



# City of Conway Council Agenda

**Council Meeting Date:** May 12<sup>th</sup>, 2015

**5:30pm – Committee Meeting:** No Committee Meeting

6:30pm - Council Meeting

Call to Order: Mayor Tab Townsell

Roll Call: City Clerk/Treasurer Michael O. Garrett

Minutes Approval: April 28<sup>th</sup>, 2015

**Mayor Tab Townsell**

City Clerk Michael O. Garrett

City Attorney Chuck Clawson

City Council Members

Ward 1 Position 1 – Andy Hawkins

Ward 1 Position 2 – David Grimes

Ward 2 Position 1 – Wesley Pruitt

Ward 2 Position 2 – Shelley Mehl

Ward 3 Position 1 – Mark Ledbetter

Ward 3 Position 2 – Mary Smith

Ward 4 Position 1 – Theodore Jones Jr.

Ward 4 Position 2 – Shelia Whitmore

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**1. Report of Standing Committees:**

**A. Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, & Conway Housing Authority)**

1. Consideration to approve seeking a grant from the Department of Aeronautics for the Conway Airport.

**B. Public Services Committee (Sanitation, Parks & Recreation & Physical Plant)**

1. Ordinance appropriating funds from Parks and Recreation A&P funds to the Parks and Recreation capital budget to replace a vehicle.

**C. Public Safety Committee (Police, Fire, District Court, CEOC, Information Technology, City Attorney, & Animal Welfare)**

1. Ordinance to recognize and clarify the retirement benefits for City employees transitioning from the nonuniform pension plan to the elected official pension plan.
2. Consideration to accept bids on tactical communication equipment for the CPD Swat Team.
3. Consideration to remove the global electric motor car from the CPD inventory listing.
4. Ordinance appropriating reimbursement funds from various entities for the Animal Welfare Unit.
5. Ordinance appropriating reimbursement funds from various entities for the Conway Police Department.

**D. New Business**

1. Resolution to enter into a purchase and sale agreement for the former Spirit Homes location.
2. Ordinance authorizing funds for the potential purchase (earnest money) of the former Spirit Homes location.

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3. Consideration to accept the interest rate quote for five year financing for the purchase of Spirit Home building.
  4. Ordinance authorizing the issuance of a promissory note to provide short term financing for the purchase of property located at 901 McNutt Road (Spirit Homes).
  5. Resolution to obtain Nabholz Construction for the purpose of structural and environmental review of the Spirit Homes location.

**Adjournment**



# MEMO

**To:** Mayor Tab Townsell

**CC:** Conway City Council

**From:** Josh Zylks, Airport Manager

**Date:** May 5<sup>th</sup>, 2015

**Subject:** Approval to seek Department of Aeronautics Grant for airport parking lot and drainage improvements

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The airport has an opportunity to apply for a 90% funded/10% match grant from the Arkansas Department of Aeronautics for additional airport improvements. This grant would cover completion of the parking lot, drainage between the terminal building and community hangar, landscaping improvements in the same area, and additional sod and concrete ditch paving to help with erosion control.

I am asking for council to approve applying for this grant with the State ADA in the amount of \$196,136.69 composed of \$173,526.03 in state funds with a local match of \$19,613.63 to be paid for out of Cantrell Field Sale funds.

The grant, cost breakdown, and drawing are attached.

If you have any questions please advise.

State Airport Aid Application – Page 1

The City/County of Conway, herein called "Sponsor", hereby makes application to the Arkansas Department of Aeronautics for State funds pursuant to Act 733 of 1977, for the purpose of aiding in financing a project for the development of a municipal airport located in the city of Conway Arkansas, Faulkner county.

Date of Request: April 28, 2015

Name of Airport: Conway Municipal Airport

Name and address of City/County Commission sponsoring request:

City of Conway  
1201 Oak Street  
Conway, AR 72032

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Person to Contact about project:

Josh Zylks  
\_\_\_\_\_  
\_\_\_\_\_

Phone Number: (501) 513-5300

Cell Number: (501) 428-1832

Fax Number: (501) 513-3566

Name and address of Engineering Firm (if applicable):

Garver, LLC  
4701 Northshore Drive  
North Little Rock, AR

Contact Person: Blake Roberson

Phone/Fax Number: (501) 376-3633

Describe the work to be accomplished: Construct additional parking adjacent to the existing terminal parking lot. Construct additional concrete drainage ditch to prevent erosion during heavy rain events.

State and Local Project Costs:

Please indicate:

- 50-50% Match
- 80-20% Match
- 90-10% Match
- 100%

Total Cost of Project \$196,136.69

Local Share/Funds \$ 19,613.67

Local Share/In-Kind \_\_\_\_\_

State Share \$176,523.02

Federal AIP Projects:

AIP Number: \_\_\_\_\_

95-5% Match

90-10% Match

Total Cost of Project: \_\_\_\_\_

Federal Share: \_\_\_\_\_

State Share: \_\_\_\_\_

Local Share: \_\_\_\_\_

State Airport Aid Application – Page 2

Provide the information listed below as it applies to your project:

Funding:

Source of Funds: Arkansas Department of Aeronautics/ City of Conway

Source of In-Kind Services: N/A

Estimated starting date of project: February, 2015

Estimated completion date of project: May, 2015

Project will be for: New Airport Existing Airport

Is land to be leased or purchased? N/A

Description of land and cost per acre: N/A

Provide the Federal AIP Grant Number (if applicable): N/A

State Legislators for your area:

State Senator: Jason Rapert

State Representative: Steve Magie

State Airport Aid Application – Page 3

The sponsor agrees to furnish the Arkansas Department of Aeronautics a copy of the legal instrument affecting use of the property for an airport. In application for a new landing site or expansion of existing facility, the FAA Form 7480-1, *Notice of Landing Area Proposal*, must be approved by the FAA before review for grant can be made by the State. Applications for hangar construction or renovation funds must include a signed lease agreement. This agreement must be in compliance with all FAA grant assurances. The application must be based on bids and include a calculated return on investment.

No land, hangars, or buildings purchased with State Grant funds may be sold or disposed of without State Aeronautics Commission prior approval. All requests for sale or disposal of property will be considered on an individual case basis. No hangar (funded by a grant from the Department of Aeronautics) shall be used for non-aviation purposes without State Aeronautics Commission prior approval. All requests for non-aviation use will be considered on a case-by-case basis. Failure to receive prior approval from A.D.A. concerning land and/or building use could result in the commission requesting grant refund from the Sponsor. Additionally, all hgr/building grant applications must include proof of insurance coverage.

No airport accepting State Grant funding may issue an Exclusive Rights lease.

All applications for navigational aids (such as NDB or ILS) must have FAA site approval before a state grant can be approved.

All Grant applications involving Federal Airport Improvement Program (AIP) funding must be accompanied by the approved FAA grant agreement with grant number assigned.

If this project is approved by the Arkansas Department of Aeronautics, and is accepted by the sponsor, it is agreed that all developments and construction shall meet standard FAA construction practices as outlined in the specifications of this agreement. Runways, Taxiways, Parking Ramps, etc. shall have a base and a thickness that will accommodate the weight of aircraft expected to operate at this airport.

**All grant applicants (City and/or County) are totally responsible for compliance with all Federal, State, County, and City laws, Statutes, Ordinances, Rules, Regulations, and Executive Orders concerning contracts and purchases for which this grant is approved and issued.**

It is understood and agreed that the sponsor shall start this project immediately upon award of grant. It is also agreed that this project shall be completed within one year from the date of acceptance of this grant by the Arkansas Department of Aeronautics. Applications for extension will be entertained if circumstances beyond the sponsor's control occur. Amendment requests are to be made only under extraordinary circumstances.

Funds will be disbursed according to Department procedures and final inspection of completed project (See payment instruction page). *Payment of grant funds are contingent upon the Department's annual appropriation.*

IN WITNESS WHEREOF, the sponsor has caused this Application for State Airport Aid to be duly executed in its name, this  30  day of  April ,  2015  .

\_\_\_\_\_  
City of Conway  
Name of Sponsor

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

**CONWAY MUNICIPAL AIRPORT  
ADA GRANT BUDGET**

**ESTIMATED CONSTRUCTION COST**

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	AMOUNT
1	Site Preparation	LS	100%	\$10,000.00	\$10,000.00
2	Portland Cement Concrete Pavement	SY	865	\$40.00	\$34,600.00
3	Class 7 Aggregate Base	SY	895	\$9.14	\$8,180.30
4	Concrete Ditch Paving	LF	1253	\$60.00	\$75,180.00
5	3' x 3' Drainage Basin	EACH	1	\$2,725.00	\$2,725.00
6	12" HDPE Pipe	LF	200	\$17.50	\$3,500.00
7	Tie into Existing Storm Drain	EACH	1	\$1,520.00	\$1,520.00
8	Embankment	CY	1457	\$8.80	\$12,821.60
9	Sod	SY	3,827	\$2.27	\$8,687.29
10	4" Sidewalk	SY	45	\$49.50	\$2,227.50
11	Landscaping	LS	100%	\$9,500.00	\$9,500.00
12	Pavement Marking	LF	750	\$0.26	\$195.00
13	Irrigation	LS	100%	\$6,000.00	\$6,000.00

<b>Total Estimated Construction Cost</b>	<b>\$175,136.69</b>
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Total Construction Cost	\$175,136.69
Engineering	\$16,000.00
Construction Materials Testing	\$5,000.00

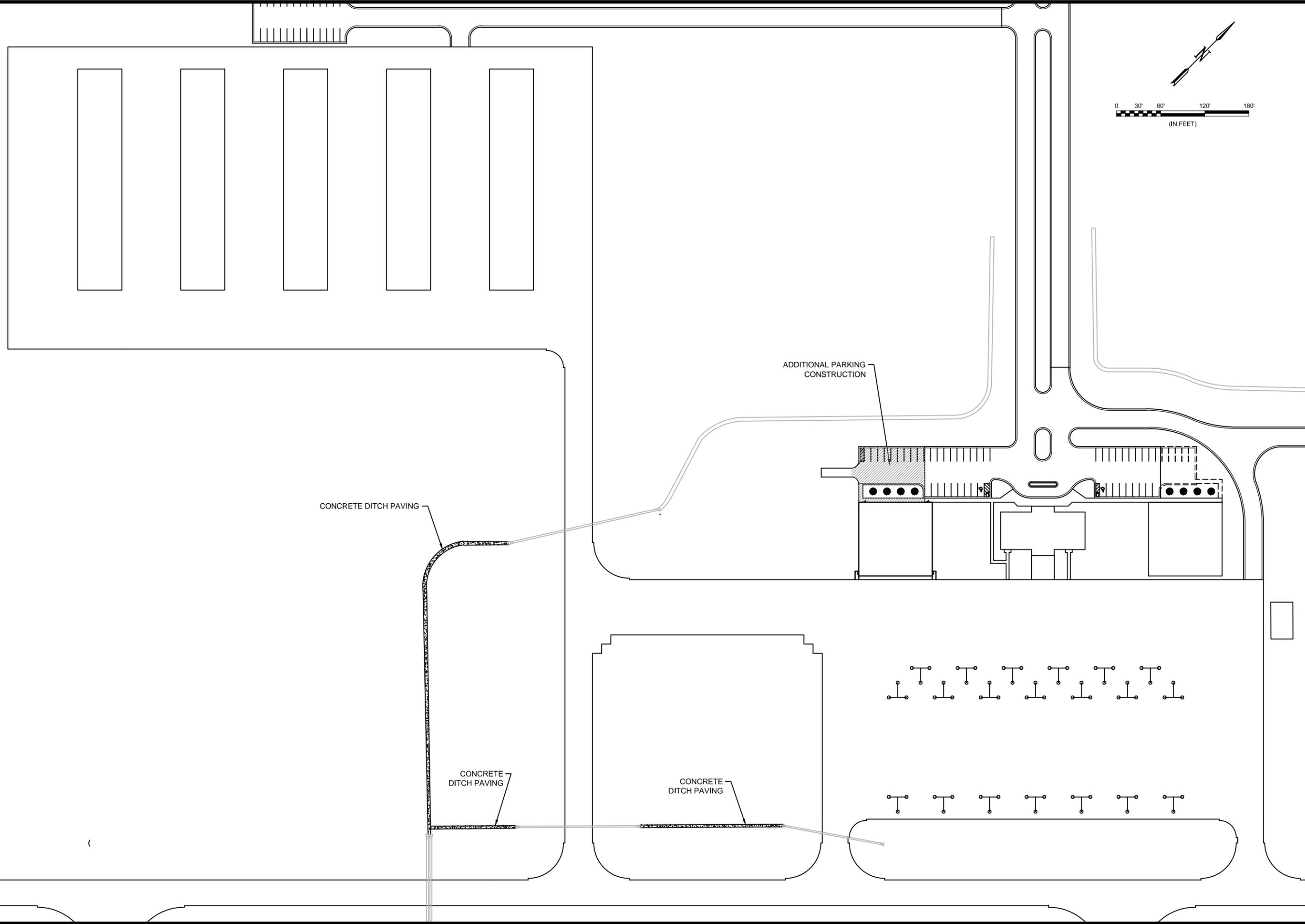
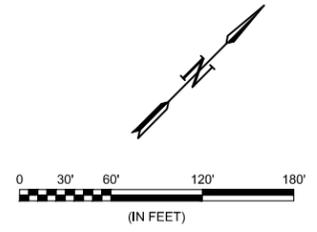
<b>TOTAL PROJECT COST</b>	<b>\$196,136.69</b>
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**FUNDING**

Arkansas Department of Aeronautics 90/10 Grant	\$176,523.02
City of Conway	\$19,613.67



File: L:\2014\14011500 - Conway Airport Design - Phase 6\Drawings\EXHIBITS\TERMINAL AREA PARKING EXHIBIT.dwg Last Save: 4/28/2015 4:21 PM Last saved by: JL Vinson  
 Last plotted by: Vinson, Jessica L. Plot Style: Garver Standard Hall.ctb Plot Scale: 1/2" Plot Date: 5/1/2015 10:01 AM Plotter used: \gfydc02\Cannon IR C4060 PS



REV.	DATE	DESCRIPTION	BY

CITY OF CONWAY  
 CONWAY MUNICIPAL AIRPORT  
 CONWAY, AR

EXHIBIT

JOB NO.: 14011500  
 DATE: APRIL, 2015  
 DESIGNED BY: BWR  
 DRAWN BY: JLV

BAR IS ONE INCH ON ORIGINAL DRAWING  
 0 1"  
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

SHEET NUMBER  
 EXH



**City of Conway, Arkansas  
Ordinance No. O-15-\_\_\_\_\_**

**AN ORDINANCE APPROPRIATING FUNDS FROM PARKS AND RECREATION A&P FUNDS TO THE CONWAY PARKS DEPARTMENT CAPITAL BUDGET ACCOUNT; AND FOR OTHER PURPOSES**

**Whereas**, the Conway Parks Department needs to replace an existing truck; and

**Whereas**, Parks and Recreation A&P money is allocated to be used for such manner.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** The City of Conway shall appropriate an amount of \$ 25,000.00 from Parks and Recreation A&P Fund Balance Appropriation (252.000.4900) to the Conway Parks Department Vehicle Capital Budget Account (252.140.5920)

**Section 2.** All ordinances in conflict herewith are repealed to the extent of the conflict.

**PASSED** this 12<sup>th</sup> day of May 2015.

**Approved:**

\_\_\_\_\_  
**Mayor Tab Townsell**

**Attest:**

\_\_\_\_\_  
**Michael O. Garrett  
City Clerk/Treasurer**



Steve Ibbotson  
Director

## Parks and Recreation

10 Lower Ridge Road • Conway AR 72032  
[www.conwayparks.com](http://www.conwayparks.com)

May 4, 2015

Mayor Tab Townsell and City Council  
1201 Oak Street  
Conway AR 72032

Re: Purchase of New Truck

Mayor:

The Conway Parks Department needs to replace one of its trucks due to a blown engine. The cost to replace the engine will exceed the value of the truck.

We are requesting to utilize the Parks and Recreation A&P funds in the amount of \$25,000 to cover the cost of the new truck which will be purchased off the state bid.

Sincerely,

Steve Ibbotson  
Parks Director

SDI: rfs



**City of Conway, Arkansas  
Ordinance No. O-15-\_\_\_\_\_**

**AN ORDINANCE TO RECOGNIZE AND CLARIFY THE RETIREMENT BENEFITS FOR CITY EMPLOYEES TRANSITIONING FROM THE NONUNIFORM PENSION PLAN TO THE ELECTED OFFICIAL PENSION PLAN; REPEALING ANY CONFLICTS; DECLARING AN EMERGENCY; AND FOR ALL OTHER PURPOSES.**

Whereas, the City of Conway provides for pension benefits in accordance with Arkansas Code Ann. §24-12-101, e. seq. for nonuniformed City employees; and

Whereas, the City of Conway is obligated to provide pension benefits to elected officials in compliance with A.C.A. §§24-12-120, 24-12-121, 24-12-123, and Ordinance No. O-98-127; and

Whereas, the City Council has the general legislative authority to regulate finances (A.C.A. §14-43-502) and the pension plans of the City (A.C.A. §24-12-101 and A.C.A. §§24-12-120, 24-12-121 and 24-12-123); and

Whereas, the City Council wishes to clarify and recognize an employee's accumulated time and contributions to the nonuniformed pension fund if an employee is subsequently elected to a City position.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** When a City employee having been enrolled and contributing to the nonuniformed pension plan is subsequently elected or appointed to an elected City position becoming eligible for the elected official retirement plan, then his or her time in the nonuniformed retirement plan will be credited towards the overall vesting period for retirement, any contribution made to the nonuniformed retirement plan by the employee will remain in the pension fund, and upon officially taking elected office he or she will begin in the elected official retirement plan. If the vesting period is subsequently satisfied, benefits will be paid out from the respective funds at a pro rata calculation based on length of time in each retirement plan.

**Section 2.** That any ordinance which conflicts with this ordinance is hereby repealed to the extent of the conflict.

**Section 3.** This ordinance is necessary for the protection of the public peace, health and safety; an emergency is hereby declared to exist, and this ordinance shall be in full force and effect from and after its passage and approval.

Passed this 12<sup>th</sup> day of May, 2015.

**Approved:**

\_\_\_\_\_  
**Tab Townsell  
Mayor**

**Attest:**

\_\_\_\_\_  
**Michael O. Garrett  
City Clerk/Treasurer**

## MEMORANDUM

**TO:** City Council Members  
**CC:** Mayor Tab Townsell  
**FROM:** Chief A.J. Gary  
**DATE:** April 29<sup>th</sup>, 2015  
**SUBJECT:** Acceptance of Bids

Bids were opened April 13, 2015 at Conway City Hall Downstairs conference room for Tactical Communication Equipment for the CPD SWAT team.

The following bid was received:

- Safeware: \$ 14,923.80

I respectfully request that the City of Conway accept this bid from Safeware.

Thank you for your consideration.

## MEMORANDUM

**TO:** City Council Members/Mayor Tab Townsell

**FROM:** Chief AJ Gary

**DATE:** May 12, 2015

**SUBJECT:** Request for disposal of assets/Global Electric Motor Car

The Conway Police Department has a Global Electric Motor Car (5ASAG7478F046417) that is currently disabled. This vehicle has not been used in several months, and it may cost more to repair it than it is worth.

I would like to request approval to remove this item from our inventory listing and to dispose of it.

This vehicle will be sold through auction, "as is", on [www.publicsurplus.com](http://www.publicsurplus.com).

Thank you for your consideration.



**City of Conway, Arkansas  
Ordinance No. O-15-\_\_\_\_\_**

**AN ORDINANCE APPROPRIATING REIMBURSEMENTS FUNDS FROM VARIOUS ENTITIES FOR THE CITY OF CONWAY ANIMAL WELFARE UNIT; AND FOR OTHER PURPOSES**

**Whereas**, the City of Conway has received reimbursements funds from the following entities:

Pet Smart	\$ 1,931.16	Rescue Wagon
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**Whereas**, the Conway Police Department needs these funds to replenish their expenditure accounts.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** The City of Conway shall appropriate Rescue Wagon funds from Pet Smart in the amount of \$2,416.70 from 001.127.4705 to the AWU Miscellaneous expense account 001.127.5699.

**Section 2.** All ordinances in conflict herewith are repealed to the extent of the conflict

**PASSED** this 12<sup>th</sup> day of May, 2015.

**Approved:**

\_\_\_\_\_  
**Mayor Tab Townsell**

**Attest:**

\_\_\_\_\_  
**Michael O. Garrett  
City Clerk/Treasurer**



**City of Conway, Arkansas**  
**Ordinance No. O-15-\_\_\_\_\_**

**AN ORDINANCE APPROPRIATING REIMBURSEMENTS FUNDS FROM VARIOUS ENTITIES FOR  
 THE CITY OF CONWAY POLICE DEPARTMENT; AND FOR OTHER PURPOSES**

**Whereas**, the City of Conway has received reimbursements funds from the following entities:

Various companies	\$ 26,866.60	Extra Duty Services
AR State Police	\$ 6,389.45	DUI/Seat Belt Grant
Insurance companies	\$ 11,633.36	Insurance Proceeds
Various companies	\$ 875.00	Safety Fair Donations
Various companies	\$ 412.04	Auction Proceeds

**Whereas**, the Conway Police Department needs these funds to replenish their expenditure accounts.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** The City of Conway shall appropriate funds from various companies in the amount of \$26,866.60 & appropriate funds from the ASP in the amount of \$6,389.45 from 001.121.4185 to the CPD overtime expense account, 001.121.5114.

**Section 2.** The City of Conway shall appropriate insurance proceed funds in the amount of \$11,633.36 from 001.119.4360 to the CPD fleet maintenance expense account, 001.121.5450.

**Section 3.** The City of Conway shall appropriate Child Safety Fair funds from various companies in the amount of \$875.00 from 001.119.4705 to the Conway Police Department Child Safety Fair expense account, 001.121.5760.

**Section 4.** The City of Conway shall appropriate funds from various companies in the amount of \$412.04 from 001.121.4799 to the CPD fleet maintenance expense account, 001.121.5450.

**Section 5.** All ordinances in conflict herewith are repealed to the extent of the conflict

**PASSED** this 12<sup>th</sup> day of May, 2015.

**Approved:**

**Attest:**

\_\_\_\_\_  
**Mayor Tab Townsell**

\_\_\_\_\_  
**Michael O. Garrett**  
 City Clerk/Treasurer



**City of Conway, Arkansas  
Resolution No. R-15- \_\_\_\_**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 901 MCNUTT ROAD (KNOWN AS SPIRIT HOMES)**

**Whereas**, it has been determined that it is in the best interest of the City to purchase the Spirit Homes property at 901 McNutt Road for a community center.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** The City Council of the City of Conway shall hereby approve the Mayor to enter into a purchase and sale agreement with Clayton Homes, LLC for the property located at 901 McNutt Road, known as Spirit Homes.

**Section 2.** That this Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** this 12<sup>th</sup> day of May, 2015.

**Approved:**

\_\_\_\_\_  
**Mayor Tab Townsell**

**Attest:**

\_\_\_\_\_  
**Michael O. Garrett  
City Clerk/Treasurer**



**City of Conway, Arkansas  
Ordinance No. O-15-\_\_\_\_\_**

**AN ORDINANCE AUTHORIZING FUNDS FROM PARKS AND RECREATION IMPACT FEES FOR EARNEST MONEY FOR THE POTENTIAL PURCHASE OF THE FORMER SPIRIT HOMES LOCATION; AND FOR OTHER PURPOSES**

**Whereas**, the City of Conway would like to purchase property former known as Spirit Homes located in West Conway; and

**Whereas**, earnest money is required as part of the purchase and sale agreement for this property.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** The City of Conway shall use funds in the amount of \$100,000 from Parks and Recreation Impact Fees as an earnest money deposit for the potential purchase of Spirit Homes; and said funding will either be refunded by the loan to purchase the property or refunded by the seller if the property is not purchased.

**Section 2.** All ordinances in conflict herewith are repealed to the extent of the conflict.

**PASSED** this 12<sup>th</sup> day of May, 2015.

**Approved:**

\_\_\_\_\_  
**Mayor Tab Townsell**

**Attest:**

\_\_\_\_\_  
**Michael O. Garrett**  
City Clerk/Treasurer

*Michael O. Garrett*  
*Clerk-Treasurer*  
[cityclerk@cityofconway.org](mailto:cityclerk@cityofconway.org)



*City of Conway*  
*1201 Oak Street*  
*Conway, Arkansas 72032*  
*501-450-6100*  
*501-450-6109 FAX*

Results of request for interest rate quotes for the  
Purchase of Spirit Homes building  
(April 6, 2015)

<b>Regions Bank</b>	<b>1.47</b>
First Security	1.89
Centennial	1.89
Arvest Bank	2.15
Simmons First	2.42
River Town	2.63
United Bank	2.98



**City of Conway, Arkansas**  
**Ordinance No. O-15-\_\_\_\_\_**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF A PROMISSORY NOTE TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION FOR THE PURCHASE AND IMPROVEMENT OF PROPERTY LOCATED AT 901 MCNUTT ROAD; PROVIDING FOR PAYMENT OF THE PRINCIPAL AND THE INTEREST ON THE NOTE; APPROPRIATING FUNDS FROM GENERAL REVENUES; REPEALING ANY OTHER ORDINANCES IN CONFLICT HEREWITH; DECLARING AN EMERGENCY AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.**

**Whereas**, the City of Conway, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Act No. 1808 of 2001 (codified as Arkansas Code Annotated § 14-78-101, *et seq.*, the "Act"), to incur short term financing obligations maturing over a period of, or having a term not to exceed five (5) years for the purpose of acquiring, constructing, installing and renting real property or tangible personal property having an expected useful life of more than one year; and

**Whereas**, it is proposed that the City issue its Promissory Note in the principal amount up to \$4,000,000 (the "Note") under Amendment No. 78 and the Act for the purpose of providing financing for the cost for purchasing and improving the building formerly known as Spirit Homes, and the property on which it sits (the "Project"); and

**Whereas**, the City intends to arrange for the loan (the "Loan") from a financial institution (the "Lender") and to issue the Note to the Lender at a price of par in consideration for the Loan.

**NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1:** The City of Conway City Council (the "City Council") hereby finds that the Project is real or tangible personal property having a useful life of more than one year. The City Council further finds that the sum of the principal amount of the proposed Promissory Note and the outstanding principal amount of the City's other promissory notes issued under the authority of Amendment 78 do not exceed five percent (5%) of the assessed value of taxable property located within the City as determined by the last tax assessment completed before the issuance of the proposed Promissory Note.

**Section 2:** Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment No. 78 and the Act, the issuance of the Promissory Note in the principal amount of up to \$4,000,000 is hereby authorized for the purpose of financing the cost of the Project. The Note shall be dated the date of its issuance and shall bear interest on the outstanding principal amount at a fixed rate of \_\_\_\_% per annum (calculated on the basis of the actual number of days elapsed in a year of 365 days (366 days in a leap year). The Note shall be repaid within five years from the first draw thereunder, and the Note shall commence to bear interest as of such date as contemplated by Arkansas Code Annotated § 14-78-102(4). The Note shall be issued in fully registered form.

**Section 3:** \_\_\_\_\_ Bank has been selected by the Mayor, and approved by the City Council, based upon the commitment or proposal for the Loan that the Mayor has determined to have the lowest cost to the City after soliciting proposals or commitments for the Loan and receiving such proposals and commitments on April 6th, 2015 from at least three financial institutions having offices in Faulkner County.

**Section 4:** It is expected that the first draw on the borrowings will occur on or about \_\_\_\_\_, 2015 and the City will execute the Note immediately prior to such draw. Interest will begin to accrue on only the amount borrowed as of the date of each draw.

**Section 5:** As provided in Amendment No. 78, the debt service payments on the Note shall be charged against and paid from the general revenue of the City within five years, but not later than five (5) years from the date of the first draw on the Note when the obligation commences to bear interest, as contemplated by Arkansas Code Annotated § 14-78-102(4). For the purpose of making the annual debt service, there is hereby, and shall be, appropriated to pay the Note, an amount of general revenue of the City sufficient for such purposes. The City's Director of Finance is hereby authorized and directed to withdraw from the general revenues of the City the amounts at the times necessary to make the annual debt service payments on the Note. The source for such funds may be the pay as you go funding provided by the Quarter Cent Sales and Use Tax dedicated by action of the City Council to major street projects or any other source funded from general revenues of the City.

**Section 6:** The Mayor and City Clerk, for and on the behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the issuance execution, and delivery of the Note, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are hereby further authorized and directed, for and on behalf of the City, and to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof. The City covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the Note to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that the proceeds of the Note will not be used directly or indirectly in such manner as to cause the Note to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The City covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Note is issued, a statement as required by Section 149(e) of the Code. The City represents that it has not used or permitted the use of, and covenants that it will not use or permit the use of the proceeds of the Note, in such manner as to cause the Note to be "private activity bonds" within the meaning of Section 141 of the Code. The City covenants that it will take no action which would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code. Nothing in this Article shall prohibit investments in bonds issued by the United States Treasury.

**Section 7:** In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this Ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not be affect the remaining portions of this Ordinance, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this Ordinance.

**Section 8:** All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9:** Funds provided through the issuance of the Note are hereby appropriated and budgetary authority is provided for the Project in an amount up to \$4,000,000.

**Section 10:** Funds provided shall be appropriated from the Parks and Rec A&P Fund Loan Proceeds account (252.140.4370) into the Parks and Rec A&P Fund Building Acquisition account (252.140.5903) as money is borrowed and received for the Project in an amount of up to \$4,000,000.

**Section 11:** This ordinance is necessary for the protection of the public peace, health and safety and that in order to avoid project delays to this Project, it is essential to the ability of the City to efficiently

conduct business and have the necessary funds to pay for this Project and therefore, an emergency is hereby declared to exist, and this ordinance shall be in full force and effect from and after its passage and approval.

**PASSED** on this 12<sup>th</sup> day of May, 2015.

**Approved:**

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**Mayor Tab Townsell**

**Attest:**

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**Michael O. Garrett**  
City Clerk/Treasurer



**City of Conway, Arkansas  
Resolution No. R-15-\_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH NABHOLZ CONSTRUCTION SERVICES TO REVIEW THE LOCATION KNOWN AS SPIRIT HOMES AS A VIABLE LOCATION FOR A COMMUNITY/RECREATION CENTER**

**Whereas**, it has been determined that it is in the best interest of the City to get an assessment of the Spirit Homes property located at 901 McNutt Road to determine if this property is a viable option for a community/recreation center.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:**

**Section 1.** The City Council of the City of Conway shall hereby approve the Mayor to enter into agreement with Nabholz Construction for said mention above purposes.

**Section 2.** That this Resolution shall be in full force and effect from and after its passage and approval.

**ADOPTED** this 12<sup>th</sup> day of May, 2015.

**Approved:**

\_\_\_\_\_  
**Mayor Tab Townsell**

**Attest:**

\_\_\_\_\_  
**Michael O. Garrett  
City Clerk/Treasurer**