Bella Vista City Council
Special Meeting Agenda

Date/Time: October 1, 2024
6:00 PM

Location: Bella Vista District Court
2483 Forest Hills Blvd.

Mayor:
John D. Flynn

City Clerk:
Wanda Lepillez Krug

Staff Attorney:
Jason Kelley

Council Members:
Ward 1, Position 1 - Jerry Snow
Ward 1, Position 2 - Wendy Hughes
Ward 2, Position 1 - Jim Wozniak
Ward 2, Position 2 - Larry Wilms
Ward 3, Position 1 - Doug Fowler
Ward 3, Position 2 - Craig Honchell

I. Call to Order

This meeting has been given public notice in accordance with Section 25-19-106 of the Arkansas Freedom of Information Act in such form that will apprise the public and news media of subject matter presented for consideration and action.

II. Roll Call

(The Chair will entertain a motion to suspend the rules of order and procedure to allow all ordinances on the agenda to be read by title only.)

III. New Business

See meeting packet for complete ordinances and resolutions.

A. Public Hearing

B. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CAPITAL IMPROVEMENT REVENUE BOND; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY. Staff requests move to 3rd and final reading.

IV. Adjournment

SPECIAL NOTICES TO THE PUBLIC: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. To request this service, contact City Clerk prior to each meeting at 479-876-1255.

MEETING DATE	PREPARED BY	LEGISLATIVE TITLE
October 1, 2024	Wanda Krug, City Clerk	Public Hearing

AGENDA ITEM # III.A

Public Hearing

BACKGROUND

Related to Item B, the Bond issue

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

None

MEETING DATE	PREPARED BY	LEGISLATIVE TITLE
October 1, 2024	Wanda Krug, City Clerk	AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CAPITAL IMPROVEMENT REVENUE BOND; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY. Staff requests move to 3rd and final reading.

AGENDA ITEM # III.B

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE
OF A CAPITAL IMPROVEMENT REVENUE BOND; PROVIDING
FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST
ON THE BOND; PRESCRIBING OTHER MATTERS RELATING
THERETO; AND DECLARING AN EMERGENCY. Staff requests move to 3rd and final reading.

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. Bella Vista Bond Ordinance
2. City of Bella Vista Term Sheet 9-13-24

ORDINANCE NO. _________

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CAPITAL IMPROVEMENT REVENUE BOND; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Bella Vista, Arkansas (the "City") has determined that the City is in need of facility improvements for fire department station no. 1 and city administration and any furnishings, equipment and parking, lighting, road and utility improvements related thereto (the "Improvements"); and

WHEREAS, the City Council has determined that the City can finance all or a portion of the costs of the Improvements by issuing its Capital Improvement Revenue Bond in the principal amount of $5,407,352 (the "bond"); and

WHEREAS, through the assistance of Raymond James & Associates, Inc., as municipal advisor for the City, the City has received an offer for the purchase of the bond from Regions Equipment Finance Corporation (the "Lender"), 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 City Council of the City of Bella Vista, Arkansas:

Section 1. The offer of the Lender for the purchase of the bond from the City at the Purchase Price is hereby accepted, and the bond is hereby sold to the Lender. The Mayor is hereby authorized and directed to execute and deliver the Offer for and on behalf of the City.

Section 2. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, a City of Bella Vista, Arkansas Capital Improvement Revenue Bond is hereby authorized and ordered issued in the principal amount of $5,407,352 for the purpose of financing all or a portion of the costs of accomplishing the Improvements and paying necessary expenses incidental thereto and to the authorization and issuance of the bond. The bond shall mature on December 1, 2034 and shall bear interest at the rate of 4.13% per annum (the "Interest Rate") based upon a 360-day year and twelve 30-day months. If principal of or interest on the bond is not paid when due, the bond shall, during the period of such payment default, bear interest at the Default Rate, which is the Interest Rate plus 5%.

The bond shall be dated the date of its delivery to the Lender and shall be issuable only as a fully registered bond without coupons. Interest on the bond shall be payable on June 1, 2025 and semiannually thereafter on June 1 and December 1 of each year.

Payment of principal and interest shall be by check or draft mailed to the registered owner of the bond (the "Bondholder") at its address shown on the bond registration books of the City which shall be maintained by the City Clerk as Bond Registrar, without presentation or surrender of the bond (except upon final payment) and such payments shall discharge the obligation of the City to the extent thereof. 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 bond have been fully paid, it shall be canceled and delivered to the City Clerk.

Section 3. The bond shall be subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity in accordance with the terms set out in the bond form in Section 5 hereof.

Section 4. The bond shall be executed on behalf of the City by the Mayor and City Clerk and shall have impressed thereon the seal of the City. The bond is secured solely by the Pledged Revenues. The Pledged Revenues are hereby pledged and mortgaged for the payment of the principal of and interest on the bond. The pledge of Pledged Revenues in favor of the bond is a first lien against the Pledged Revenues. The "Pledged Revenues" are defined to mean all revenues received by the City from the franchise fees charged to public utilities. The bond and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation. The bond shall never give rise to a charge against the City's general credit or taxing power and no funds derived from the City's taxes are pledged to pay the bond. Nothing herein shall require the City to pay the principal of and interest on the bond from sources other than the Pledged Revenues, but nothing herein shall prohibit the City from doing so.

Section 5. The bond shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF BENTON
CITY OF BELLA VISTA
CAPITAL IMPROVEMENT REVENUE BOND

No. R-1 $5,407,352

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bella Vista, Benton County, Arkansas (the "City"), for value received, hereby acknowledges itself to owe and promises to pay to Regions Equipment Finance Corporation, or assigns, the principal sum of

FIVE MILLION FOUR HUNDRED SEVEN THOUSAND
THREE HUNDRED FIFTY-TWO DOLLARS

on December 1, 2034 with interest on the unpaid balance of the total principal amount at the rate of 4.13% per annum (the "Interest Rate"). If principal of or interest on this bond is not paid when due, this bond shall, during the period of such payment default, bear interest at the Default Rate, which is the Interest Rate plus 5%.

The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America. Interest on the unpaid balance of the total principal amount shall be payable on June 1, 2025 and on the first days of June and December thereafter until this bond is paid in full.

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

This bond is issued for the purpose of financing all or a portion of the costs of facility improvements for fire department station no. 1 and city administration and any furnishings, equipment and parking, lighting, road and utility improvements related thereto and paying necessary expenses incidental thereto and to the authorization and issuance of this bond.

This bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. _________ of the City, duly adopted on October 1, 2024 (the "Authorizing Ordinance"), and does not constitute an indebtedness of the City within any constitutional or statutory limitation. This bond is not a general obligation of the City but is a special obligation secured solely by a first and prior pledge of revenues received by the City that are derived from the payment of franchise fees by public utilities (the "Pledged Revenues"). The Pledged Revenues shall be deemed to be a special source for the payment of this bond. This bond shall never give rise to a charge against the City's general credit or taxing power and no funds derived from the City's taxes are pledged to pay this bond. An amount of Pledged Revenues sufficient to pay the principal of and interest on this bond has been duly pledged and set aside into the Capital Improvement Revenue Bond Fund identified in the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which this bond is issued, of the nature and extent of the security for this bond, and the rights and obligations of the City and registered owner of this bond. Nothing herein or in the Authorizing Ordinance shall require the City to pay the principal of and interest on this bond except from the Pledged Revenues, but nothing herein or in the Authorizing Ordinance shall prevent the City from doing so.

THE CITY HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

This bond shall be subject to optional, extraordinary and mandatory sinking fund redemption as follows:

(1) This bond is subject to redemption at the option of the City, in whole or in part at any time, on and after December 1, 2026, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(2) This bond shall be redeemed from proceeds of this bond which are not needed for the purposes intended, in whole or in part, on any interest payment date, at a price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(3) This bond is subject to mandatory sinking fund redemption on December 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Year (December 1)	Principal Amount	Year (December 1)	Principal Amount
2025	$447,676	2030	$548,078
2026	466,164	2031	570,714
2027	485,417	2032	594,284
2028	505,465	2033	618,828
2029	526,340	2034 (maturity)	644,386

In the event of an optional or extraordinary redemption, principal shall be applied in inverse chronological order of sinking fund installments due.

Notice of optional or extraordinary redemption identifying this bond or portions hereof (which shall be $1,000 or a multiple thereof) to be redeemed shall be given by the City, not less than 10 nor more than 60 days prior to the date fixed for redemption, by sending a copy of the redemption notice by first class mail, postage prepaid, or by other standard means, including electronic or facsimile communication, to the registered owner of this bond.

This bond may be assigned, and in order to effect such assignment the assignor shall promptly notify the City Clerk by registered mail, and the assignee shall surrender this bond to the City Clerk for transfer on the registration records. Every assignee shall take this bond 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 bond is issued with the intent that the laws of the State shall govern its construction.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this bond does not exceed any constitutional or statutory limitation; and that the Pledged Revenues pledged to the payment of the principal of and interest on this bond as the same become due and payable will be sufficient in amount for that purpose.

IN WITNESS WHEREOF, the City of Bella Vista, Arkansas has caused this bond to be executed by its Mayor and City Clerk, and its corporate seal to be impressed on this bond, all as of ________________, 2024.

CITY OF BELLA VISTA, ARKANSAS

ATTEST:

By ________________________________
Mayor

____
City Clerk

(SEAL)

[A Form of Assignment shall be attached to the bond.]

Section 6. (a) The City agrees to continuously charge franchise fees to all public utilities occupying the streets, highways and other public places while the bond is outstanding.

(b) The franchise fees currently charged to public utilities are hereby ratified, confirmed and continued and such fees shall never be reduced while the bond is outstanding unless the City receives an opinion of a certified public accountant not in the regular employ of the City to the effect that Pledged Revenues for the preceding fiscal year, assuming such reduction had been in effect for the entire year, would have equaled not less than 125% of the maximum annual debt service on all obligations of the City to which Pledged Revenues are pledged.

(c) The franchise fees currently collected from the public utilities are sufficient to pay the principal of and interest on the bond when due and the City agrees that the percentage rate of each franchise fee currently collected by the City from public utilities will not be increased solely for the purpose of providing funds to pay the principal of and interest on the bond when due.

Section 7. All Pledged Revenues shall at all times be accounted for separately and distinctly from other moneys of the City and shall be used and applied only as provided herein. Upon receipt by the City, the Pledged Revenues shall be deposited into a special fund of the City hereby created and designated as the "Franchise Fee Fund."

Section 8. There shall be transferred from the Franchise Fee Fund into a special fund to be established at a bank selected by the City that is a member of the Federal Deposit

Insurance Corporation or any successor entity ("FDIC"), hereby created and designated "Capital Improvement Revenue Bond Fund" (the "Bond Fund"), the sums in the amounts and at the times described below for the purpose of providing funds for the payment of the principal of and interest on the bond, as due at maturity or upon mandatory sinking fund redemption.

There shall be paid into the Bond Fund on or before the last business day of each month, commencing in December 2024, until the bond, with interest thereon, has been paid in full or provision made for such payment, a sum equal to 1/6 of the next installment of interest plus 1/12 of the next installment of principal on the bond due at maturity or upon mandatory sinking fund redemption. The City shall also pay into the Bond Fund such additional amounts as necessary to pay any arbitrage rebate due to the United States Treasury under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The City shall receive a credit against all interest earnings on moneys in the Bond Fund.

If Pledged Revenues are insufficient to make the required payment by the last business day of the month into the Bond Fund, then the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the Bond Fund by the last business day of the next month. Nothing herein shall require the City to make deposits into the Bond Fund from sources other than the Franchise Fee Fund, but nothing herein shall prohibit the City from depositing funds from other sources into the Bond Fund.

The City is hereby authorized and directed to withdraw from the Bond Fund (a) on each interest payment date, an amount equal to the principal and/or interest due on the bond for the sole purpose of paying the same and (b) an amount necessary to pay arbitrage rebate as and when due. No withdrawal of funds from the Bond Fund shall be made for any other purpose except as otherwise authorized in this Ordinance.

<u>Section 9</u>. Any surplus in the Franchise Fee Fund after making the monthly deposits into the Bond Fund may be withdrawn from the Franchise Fee Fund and used, at the option of the City, for other lawful municipal purposes; provided, however, that if the City receives Pledged Revenues only on a quarterly or annual basis, there shall always remain in the Franchise Fee Fund an amount sufficient to make the required payments into the Bond Fund until the next Pledged Revenues are to be received.

<u>Section 10</u>. So long as the bond is outstanding, the City shall not issue or attempt to issue any bonds or obligations claimed to be entitled to a priority of lien on the Pledged Revenues over the lien securing the bond. The City reserves the right to issue additional bonds to finance or pay the cost of constructing any additional capital improvements or to refund bonds issued for such purpose, but the City shall not authorize or issue any such additional bonds ranking on a parity with the bond unless and until there have been procured and filed with the City Clerk and the Bondholder a certificate signed by the Mayor and the Finance Director (or City Treasurer if the position of Finance Director does not exist) reciting that the Pledged Revenues for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds were equal to not less than 125% of the maximum annual principal and interest requirements on all the then outstanding obligations secured by Pledged Revenues and the additional bonds then proposed to be issued.

The additional bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds secured by Pledged Revenues ranking on a parity of security with the bond and not bonds secured by Pledged Revenues subordinate in security to the bond and such bonds may be issued without complying with the terms and conditions hereof.

Section 11. The City shall cause proper books of accounts and records to be kept in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues, and such books shall be available for inspection by the Bondholder at reasonable times and under reasonable circumstances. The City agrees to have its financial statements audited in accordance with generally accepted accounting principles, and a copy of the audit shall be delivered to the Bondholder within 240 days after the end of the City's fiscal year (currently December 31), commencing with the fiscal year ending December 31, 2024.

Section 12. If there be any default in the payment of the principal of or interest on the bond, or if the City defaults in any Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance, the Bondholder may, by proper suit, compel the performance of the duties of the officials of the City under this Ordinance and under the laws of the State.

No remedy conferred upon or reserved to Bondholder 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.

No delay or omission of the Bondholder 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 such default or an acquiescence therein; and every power and remedy given by this Ordinance to the Bondholder 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 the Bondholder shall be entitled to recover from the City all costs of such proceeding, including reasonable attorneys' fees.

Section 13. The terms of this Ordinance shall constitute a contract between the City and the Bondholder, and the City will at all times strictly adhere to the terms and provisions hereof and fully discharge all of its obligations hereunder.

Section 14. (a) Moneys held for the credit of the funds created by this Ordinance shall be continuously invested and reinvested in Permitted Investments (as hereinafter defined) or other investments as may be permitted by State law, all of which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

(b) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(c) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America (including any such obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) ("Government Obligations"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or demand deposits of banks, which are insured by the FDIC or, if in excess of insurance coverage, collateralized by Government Obligations or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Obligations and the obligations described in (ii) above.

Section 15. When the bond has been executed and sealed, it shall be delivered to the Lender upon payment of the Purchase Price, which shall be deposited into a special account in the name of the City designated "2024 Improvement Fund" (the "Improvement Fund") in a depository or depositories designated by the City that are members of the FDIC. The moneys in the Improvement Fund shall be disbursed solely in payment of the costs of accomplishing the Improvements, paying necessary expenses incidental thereto, and paying expenses of issuing the bond. Disbursements shall be on the basis of checks which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. Each check must be signed by two persons designated by the City Council.

When the Improvements have been completed and all required expenses paid and expenditures made from the Improvement Fund for and in connection with the accomplishment of the Improvements, any remaining balance in the Improvement Fund shall be transferred to the Bond Fund and used to redeem the bond.

Section 16. (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 bond 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 sale of the bond and the Pledged Revenues will not be used directly or indirectly in such manner as to cause the bond to be treated as an "arbitrage bond" 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 Improvements or the proceeds of the bond, in such manner as to cause the bond to be a "private activity bond" within the meaning of Section 141 of the Code.

(c) The bond is hereby designated as a "qualified tax-exempt obligation" within the meaning 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 2024 are not expected to exceed $10,000,000.

(d) The City covenants that it will take no action which would cause the bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code. Nothing in this Section 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 bond is issued, a statement required by Section 149(e) of the Code.

(f) The City covenants that it will not reimburse itself from proceeds of the bond for costs paid prior to the date the bond is issued except in compliance with United States Treasury Regulation § 1.150-2 (the "Regulation"). Resolution No. R2024-45, adopted June 24, 2024, shall constitute an "official intent" for purposes of the Regulation.

(g) All documents and records regarding the bond and the Improvements shall be retained for the life of the bond plus three years.

(h) The City covenants that it will, in compliance with the requirements of Section 148(f) of the Code, pay to the United States Government in accordance with the requirements of Section 148(f) of the Code, from time to time, an amount equal to the sum of (1) the excess of (a) the amount earned on all Non-purpose Investments (as defined in the Code) attributable to the bond, other than investments attributable to such excess over (b) the amount which would have been earned if such Non-purpose Investments attributable to the bond were invested at a rate equal to the Yield (as defined in the Code) on the bond, plus (2) any income attributable to the excess described in (1), subject to the exceptions set forth in Section 148 of the Code. The City further covenants that in order to assure compliance with its covenants herein, it will employ a qualified consultant to advise the City in making the determination required to comply with this subsection.

<u>Section 17</u>. The Mayor is hereby authorized and directed to work with Friday, Eldredge & Clark, LLP, as bond counsel, to review and revise, as needed, the City's written procedures to monitor compliance with federal tax requirements with respect to tax-exempt obligations of the City.

<u>Section 18</u>. Raymond James & Associates, Inc. is hereby retained as municipal advisor for the City in connection with the issuance of the bond.

<u>Section 19</u>. Notwithstanding any provision of any ordinance of the City authorizing a franchise fee that is part of the Pledged Revenues, the franchise fees are deemed to be "fees" and not "taxes."

<u>Section 20</u>. Following adoption, this Ordinance shall be posted in the following public places in the City: City Hall, City Library, Fire Station #2, Fire Station #3 and Public Safety Building.

Section 21. 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.

Section 22. All ordinances and resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 23. It is hereby ascertained and declared that the Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Improvements cannot be accomplished without the issuance of the bond, which cannot be sold at the interest rate specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: October 1, 2024.

APPROVED:

ATTEST:

____
Mayor

____
City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Bella Vista, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. _________, passed at a special session of the City Council of the City of Bella Vista, Arkansas, held at the regular meeting place of the City Council at 6:00 o'clock p.m., on the 1st day of October, 2024, and that the Ordinance is of record in the Ordinance Record Book of the City, now in my possession.

GIVEN under my hand and seal this 1st day of October, 2024.

____

City Clerk

(SEAL)

101 Town Center | P.O. Box 5655
Bella Vista, AR 72714
Ph. (479) 876-1255
www.bellavistaar.gov

City of Bella Vista, Arkansas
Capital Improvement Revenue Bonds
Series 2024
Term Sheet

Borrower:	City of Bella Vista, Arkansas
Municipal Advisor:	Raymond James & Associates, Inc.
Amount*:	$5,409,870
Denominations:	Minimum initial $100,000, $1 thereafter
CUSIPS:	No CUSIPS will be assigned.
Bid due date:	September 19, 2024, no later than 4:00pm Central Daylight Time (CDT)
Winning Bidder notified:	No later than September 23, 2024, at 4:00pm CDT
Closing date*:	November 12, 2024 – bid should include a lock to this date
Purposes:	(i) Provide funds to make facility improvements for Fire Station #1 and city administration and any furnishings, equipment, parking, lighting, road and utility improvements related thereto (ii) Pay costs of issuance
Structure**:	(i) Tax-exempt loan evidenced by bonds that are repayable from franchise fee revenues collected by the City of Bella Vista, Arkansas. The bond is eligible as a Bank-Qualified loan.
Terms:	Semi-annual interest payable June 1 and December 1, beginning June 1, 2025 Principal is structured as a tax-exempt loan with annual payments payable December 1, beginning December 1, 2025.
Prepayment:	Callable on December 1, 2026, at par
Amortization:	Preliminary amortization provides over 3x debt service coverage based on estimated net revenues of $2,100,677 with a term of 10 years.
Security/Collateral:	Bonds are special obligations of the City secured by and payable solely from franchise fee revenues; no mortgage lien on City assets will be given.

Debt Service Reserve Fund:	N/A
Other Funds to be established:	If required, the City can establish a separate Bond Fund at its current financial institution for monthly deposit of principal and interest necessary to make the debt service payments as indicated in the Terms. However, if allowed, the City would prefer to internally designate the funds in a Bond Fund within its accounting records. The City will not hire a trustee or paying agent for this bond issue. The City will not establish a Franchise Fee Fund account as a repository for franchise fee revenue collections.
Covenants:	Additional parity debt may only be issued if debt service coverage is at least 1.25x of maximum annual debt service on all outstanding bonds that are secured by franchise fee revenues and the additional bonds then proposed to be issued; subordinate debt will be permitted.
Lender requirements:	Please provide any additional estimated expenses and terms with the bid including, but not limited to: lender's counsel, investment vs loan treatment, etc.
Award:	The City is not obligated to award the bid should it choose not to do so for any reason. The City will not be held liable to any bidders nor anyone else for their time and/or money expended in the bid process.

Principal Schedule*:

12/01/2025	$450,175
12/01/2026	468,273
12/01/2027	487,097
12/01/2028	506,678
12/01/2029	527,047
12/01/2030	548,234
12/01/2031	570,273
12/01/2032	593,198
12/01/2033	617,045
12/01/2034	641,850
Total	$5,409,870

Average Life*:	5.824 years
Bond approving opinion:	Friday, Eldredge & Clark, LLP will be providing an opinion in customary form as to the validity of the bonds and as to the tax status of interest on the debt.
Bond Ordinance:	A separate bond ordinance prepared by bond counsel will be adopted by the City.
Institutional Investment Letter:	Lender will be required to sign an Institutional Investment Letter stating that it intends to hold the loan/investment to maturity.

**Preliminary; subject to change.*

***If lender prefers to treat the transaction as an investment, rather than a loan, please specify.*