

TITLE 3

FISCAL AFFAIRS

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CHAPTER 3.04

PURCHASES

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- 3.04.01 Payment of City Bills
- 3.04.02 Approval of payments
- 3.04.03 Sale or exchange of supplies, materials or equipment
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3.04.01 Payment of City Bills That Ordinance 2017-05 is specially repealed and any ordinance or parts of any ordinance in conflict with this Ordinance is likewise repealed. (Ord. No. 2018-04, Sec. 1)

That the Mayor of the City of Bald Knob, Arkansas, may disburse from city funds for the payment of city hills and expenses as needed for utilities, vehicle fuel purchases, LOPFI retirement payments, Municipal Health Benefit payments and Arkansas Employment Security Division payments without having to request and obtain the approval of the Bald Knob City Council. (Ord. No. 2018-04, Sec. 2)

That all other payments or expenditures of city funds shall be approved by the Bald Knob City Council prior to any such payment or expenditure by the Mayor. (Ord. No. 2018-04, Sec. 3)

3.04.02 Approval of payments. The Mayor or his duly authorized representative may approve for payment out of any funds previously appropriated for that purpose, or disapprove any bills, debts or liabilities asserted as claims against the city, when funds on hand are adequate to pay such bills, debts or liabilities. That the payment or disapproval of any bills, debts or liabilities not covered by a previous appropriation shall require confirmation of the governing body.

That the City of Bald Knob has satisfied the requirements of competitive bidding with respect to the purchase of said police car described in Section 1 for a purchase price of \$23,258.00 by obtaining a bid through the State of Arkansas contract program. (Ord. No. 2017-02, Sec. 2)

That the Bald Knob City Council approves the immediate purchase of an 800 GPM@FTTDH Centrifugal Pump. (Ord. No. 2019-02, Sec. 1)

That the Bald Knob City Council authorizes and directs the Mayor and City Clerk to acquire said pump through the Bald Knob Water & Sewer Department and is authorized to spend up to \$24,000.00 for the pump, installation expense and other necessary fees and taxes, if applicable. (Ord. No. 2019-02, Sec. 2)

To the extent permitted by law, the requirements of competitive bidding with respect to the purchase of the equipment identified in the ordinance is waived. (Ord. No. 2019-02, Sec. 3)

3.04.03 Sale or exchange of supplies, materials or equipment That the Mayor or his duly authorized representative may sell or exchange any municipal supplies, materials or equipment without competitive bidding if such supplies, materials or equipment have a value of less than Five Hundred Dollars (\$500.00). That no supplies, materials or equipment shall be sold without receiving competitive bids therefore if the value thereof exceeds the sum of Five Hundred Dollars (\$500.00); provided, however, if the Mayor shall certify in writing to the governing body that, in his opinion, the fair market value of such item or lot (to be disposed of in one unit) is less than Five Hundred Dollars (\$500.00), the same may be sold by the Mayor without competitive bidding.

That the Bald Knob City Council pursuant to ACA §14-42-107 recognizes and approves of the possible conflict of interest by a member of the city council by selling equipment to the City of Bald Knob, Arkansas, and specifically declares that it would be in the best interest of the City of Bald Knob for the City of Bald Knob, Arkansas, to purchase a 1993 John Deere Backhoe from Council Member Billy Feagin and waves any conflict of interest for this particular transaction. (Ord. No. 2019-08, Sec. 1)

3.04.04 Claims against the city The Mayor, or his duly authorized representative, may approve for payment out of funds previously appropriated for that purpose, or disapprove any bills, debts or liabilities asserted as claims against the city, provided such payment or claim does not exceed \$1,000.00. (Ord. No. 0-16-07, Sec. 1.)

3.04.05 Authorization of Promissory Notes

That the Mayor and city Clerk are authorized to enter into a loan agreement with First Community Bank in an amount not to exceed \$30,000.00 with a rate of interest in the amount of 2.97% to obtain the necessary funds for the purchase of and equipping of a 2018 Dodge Charger from Landers Chrysler Dodge Jeep for the Bald Knob Police Department. (Ord. No. 2017-02, Sec. 1)

The City Council of the City of Bald Knob, Arkansas, hereby finds that each item of real property to be acquired will have a useful life of more than one (1) year and that the principal amount of the Note and all other obligations heretofore incurred by the City under Amendment No.78 to the Arkansas Constitution ("Amendment No. 78") does not exceed 1 ½% of the assessed value of taxable property located within the City as determined by the last tax assessment. (Ord. No. 2018-01, Article 1)

Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Amendment No. 78, City of Bald Knob, Arkansas, a General Revenue Promissory Note is hereby authorized and ordered issued in the maximum principal amount of \$55,000.00 for the purpose of financing all or a portion of the costs of acquiring the real property. The Note shall bear interest at an interest rate not to exceed 2.64%, shall have a maturity of not greater than 5 years and shall mature no later than 5 years after its execution. (Ord. No. 2018-01, Article 2)

The Note shall be executed on behalf of the City of Bald Knob, Arkansas by the Mayor and Treasurer. (Ord. No. 2018-01, Article 3)

The Note shall be in substantially the following form and the Mayor and Treasurer are hereby expressly authorized and directed to make all recitals contained therein: (Ord. No. 2018-01, Article 4)

As provided in Amendment No. 78, the debt service payments on the Note in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the debt service payments, there is hereby, and shall be appropriated to pay the Note, an amount of general revenues of the City sufficient for such purposes. The City covenants that for each fiscal year in which the Note is outstanding, the general revenues of the City shall exceed the amount of debt service payments due on the Note in that fiscal year. (Ord. No. 2018-01, Article 5)

The City shall not have outstanding at any one time indebtedness under Amendment No. 78, including the Note, in an aggregate principal amount exceeding \$5,000,000 unless such indebtedness in excess of \$5,000,000 is expressly made subordinate in payment to the Note with

respect to payments from the general revenues of the City, including road fund revenues. Nothing herein shall prohibit the City from incurring additional indebtedness under Amendment No. 78 that is secured by the property financed in whole or in part with proceeds of the indebtedness. (Ord. No. 2018-01, Article 6)

The City agrees to have its financial statements audited annually by an independent certified public accounting firm or by the Joint Legislative Auditing Committee, Division of Legislative Audit of the State of Arkansas. While the Note is outstanding, a copy of the audit report shall be furnished to the Lender on request. (Ord. No. 2018-01, Article 7)

The City agrees to prepare and adopt a budget for each fiscal year in accordance with Arkansas law and to furnish the Lender with a copy of the same by January 31 of each year while the Note is outstanding. Each budget shall make provision for the payment of debt service due on the Note in that fiscal year. (Ord. No. 2018-01, Article 8)

The Note may be redeemed or pre-paid prior to maturity without penalty. (Ord. No. 2018-01, Article 9)

If there be any default in the payment of the principal of or interest on the Note, or in the performance of any of the other covenants contained in this Ordinance, Lender may, by proper suit, compel the performance of the duties of the officials of the City under the laws of Arkansas.

No remedy conferred upon or reserved to Lender is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or by law.

Lender 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 of Lender with respect thereto.

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

In any proceeding to enforce the provisions of this Ordinance Lender shall be entitled to recover from the City all costs of such proceeding, including reasonable attorney's fees. (Ord. No. 2018-01, Article 10)

The terms of this Ordinance shall constitute a contract between the City and the Lender and no variation or change in the undertaking herein set forth shall be made while the Notes is outstanding, except as may be agreed in writing as between the City and Lender. (Ord. No. 2018-01, Article 11)

(a) 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 Code.

(b) 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.

(c) The Note is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code. The City represents that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 141 of the Code which are not "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities issued in calendar year 2018 are not expected to exceed \$10,000,000.

The City further represents pursuant to Section 148(f)(4)(D) of the Code that (i) the aggregate principal amount of its tax-exempt obligations (not including "private activity bonds" within the meaning of Section 141 of the Code), including those of its subordinate entities, to be issued in calendar year 2018 is not reasonably expected to exceed \$5,000,000, and (ii) at least 95% of the proceeds of the Note will be expended for the governmental activities of the City.

(d) 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.

(e) 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.

(f) The City covenants that it will not reimburse itself from proceeds of the Note for costs paid prior to the date the Note is issued except in compliance with United States Treasury Regulation No. 1.150-2 (the "Regulation"). This Ordinance shall constitute an "official intent" for purposes of the Regulation. (Ord. No. 2018-01, Article 12)

The Mayor and Treasurer are authorized to execute and deliver the City's Closing Certificate in substantially the form which is before the meeting at which this Ordinance is adopted, which Certificate, when so executed and delivered, shall be the binding obligation of the City. (Ord. No. 2018-01, Article 13)

The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance. (Ord. No. 2018-01, Article 14)

All ordinances and resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict. (Ord. No. 2018-01, Article 15)

CHAPTER 3.08

MAYOR AND CITY COUNCIL CONDUCTING BUSINESS

Sections:

- | | |
|---------|--------------------|
| 3.08.01 | Conditions |
| 3.08.02 | Waiving of bidding |
| 3.08.03 | Councilmembers |

3.08.01 Conditions The Mayor and the City Council may conduct business with the city as authorized by Act 485 of 1981, under the following conditions:

- A. The purchase is under \$2,000.00 in value and comparable merchandise or equipment at comparable prices is not otherwise available within the city.
- B. The cost of the service is under \$2,000 in value and comparable services at comparable prices are not otherwise available within the city. (Ord. No. 85-03, Sec. 1.)

3.08.02 Waiving of bidding On all purchases of supplies, equipment or services of more than \$2,000, advertisement for bids must be taken pursuant to A.C.A. 14-58-303 unless the City Council shall by ordinance waive competitive bidding in exceptional situations where such procedure is deemed not feasible or practical. (Ord. No. 85-3, Sec. 2.)

Competitive bidding is hereby waived with regard to purchase of a fire truck. (Ord. No. 18-05, Sec. 1)

That all Ordinances in conflict herewith are hereby repealed to the extent of the conflict. (Ord. No. 18-05, Sec. 2)

That it is found and determined that this Ordinance is necessary for the fire Department to provide additional fire protection and reduced response time for the citizens of Bald Knob, Arkansas, and that there is an urgent need to purchase aforesaid fire truck due to the current cost savings and additional expected cost savings from an improved ISO Rating and a better service to the public and thereby the public peace, health, safety and welfare of the citizens of Bald Knob, Arkansas, this Ordinance shall be in full force and effect immediately upon its passage and approval. (Ord. No. 18-05, Sec. 3)

That the Mayor and City Clerk are authorized to enter into a loan agreement with First Community Bank in an amount not to exceed \$277,000.00 with a rate of 2.95% to obtain the necessary funds for the purchase and equipping of a 2019 International Fire Truck from Reliable Fire Products. (Ord. No. 2018-03A, Sec. 1)

That the City of Bald Knob has satisfied the requirements of competitive bidding and accepting sealed bids with respect to the purchase of said Fire Truck described in Section 1 for a purchase price of \$277,000.00, with a down payment of \$30,000.00. (Ord. No. 2018-03-A, Sec. 2)

3.08.03 Councilmembers Jerry Case, a member of the City Council, is hereby specifically authorized to do business with the city of Bald Knob, Arkansas, in the amount of One Thousand Two Hundred Dollars (\$1,200.00) to install two gates. (Ord. No. 2009-2, Sec. 1.)

That the Bald Knob City Council pursuant to ACA § 14-42-107 recognizes and approves of the possible conflict of interest as to the providing of various banking services for the city by Southern Bank for which Council Member Vince Vire is a bank officer and therefore declares that it would be in the best: interest of the City of Bald Knob for the city to continue to be use Southern Bank for banking services.(Ord. No. 2019-01, Sec. 1)

CHAPTER 3.12

SINGLE TRANSACTION

Sections:

3.12.01 Definition

3.12.01 Definition The term “single transaction” for the purposes of the local sales tax, shall be defined according to the nature of the goods purchased, as follows:

- A. When two or more devices in which, upon which or by which any person or property is, or may be, transported or drawn, including but not limited to on-road vehicles, whether required to be licensed or not, off-road vehicles, farm vehicles, airplanes, water vessels, motor vehicles, or non-motorized vehicles, and mobile homes, or sold to a person by a seller, each individual unit, whether part of a “fleet” sale or not, shall be treated as a single transaction for the purpose of the local sales tax.
- B. The charges for utility services, which are subject to the taxes levied under this ordinance, and which are furnished on a continuous service basis, whether such services are paid daily, weekly, monthly or annually, for the purposes of the local sales tax, shall be computed in daily increments, and each such daily charge increment shall be considered to be a single transaction for the purposes of the local sales tax.
- C. For sales of building materials and supplies to contractors, builders or other persons, a single transaction, for the purposes of the local sales tax, shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales (or use) tax figure has been reported and remitted to the state.
- D. When two or more items of major household appliances, commercial appliances, major equipment and machinery are sold, each individual unit shall be treated as a single transaction for the purposes of the local sales tax.
- E. For groceries, drug items, dry goods and other tangible personal property and/or services not otherwise expressly covered in this section, a single transaction shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales tax figure has been reported and remitted to the state. (Ord. No. 88-4, Sec. 1.)