ORDINANCE NO. ___________

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF A PROMISSORY NOTE TO PROVIDE SHORT-TERM FINANCING UNDER ARKANSAS CONSTITUTION AMENDMENT NO. 78, FOR THE ACQUISITION OF SELF-CONTAINED BREATHING APPARATUS FOR THE LITTLE ROCK FIRE DEPARTMENT, TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of Little Rock, 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 Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the "Act"), to issue notes and to expend the proceeds thereof to finance all or a portion of the cost of acquiring, constructing and installing real property and tangible personal property having an expected useful life of more than one (1)-year; and,

WHEREAS, the City proposes to finance the acquisition of self-contained breathing apparatus for the Little Rock Fire Department (the "Property to be Financed"); and,

WHEREAS, it is proposed that the City issue its Promissory Note (the "Note") in the principal amount of Five Million Dollars ($5,000,000.00) under Arkansas Constitutional Amendment No. 78 and the Act for the purpose of financing the costs of the Equipment to be financed; and,

WHEREAS, the City solicited interest rate bids for the Note from financial institutions, and the bid of Regions Equipment Finance Corporation (the "Lender") of 3.95% per annum was the lowest bid offering; and,

WHEREAS, the Lender has offered to purchase the Note from the City, at a price of par (the "Purchase Price"), pursuant to a Letter of Offer and Representations (the "Offer"), which has been presented to and is before this meeting.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1. The Board of Directors hereby finds that the Equipment to be financed is tangible personal property and will have a useful life of more than one (1)-year. The Board of Directors further finds that the aggregate principal amount of the Note and the City's outstanding indebtedness issued or incurred under Arkansas Constitution Amendment No. 78, does not exceed Five (5) percent of the assessed value of taxable property located within the City as determined by the last tax assessment.

Section 2. The Offer of the Lender for the purchase of the Note from the City at the Purchase Price is hereby accepted, and the Note is hereby sold to the Lender. The Mayor and any other necessary city officials are hereby authorized and directed to execute and deliver the Offer on behalf of the City.

Section 3. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Amendment No. 78 and the Act, the Note is hereby authorized and ordered issued in the principal amount of Five Million Dollars ($5,000,000.00) for the purpose of financing the costs of the Property to be financed and paying the expenses of issuing the Note. The Note shall be dated the date of issuance and shall bear interest on the outstanding principal amount at the rate of 3.95% per annum. The Note shall be repaid in five substantially equal annual amortized installments of principal and interest, commencing one ()1)-year from the date of the Note and on the same day of each year thereafter, with the final installment due five (5) years from the date of the Note. The Note shall be issued in fully registered form. The Note shall be executed by the Mayor and the City Clerk and the seal of the City shall be affixed to the Note.

Section 4. As provided in Arkansas Constitutional Amendment No. 78, the annual 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 annual 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 Treasury Manager is hereby authorized and directed to withdraw from the General Fund of the City the amounts and at the times necessary to make the annual debt service payments on the Note.

Section 5.

(a) The City covenants with the owner of the Note (the "Owner") from time to time that it shall not take any action or suffer or permit any action to be taken or condition 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 with the Owner that the proceeds of the sale of the Note will not be used directly or indirectly in such manner as to cause the Note to be treated as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

(b) The City covenants with the Owner that it will not use or permit the use of the Property to be Financed or the proceeds of the Note, in such manner as to cause the Note to be a "private activity bond" within the meaning of Section 141 of the Code.

(c) The City covenants with the Owner that it will not reimburse itself from Note proceeds for any costs paid prior to the date the Note is issued except in compliance with United States Treasury Regulation § 1.150-2 (the "Regulation"). This ordinance shall constitute an "official intent" for purposes of the Regulation.

(d) The City covenants with the Owner that it will submit to the Secretary of the Treasury of the United States, not later than the Fifteenth (15^{th}) day of the second (2^{nd}) calendar month after the close of the calendar quarter in which the Note is issued, a statement concerning the Note which contains the information required by Section 149(e) of the Code.

Section 6. The City shall provide such financial information to the Lender as the Lender may reasonably request.

Section 7. The Mayor, City Manager, Treasury Manager, City Attorney and City Clerk are hereby authorized and directed, for and on behalf of the City, to perform all acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance 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.

Section 8. ***Severability.*** 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 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 were not originally part of this ordinance.

Section 9. ***Repealer.*** All laws, ordinances, resolutions, or parts of the same which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

Section 10. ***Emergency Clause***. *The Board of Directors hereby determines that the construction of the Property to be Financed is essential to the public health, safety and welfare of the citizens of the City and must be financed as quickly as possible; an emergency is, therefore, declared to exist and this ordinance shall be in full force and effect from and after the date of its execution.*

PASSED: August 18, 2026

ATTEST:	**APPROVED:**
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Allison Segars, City Clerk	**Frank Scott. Jr., Mayor**

APPROVED AS TO LEGAL FORM:

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Thomas M. Carpenter, City Attorney

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