

Public Works Director Tyler Richards said in the phase two environmental assessment, it stated there was asbestos in the building, but it did not say it was in the gym floor. He said it was all included in the estimate and it was being performed by a professional.

Motion to adopt the resolution made by Director Peavy, Seconded by Director Miner.

Voting Yea: Mayor Brown, Assistant Mayor Teeters, Director Miner and Director Peavy.

Voting Present: Director Harris.

The Mayor declared the resolution adopted 4-1.

CITIZEN COMMUNICATION

David Haak, 3801 Jack Cullen, said he was speaking on behalf of the citizens who brought forth the parity pay lawsuit. He said everyone should have received a copy of the lawsuit, the City counter claim, the City's request for summary judgment, the plaintiff's offer for settlement, the City's counteroffer for settlement, and the date of the hearing on the summary judgement. Mr. Haak said in 1996 the community voted to pass the parity and levy a ¼ % sales tax to go to police to keep parity with the Texas-side. He said he did not think the base pay for the police had been added by the General Fund, he thought it all came from parity pay. Mr. Haak said the Texas-side received another increase in October of last year and the City was behind 2%. He said November 2017, a demand letter was sent to the City to pay up or they would file a suit; December 2017, a suit was filed. Mr. Haak said January 2018, the City filed an answer and counter claim; August 2018, the City had a motion for summary judgement stating the tax was unconstitutional; September 2018, a letter was sent stating the parties had not reached a settlement and the City requested a hearing; February 2019, the plaintiff's made a new offer to settle; and on June 2019 the City rejected the offer. He asked who prepared the answer and who gave the words to the attorney to file the summary judgement. Mr. Haak said on July 1, 2019, it would go to the judge. He said the City stated parity pay was unconstitutional and he agreed with them, but the City would lose the \$1.2 million in tax. Mr. Haak asked if the City were willing to bet on losing \$1.2 million in tax or pay the \$50,000 right now.

Director Harris said he had been asked why he had a camera when it was citizen communication time. He said the public would not get to see the citizen communication time due to a contract that was signed.

Mayor Brown announced the next regular scheduled meeting of the Board of Director would be Monday, July 1, 2019.

ADJOURN

Motion to adjourn made by Director Miner, Seconded by Assistant Mayor Teeters.

Voting Yea: Mayor Brown, Assistant Mayor Teeters, Director Harris, Director Miner and Director Peavy.

The motion carried 5-0. The meeting adjourned at 6:26 PM.

APPROVAL of the minutes on this 1st day of July, 2019.

Allen L. Brown, Mayor

Heather Soyars, City Clerk



CITY OF TEXARKANA, AR BOARD OF DIRECTORS

AGENDA TITLE: Adopt a Resolution authorizing the City Manager to submit an application to the Arkansas Department of Parks and Tourism for a 2020 Arkansas State Parks Matching Grant under the Outdoor Recreation Grants Program, assisting in development of outdoor recreational facilities. (PWD)

AGENDA DATE: 07/01/2019

ITEM TYPE: Ordinance Resolution Other : _____

DEPARTMENT: Public Works Department

PREPARED BY: Tracie Lee, Assistant Public Works Director

REQUEST: To Submit an Application for the 2020 Arkansas State Parks Matching Grant under the Outdoor Recreation Grants Programs.

EMERGENCY CLAUSE: This item will be approved by a resolution; therefore, it will not need an emergency clause.

SUMMARY: Request of authorization from the Board of Directors for the City Manager to submit an application to the Arkansas Department of Parks and Tourism for a matching grant assisting in the development of outdoor recreational facilities for the City in the amount of \$138,320.00 more or less. The Parks Division held four public hearings seeking input from the Citizens in May of 2019. Based on this input we are proposing to make the following improvements at #1 Legion Street, the old Boys and Girls Club: construct a new ADA compliant restroom, make improvements to existing restrooms/concession stand to include a/c installation, rewire existing lighting on fields 1 & 3, install security lighting on the exterior of property, make field improvements and repair existing fencing around perimeter of the fields.

The improvements are being made in preparation of the rehabilitation of the recreational facility that also sits on the property. Both improvements will better serve area residents and visitors to the area and those passing through Texarkana.

EXPENSE REQUIRED: \$138,320.00 (\$69,160.00 City Parks Budget + \$69,160.00 State Grant Funds)

AMOUNT BUDGETED: \$0.00

APPROPRIATION REQUIRED: \$138,320.00 (\$69,160.00 City Parks Budget + \$69,160.00 State Grant Funds)

**RECOMMENDED
ACTION:**

City Manager and staff recommend board approval.

EXHIBITS:

Resolution

RESOLUTION NO. _____

WHEREAS, the City of Texarkana, Arkansas, seeks to improve its recreation facilities and wishes to pursue grant funding assistance; and

WHEREAS, in order to obtain the funds necessary to develop and/or improve such recreation areas, it is necessary to obtain an Outdoor Recreation Matching Grant from the Arkansas Department of Parks and Tourism; and

WHEREAS, the plans for such recreation areas have been prepared and the cost for implementing such plans has been established; and

WHEREAS, this governing body understands the grantee and grantor will enter into a binding agreement which obligates both parties to policies and procedures contained in within the Outdoor Recreation Matching Grant Application Guide including, but not limited to the following: the park areas defined by the project boundary map, submitted with the application, must remain in outdoor recreation in perpetuity, regardless if the property is bought or developed with matching grant funds; all future overhead utility lines within the project boundary must be placed underground and; the project area must remain open and available for use by the public at all reasonable times of the day and year; facilities can be reserved for special events, league play, etc., but cannot be reserved, leased, or assigned for exclusive use; and the project area must be kept clean, maintained, and operated in a safe and healthy manner; and

WHEREAS, the Board of Directors are well aware and apprised of the above-mentioned project and will provide the local portion of the development cost of the entire project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Texarkana, Arkansas, that the City Manager is hereby authorized to submit an application to the Arkansas Department of Parks and Tourism for assistance to develop recreational facilities the City of Texarkana, Arkansas.

PASSED AND APPROVED this 1st day of July, 2019.

Allen L. Brown, Mayor

ATTEST:

Heather Soyars, City Clerk

APPROVED:

George M. Matteson, City Attorney



CITY OF TEXARKANA, AR BOARD OF DIRECTORS

AGENDA TITLE: Consider the following action concerning substandard structures:

A. Conduct a Public Hearing regarding the condemnation of a substandard residential structure located at 309 Charles Street.

B. Adopt a Resolution condemning a residential structure located at 309 Charles Street. (PWD) Building Official Shawn Maxey

AGENDA DATE: 07/01/2019

ITEM TYPE: Ordinance Resolution Other : _____

DEPARTMENT: Public Works Department

PREPARED BY: Shawn Maxey

REQUEST: Condemnation of one substandard residential structure

EMERGENCY CLAUSE: None needed

SUMMARY: The Public Works Department is asking the BOD to issue orders for the condemnation of a substandard residential structure located at 309 Charles Street. The owner of the property on the attached list has been notified that the structure on the property is in violation of the Arkansas Fire Prevention Code and the International Property Maintenance Code. Little or no work has been done on the structures and the allowed time period has lapsed for the owners to voluntarily bring the structure into code compliance. The Public Works Department has attempted to notify, by certified mail, the last owner of record informing them that the Board of Directors will consider declaring this structure a nuisance during the July 1, 2019, meeting. It is requested the Board of Directors conduct a public hearing and consider a resolution declaring this structure a nuisance and ordering the condemnation of this substandard residential structure in accordance with Section 11-87 of the *City of Texarkana, Arkansas, Code of Ordinances*. Should the structure be condemned, a notice will be sent to the owner of record allowing them thirty (30) days to obtain a permit for repairs or a permit to demolish the structure and clear the property. If the owner does not repair or demolish the structure in the said amount of time, the city will have the right to demolish the structure. The City will notify the property owner at least ten (10) days before the City begins demolition to allow the owner time to remove any personal items.

EXPENSE REQUIRED:	\$0.00
AMOUNT BUDGETED:	\$0.00
APPROPRIATION REQUIRED:	\$0.00
RECOMMENDED ACTION:	The City Manager and staff recommend approval.
EXHIBITS:	List of property address, Miller county parcel number, legal descriptions, owner's names and addresses, and PowerPoint Presentation

ADDRESS PARCEL NUMBER	LEGAL DESCRIPTION	OWNER
309 CHARLES ST 4710090	BLOCK 002/ LOT 005 ALL OF LOT 5 ORR'S, ROBERT 1ST	COLLINS OLA MAE 309 CHARLES ST TEXARKANA AR 71854

RESOLUTION NO. _____

WHEREAS, the Public Works Department has requested an order of condemnation under Section 11-87 of the *City of Texarkana, Arkansas, Code of Ordinances* for the following property:

ADDRESS AND MILLER COUNTY PARCEL NUMBER	LEGAL DESCRIPTION (PER MILLER COUNTY ASSESSOR, NOT INDEPENDENTLY VERIFIED)	OWNER
309 CHARLES ST. 4710090	BLOCK 002/LOT 005 ALL OF LOT 5 ORR’S, ROBERT 1 ST	COLLINS, OLA MAE 309 CHARLES ST TEXARKANA AR 71854

WHEREAS, owner of the listed property has been notified that the structure on the property is in violation of applicable law and code, including any applicable violation at the Arkansas Fire Prevention Code and the International Property Maintenance Code, but little or no work has been done on the structure and the allowed time period has lapsed for the owners to voluntarily bring the structure into code compliance; and

WHEREAS, the Public Works Department has attempted to notify, by certified mail, the last owner of record of the property informing them that the Board of Directors will consider declaring the structure (including all structures on the property) a nuisance; and

WHEREAS, notice of the condemnation will be sent to the owner of record allowing thirty days to obtain a permit for repairs or a permit to demolish the structure and clear the property, failing which the City will have the right to demolish the structure after giving the property owner at least ten days in which to remove any personal property; and

WHEREAS, the City Manager and Staff recommend approval; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Texarkana, Arkansas, that the above property is condemned under the provisions of Section 11-87 of the *City of Texarkana, Arkansas, Code of Ordinances*; that the Public Works Department

shall provide the owner of record with notices of the condemnation and allow thirty days for repairs or demolition by such property owner; that the Public Works Department is authorized to demolish any of the above-described structures that are not repaired or demolished within the thirty-day period after giving the owner at least ten days in which to remove any personal items.

PASSED AND APPROVED this 1st day of July, 2019.

Allen L. Brown, Mayor

ATTEST:

Heather Soyars, City Clerk

APPROVED:

George Matteson, City Attorney

TAGGED STRUCTURES 2019



PUBLIC WORKS DEPARTMENT

CODED ACCORDING TO THE FOLLOWING CRITERIA

- WELL OR ADEQUATLY MAINTAINED
- ACCESSORY BUILDINGS NEEDING REPAIR
- DILAPIDATED FENCES
- SITE HAVING OUTSIDE TRASH, DEBRIS, ABANDONED APPLIANCES, GRAFFITI OR OTHER UNSIGHTLY OUTSIDE STORAGE
- SIDEWALKS (PRIVATE ONLY) NEEDING REPAIR
- INOPERABLE OR JUNK CARS OR MOTOR VEHICLES

THE RATING SYSTEM FOR SUBSTANDARD STRUCTURES

- A-1- STRUCTURES IN SOUND CONDITION
- A-2- STRUCTURES IN NEED OF MINOR REPAIR
- A-3- STRUCTURES IN NEED OF MAJOR REPAIR
- A-4- DILAPIDATED STRUCTURES

- **309 CHARLES**

- **HISTORY:**

TAGGED 12/16/18

1ST NOTICE MAILED 12/17/18

- **FOUNDATION:**

PIER AND BEAM

- **EXTERIOR:**

BURNED

- **INTERIOR:**

BURNED

- **PREMISES:**

CITY MAINTAINED

- **RATING/COMMENTS**

A-4- RECOMMEND CONDEMNATION AND
DEMOLITION





CITY OF TEXARKANA, AR

BOARD OF DIRECTORS

AGENDA TITLE:	Adopt an Ordinance authorizing the issuance and sale of a General Revenues Note, Series 2019, by the City of Texarkana, Arkansas, in the principal amount of \$875,000. (FIN) TyRhonda Henderson and Attorney Jim Fowler, Rose Law Firm
AGENDA DATE:	07/01/2019
ITEM TYPE:	Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Other <input type="checkbox"/> : _____
DEPARTMENT:	Finance
PREPARED BY:	TyRhonda Henderson, Finance Director

REQUEST:	N/A
EMERGENCY CLAUSE:	Yes

SUMMARY:	On May 20, 2019, the Board of Directors approved Resolution No. 2019-20 authorizing the City Manager to seek proposals for Amendment 78 financing of capital improvements for the Texarkana, Arkansas Animal Care and Adoption Center in the amount of \$875,000. According to state statute, an ordinance must be adopted by the Board of Directors to finalize the issuance, sale, and terms of the note. The low bid was submitted by Regions Bank with an interest rate of 2.536%.
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EXPENSE REQUIRED:	\$0
AMOUNT BUDGETED:	\$0
APPROPRIATION REQUIRED:	\$0

RECOMMENDED ACTION:	The City Manager and staff recommend that the City Board of Directors approve the attached resolution
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EXHIBITS:	Ordinance, Debt Schedule, Bid from Regions Bank
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ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL REVENUES NOTE, SERIES 2019, BY THE CITY OF TEXARKANA, ARKANSAS, IN THE PRINCIPAL AMOUNT OF \$875,000 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, INSTALLING, AND EQUIPPING A CITY ANIMAL SHELTER; PROVIDING FOR PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

WHEREAS, the Board of Directors of the City of Texarkana, Arkansas (the “City”), an Arkansas municipality, has determined that the City is in need of funds in the amount of \$875,000 for the purpose of acquiring, constructing, installing, and equipping a City Animal Shelter having an expected useful life of more than one year (the “Project”), and it desires to incur a short-term financing obligation maturing over a period, or having a term, of not to exceed five years in order to obtain such funds; and

WHEREAS, the City has determined to issue its \$875,000 General Revenues Note, Series 2019 (the “Note”), pursuant to Section 2 of Amendment 78 to the Arkansas Constitution and Ark. Code Ann. §14-78-101 et seq. to secure the funds necessary to finance the Project and pay for expenses of issuing the Note; and

WHEREAS, Regions Bank (the “Lender”) has agreed to purchase the Note bearing interest at the rate of 2.536 percent per annum (subject to the adjustment provided herein) at the price of par.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Texarkana, Arkansas, that:

Section 1. The Mayor, City Manager, City Clerk, and Finance Director are hereby authorized to take, or cause to be taken, all action necessary to accomplish the Project and execute all required contracts and documents for that purpose.

Section 2. The offer of the Lender of par for \$875,000 in principal amount of the Note, bearing interest at the rate of 2.536 percent per annum (calculated on the basis of the actual number of days in each month and a 360-day year), be, and is hereby, accepted and the Note is hereby sold to the Lender.

In the event of an occurrence of a Determination of Taxability (as defined below) which is caused by any action or inaction by the City, the applicable interest rate on the Note shall be increased to 3.37% from the effective date of such Determination of Taxability until paid at maturity or earlier redemption. A “**Determination of Taxability**” shall have been deemed to occur if a final decree or judgment of any federal court or a final action of the Internal Revenue Service determines that interest paid or payable on the Note is or was includable in the gross income of the registered owner of the Note for federal income tax purposes under the Code or the Note is not a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986; provided, however, no such decree or action will be considered final for this purpose unless the City been given written notice and, if it is so desired and is legally allowed, have been afforded the opportunity to contest the same, either directly or in the name of the registered owner of the Note, and until conclusion of any appellate review, if sought.

The Note shall be issued to and purchased by the Lender under the following conditions: (i) the Note will not be assigned a separate rating by any municipal securities rating agency, (ii) the Note is not being registered or otherwise qualified for sale under the “Blue Sky” laws; (iii) the Lender will hold the Note as one single debt instrument, (iv) the Note will not be assigned a CUSIP number by Standard & Poor’s CUSIP Service, (v) no official statement or other similar offering document will be required or delivered in connection with the private placement of the Note, (vi) the Note will not close through the Depository Trust Company or any similar repository and will not be in book entry form, and (vii) the obligations represented by the Note will be classified as a privately placed loan by the Lender.

Section 3. The Board of Directors hereby finds and declares that the expected useful life of the Project after completion will be more than one year.

Section 4. The City hereby declares its official intent pursuant to United States Treasury Regulation § 1.150-2 to reimburse itself for original expenditures made in planning, designing, acquiring, constructing, and equipping the Project between the date that is 60 days prior to the date

of this Ordinance and the date the Note is issued, plus a de minimis amount and preliminary amount of expenditures, with proceeds of the Note in the principal amount not to exceed \$875,000.

Section 5. The City represents, warrants, and covenants that the aggregate principal amount of short-term financing obligations incurred by the City pursuant to Section 2 of Amendment 78 to the Arkansas Constitution, including the Note, does not exceed five percent of the assessed value of taxable property located within the City, as determined by the last tax assessment completed before the last obligation was incurred by the City.

Section 6. Under the authority of the Constitution and laws of the State of Arkansas, including particularly Section 2 of Amendment 78 to the Arkansas Constitution and Ark. Code Ann. §14-48-101 et seq., the City's General Revenues Note, Series 2019, is hereby authorized and ordered issued in the aggregate principal amount of \$875,000 (the "Note") for the purpose of financing of the Project and paying the expenses of authorizing and issuing the Note. The principal of the Note outstanding from time to time shall bear interest at a fixed rate of 2.536% per annum (calculated on the basis of the actual number of days in each month and a 360-day year), provided that the applicable interest rate on the Note shall be increased to 3.37% from the effective date of a Determination of Taxability until paid at maturity or earlier redemption. The Note shall be repaid in five (5) substantially equal annual amortized installments of principal and interest, commencing one (1) year from the date of the Note and continuing on the same day of each year thereafter, with the final installment due five (5) years from the date of the Note. The final payment of the entire indebtedness, if not sooner paid, shall be due and payable five years from the date of the Note, and subject to prepayment prior to maturity as provided in the form of the Note.

The Note shall be dated the date of its delivery. The Note shall be issued in fully registered typewritten form as one fully registered typewritten note. The initial Note shall be numbered 2019-R-1 and any note or notes issued in exchange therefor shall be numbered sequentially. The Note shall be registered as to principal and interest by the City Clerk in a registration book and a certificate of such registration shall be endorsed on the Note.

Payment of principal and interest shall be by check or draft mailed to the registered owner of the Note, without presentation or surrender of the Note (except upon final payment), and such payments shall discharge the obligation of the City to the extent of the payments. The City Clerk shall keep a payment record and make proper notations thereon of all payments of principal and interest.

Payment of principal and interest shall be in any coin or currency of the United States of America which, as at the time of payment, shall be legal tender for the payment of debts due the United States of America. When the principal of and interest on the Note have been fully paid, the Note shall be canceled and delivered to the City Clerk.

Section 7. The Note shall be executed on behalf of the City by the Mayor and City Clerk and shall have impressed thereon the seal of the City. In case the person holding the office of Mayor or City Clerk, whose signature shall appear on the Note, shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery of the Note. The principal of and interest on the Note are secured by and payable solely out of the general revenues of the City, as hereafter set forth. The Note shall be a valid claim of the registered owner of the Note only against the general revenues of the City, which general revenues are hereby pledged for the equal and ratable payment of the principal of and interest on the Note.

Section 8. The Note shall be in substantially the following form and the Mayor and City Clerk are hereby authorized and directed to make all the recitals it contains:

[FORM OF SINGLE REGISTERED SERIES 2019 NOTE]
[TO BE TYPEWRITTEN]

REGISTERED
No. 2019-R-__

REGISTERED
\$875,000

UNITED STATES OF AMERICA
STATE OF ARKANSAS
CITY OF TEXARKANA
GENERAL REVENUES NOTE, SERIES 2019

KNOW ALL MEN BY THESE PRESENTS:

That the City of Texarkana, Arkansas (the "City"), hereby acknowledges itself to owe, and for value received promises to pay to the order of the registered owner of this note, or registered assigns, in lawful money of the United States of America, the principal sum of Eight Hundred Seventy-Five Thousand, Dollars and to pay in like coin or currency interest on the unpaid balance at the rate of 2.536% per annum from the date of this Note, calculated on the basis of the actual number of days in each month and a 360-day year. The said principal and interest shall be payable in annual installments in the amount of \$188,536.23 commencing on August 1, 2020, and on the same day of each year thereafter until principal and interest are fully paid, except that the final installment on the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable five years from the date of this note. Notwithstanding the foregoing, the interest rate on

this Note shall be increased to 3.37% from the effective date of a “Determination of Taxability” as defined in the Authorizing Ordinance described below.

Payments of the principal and interest installments due hereon shall be made, except for final payment, without presentation and surrender of this note, directly to the registered owner at his or her address shown on the registration book of the City maintained by the City Clerk as Registrar, and such payments shall fully discharge the obligations of the City to the extent of the payments so made.

This note is issued for the purpose of acquiring, constructing, installing, and equipping a City Animal Shelter having an expected useful life of more than one year under and pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including particularly Section 2 of Amendment 78 to the Constitution of the State of Arkansas and Ark. Code Ann. §14-78-101 et seq., and pursuant to an ordinance of the Board of Directors of the City duly adopted on July 1, 2019 (the “Authorizing Ordinance”). Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City and the registered owner of this note.

The general revenues of the City are hereby pledged for the punctual payment of this note and any financing obligations issued on a parity of security with this note, and all interest hereon and thereon, when and as the same become due and payable.

This note may be transferred only upon the registration books of the City maintained by the City Clerk, and upon assignment the assignor shall promptly notify the City Clerk by registered mail, and the assignee shall surrender this note to the City Clerk for transfer on the registration books. Every assignee shall take this note subject to all payments and prepayments of principal and interest (as reflected by the payment record maintained by the City Clerk), prior to such surrender for transfer.

This note is subject to prepayment, in lawful money of the United States of America, at the option of the City, on notice as set out below, in whole or in part, in inverse order of installments of maturity, at par plus accrued interest, on any date out of any available general revenues of the City. Notice of prepayment shall be given by first class mail by the City Clerk at least 30 but not more than 60 days prior to the date fixed for redemption to the registered owner at the address shown on the registration books.

No recourse shall be had for the payment of the principal of or interest on this note or for any claim based thereon or upon any obligation, covenant, or agreement contained in this note or the Authorizing Ordinance against any past, present, or future alderman, director, official, officer, commissioner, or employee of the City, or any incorporator, member, commissioner, director, alderman, trustee, official, officer, or employee of any successor of the City, as such, either directly or through the City or any successor of the City, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, commissioner, director, alderman, trustee, official, officer, or employee as such is hereby expressly waived and released as a condition of and consideration for the issuance of this note.

The City hereby designates this note as a “qualified tax-exempt obligation” within the meaning of section 265(b) of the Internal Revenue Code of 1986, as amended.

This note is issued with the intent that the laws of the State of Arkansas will govern its construction.

This note shall not become a valid obligation of the City until the Certificate hereto has been duly executed by the Treasurer of the City.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required by the Constitution and laws of the State of Arkansas to exist, happen, and be performed precedent to and in the issuance of this note have existed, have happened, and have been performed in due time, form, and manner, as required by law; that the general revenues of the City have been pledged to the payment of the principal of and interest on this note; and that the indebtedness represented by this note a part does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Texarkana, Arkansas, by its Board of Directors, has caused this note to be signed by the Mayor and City Clerk of the City and sealed with the corporate seal of the City, all as of _____, 2019.

CITY OF TEXARKANA, ARKANSAS

Mayor

ATTEST:

City Clerk

[S E A L]

CITY TREASURER’S CERTIFICATE

Certified to be the note mentioned and described herein.

City Treasurer

REGISTRATION CERTIFICATE

I, the undersigned, City Clerk within and for the City of Texarkana, in Miller County, Arkansas, DO HEREBY CERTIFY that the within note has been registered as to principal and interest as indicated in the registration blank below in a book provided for that purpose and in the manner required by law. The principal of and interest on this note shall be payable only to the registered owner of this note named in the registration blank below or his or her legal representative, and this note shall be transferable only by an appropriate notation on the note registration book of the City.

Date of Registration

Name of Registered Owner

Signature of City Clerk

Regions Bank

[End of form of Note]

Section 9. For the punctual payment of the Note and any financing obligations issued on a parity of security with the Note and all interest on the Note when and as due and payable, the City hereby irrevocably pledges all of its general revenues. Any surplus of the pledged revenues over and above the amount necessary to insure the payment as due of the principal of and the interest on Note may be used for any other municipal purposes.

Section 10. As long as the Note is outstanding, the City shall not issue or attempt to issue any obligations having or claimed to be entitled to a priority of lien on the general revenues of the City over the lien securing the Note.

Nothing in this Ordinance shall be construed in any manner to prevent the issuance by the City of additional financing obligations secured by the general revenues of the City; however, any such additional financing obligations shall not be issued on a parity with the outstanding Note unless and until there shall have been procured and filed in the office of the City Clerk a statement by a certified public accountant not in the regular employ of the City reciting the opinion that the general revenues of the City for the year preceding the year in which such parity financing obligations are to be issued were not less than 125 percent of the average annual debt service requirements (principal and interest) on all outstanding financing obligations to which the general revenues of the City are pledged, including without limitation the Note, and the financing obligations then proposed to be issued.

The additional financing obligations, the issuance of which is restricted and conditioned by this Section, shall not be deemed to mean financing obligations the security and source of payment of which are subordinate and subject to the priority of the Note.

The provisions of this Section may be waived by the registered owner of the Note.

Section 11. There shall be, and is hereby, appropriated from the City’s general revenues on the dates set forth in Section 6 for the purpose of paying the principal of and interest on the Note. If the general revenues of the City are insufficient to make a required payment on or before the due date of such payment, then the amount of any deficiency in the payment made shall be added to the amount

otherwise required to be paid to the registered owner on or before the date of the next payment. If, for any reason, the City Treasurer shall fail at any time to make any of the required payments as set out above any general revenues of the City shall be used to the extent necessary in the payment of the interest on and the principal of the Note.

The Note is specifically secured by a pledge of all of the general revenues of the City. This pledge in favor of the Note is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform, and carry out the terms of the Note in strict conformity with the provisions of this Ordinance.

Section 12. The City Clerk is hereby directed to transmit to the City Treasurer a copy of the schedule of appropriations authorized in this Ordinance, as set out in Section 11, to the end that the moneys may be applied by the City Treasurer for the authorized purposes.

Section 13. The City Treasurer is hereby ordered and directed to pay, or cause to be paid, to the registered owner of the Note, on or before each payment date for interest or for principal and interest and on or before the final maturity date of the Note, the amount due for such interest or principal and interest. This instruction to the City Treasurer is irrevocable and may be enforced by mandamus.

Section 14. The Note when paid in full either at or before maturity shall be canceled and shall not be reissued.

Section 15. The principal and interest installments may be prepaid prior to maturity as provided in the Note form in Section 8.

Section 16. It is covenanted and agreed by the City with the registered owner of the Note that it will faithfully and punctually perform all duties required by the Constitution and laws of the State of Arkansas and by this Ordinance, including, without limitation, applying the general revenues of the City to the payment of the principal of and interest on the Note.

Section 17. The City will keep proper records, books, and accounts relating to the general revenues of the City. Such books shall be available for inspection by the registered owner of the Note, or the agent or the representative of the registered owner of the Note, at reasonable times and under reasonable circumstances. Until paid in full, if requested in writing, the City will furnish to the registered owner of the Note, when available, the City's audited financial statements for the prior fiscal year, prepared in accordance with the generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental

accounting standards promulgated by the Government Accounting Standards Board and by mandated statutory principles of the State of Arkansas, if any, as in effect from time to time, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Arkansas. The City covenants and agrees that it will, within a reasonable time, provide such other information regarding the City as reasonably requested by the Lender.

Section 18. If there be any default in the payment of the principal of or interest on the Note, or if the City defaults in the performance of any of the other covenants contained and set forth in this Ordinance, the registered owner of the Note may, by proper suit in a court of competent jurisdiction, or other action, take such action as shall be necessary to correct such default or compel the performance of the duties of the officials or the City under the Constitution and laws of the State of Arkansas and under this Ordinance. If any default in the payment of principal or interest on the Note continues for 30 days, the registered owner may declare all the outstanding principal immediately due and payable, together with accrued interest thereon.

Section 19. No remedy conferred in this Ordinance upon or reserved to the registered owner of the Note is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or available under the law.

Section 20. No delay or omission of the registered owner of the Note to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence in any default; and every power and remedy given by this Ordinance to the registered owner of the Note may be exercised from time to time and as often as may be deemed expedient.

Section 21. The registered owner of the Note may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action, or proceeding instituted under the provisions of this Ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereto.

Section 22. When the Note has been executed by the Mayor and City Clerk and the seal of the City impressed, as provided in this Ordinance, it shall be delivered to the Lender upon payment of the purchase price. The proceeds from the sale of the Note shall be applied by the City to the costs

of acquiring, constructing, installing, or renting the Project and paying necessary expenses incidental thereto, including legal and engineering fees and expenses, and the costs of issuance of the Note. The City shall keep records of all expenditures of the proceeds of the sale of the Note.

Section 23. In the event the office of Mayor, City Clerk, or City Treasurer of the City shall be abolished, or any two or more of such offices shall be merged or consolidated, or in the event the duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy in such office by reason of death, resignation, removal from office, or otherwise, or in the event any such officer shall become incapable of performing the duties of his or her office by reason of sickness, absence from the City, or otherwise, then all powers conferred and all obligations and duties imposed upon such office or officer shall be conferred and imposed upon the office or officer succeeding to the principal functions of the office or upon whom such powers, obligations, and duties shall be imposed by law. In this regard, if the City should ever fail to maintain the office of City Treasurer, the duties of the City Treasurer hereunder shall be performed by the City Clerk.

Section 24. The provisions of this Ordinance and the Note shall constitute a contract between the City and the registered owner of the Note and no variation or change in the undertakings set forth in the Ordinance shall be made while the Note is outstanding, except as set forth in the following sentence. Subject to the terms and provisions contained in this Section and not otherwise, the registered owner of all of the outstanding principal amount of the Note shall have the right, from time to time, anything to the contrary in this Ordinance notwithstanding, to consent to the adoption by the City of such ordinance supplemental hereto as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Ordinance or in the Note.

Section 25. The City hereby designates the Note as a “qualified tax-exempt obligation” within the meaning of section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 26. The provisions of this Ordinance are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of the Ordinance.

Section 27. All ordinances or resolutions or parts of ordinances or resolutions in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 28. This Ordinance shall not create any right of any kind, and no right of any kind shall arise hereunder pursuant to it, until the Note shall be issued and delivered.

Section 29. It is hereby ascertained and declared that the Project must be accomplished as soon as possible in order to alleviate immediate hazards to the health, safety, and welfare of the City, its inhabitants, and their property, and that the Project can be accomplished only by the issuance of the Note. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health, and safety shall take effect and be enforced from and after its passage.

PASSED AND APPROVED this 1st day of July, 2019.

Allen L. Brown, Mayor

ATTEST:

Heather Soyars, City Clerk

APPROVED:

George Matteson, City Attorney

PREPARED BY:

James M. Fowler, Jr, Bond Counsel

Amortization Schedule

Loan Date: 8/1/2020 Principal: \$875,000.00 Interest Rate: 2.54% Payment Interval: Annually # of Payments: 5 Interest Rate: 2.54% Payment: \$188,536.23					
Schedule of Payments Please allow for slight rounding differences.					
Pmt #	Date	Principal	Interest	Payment	Balance
1	8/1/2021	\$166,346.23	\$22,190.00	\$188,536.23	\$708,653.77
Total	2021	\$166,346.23	\$22,190.00		
2	8/1/2022	\$170,564.77	\$17,971.46	\$188,536.23	\$538,089.00
Total	2022	\$170,564.77	\$17,971.46		
3	8/1/2023	\$174,890.29	\$13,645.94	\$188,536.23	\$363,198.71
Total	2023	\$174,890.29	\$13,645.94		
4	7/31/2024	\$179,325.51	\$9,210.72	\$188,536.23	\$183,873.20
Total	2024	\$179,325.51	\$9,210.72		
5	7/31/2025	\$183,873.20	\$4,663.02	\$188,536.22	\$0.00
Total	2025	\$183,873.20	\$4,663.02		
Grand Total		\$875,000.00	\$67,681.14		

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