# OFFICE OF THE CITY MANAGER
# LITTLE ROCK, ARKANSAS

## BOARD OF DIRECTORS COMMUNICATION
## SEPTEMBER 29, 2026, AGENDA

| Subject: | Action Required: | Approved By: |
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| An Amendment to Little Rock, Ark., Ordinance No. 22,828 (August 18, 2026) – Promissory Note for Self-Contained Breathing Apparatus for the Little Rock Fire Department<br><br>**Submitted By:**<br><br>Finance for the LRFD | √**Ordinance**<br>Resolution | Delphone Hubbard<br>City Manager |

**SYNOPSIS**

The proposed Ordinance amends Little Rock, Ark., Ordinance No. 22,828 (August 18, 2026), to reduce the authorized principal amount of the Promissory Note for the acquisition of self-contained breathing apparatus (“SCBA”) for the Little Rock Fire Department from $5,000,000 to $3,220,000 to cover costs and expenses.

The Ordinance also authorizes the Mayor and other necessary City officials to execute the related Addendum to the Letter of Offer and Representations and other documents necessary to complete the financing.

**FISCAL IMPACT**

The proposed Ordinance will reduce the authorized principal amount of the Promissory Note for the acquisition of self-contained breathing apparatus for the Little Rock Fire Department from $5,000,000 to $3,220,000, resulting in a $1,780,000 reduction in the City's authorized borrowing.

The revised financing will be provided by Regions Capital Advantage, Inc., an entity related to Regions Equipment Finance Corporation, at a fixed interest rate of 4.28% per annum, with the Note to be purchased at par. The reduction in principal reflects the City's determination that the actual cost of the equipment will be less than

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| **FISCAL IMPACT CONTINUED** | originally estimated and will reduce the City's future debt service obligations and associated interest costs.<br><br>The amendment does not authorize any additional expenditure beyond the revised financing amount. The Mayor and other necessary City officials are authorized to execute the Addendum to the Letter of Offer and Representations and other documents necessary to complete the financing. Funding for the acquisition will be provided through the proceeds of the Promissory Note, subject to the terms and conditions of the financing documents. |
| **RECOMMENDATION** | Pass the Ordinance. |
| **BACKGROUND** | In August, the Board of Directors passed LRO Ordinance 22,828, authorizing the issuance of a Promissory Note in the principal amount of $5,000,000.00 pursuant to Amendment No. 78 to the Arkansas Constitution. The Note was authorized to finance the costs of acquiring self-contained Breathing apparatus for the Little Rock Fire Department and related expenses.<br><br>Following further review, the City determined that the cost of the equipment will be less than originally estimated.<br><br>Regions Equipment Finance Corporation originally offered to purchase the $5,000,000 Note at an interest rate of 3.95% and a purchase price equal to par. The City accepted that offer pursuant to a Letter of Offer and Representations dated August 18, 2026.<br><br>The lender and its related entity, Regions Capital Advantage, Inc., have subsequently submitted an Addendum to the Letter of Offer and Representations dated September 15, 2026. The Offer Addendum revises the financing to provide for the purchase of a $3,220,000 Promissory Note by Regions Capital Advantage, Inc. at an interest rate of 4.28% per annum and a purchase price equal to par.<br><br>The amended Note will be repaid in five substantially equal annual amortized installments of principal and |

**BACKGROUND CONTINUED**

interest, beginning one year from the date of issuance, with the final installment due five years from the date of the Note. The Note will be issued in fully registered form. The proposed Ordinance also amends the financial-information provision of Ordinance No. 22,828 to provide that the City shall furnish financial information reasonably requested by the lender or purchaser. All other provisions of LRO No. 22,828 will remain in full force and effect.

The proposed amendment allows the City to proceed with the acquisition of the necessary equipment while limiting the amount of debt issued to the amount needed to finance the project.