

## TITLE 3

### FISCAL AFFAIRS

#### Chapters:

- 3.04 Purchases
- 3.08 Lease Purchase Agreement
- 3.12 Officials Doing Business with City

#### CHAPTER 3.04

#### PURCHASES

#### Sections:

- 3.04.01 \$20,000.00 or under
- 3.04.02 Over \$20,000.00
- 3.04.03 Approval of payments
- 3.04.04 Sale or exchange of supplies, materials or equipment valued at less than \$20,000.00

3.04.01 \$20,000.00 or under The Mayor or his duly authorized representative shall have exclusive power and responsibility to make purchases of all supplies, apparatus, equipment, materials and other things requisite for public purposes for the city of Huntsville, Arkansas, and to make all necessary contracts for work or labor to be done, or material or other necessary things to be furnished for the benefit of the city where the amount of the expenditure for any purpose or contract does not exceed the sum of Twenty Thousand Dollars (\$20,000.00), A.C.A. 14-58-303(b). (Ord. No. 2011-4, Sec. 1.)

3.04.02 Over \$20,000.00 Where the amount of expenditure for any purchase or contract exceeds the sum of Twenty Thousand Dollars (\$20,000.00), the Mayor or his duly authorized representative shall invite competitive bids thereon by legal advertisement in any local newspaper. Bids received pursuant to said advertisement shall be opened and read on the date set for receiving said bids, in the presence of the Mayor, or his duly authorized representative. The contract shall be awarded to the lowest responsible bidder; provided, however, the Mayor, or his duly authorized representative, may reject any and all bids received, A.C.A. 14-58-303(b). (Ord. No. 2011-4, Sec. 2.)

3.04.03 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, A.C.A. 14-58-305(b). (Ord. No. 2011-4, Sec. 3.)

3.04.04 Sale or exchange of supplies, materials or equipment valued at less than \$20,000.00 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 Twenty Thousand Dollars (\$20,000.00). That no supplies, materials or equipment shall be sold without receiving competitive bids therefore if the value thereof exceeds the sum of Twenty Thousand Dollars (\$20,000.00); 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 Twenty Thousand Dollars (\$20,000.00), the same may be sold by the Mayor without competitive bidding, A.C.A. 14-58-306(b); see also A.C.A. 14-58-303. Pursuant to A.C.A. 14-58-303(b) the governing body, by ordinance may waive the requirements of competitive bidding in exceptional situations where this procedure is deemed not feasible or practical. (Ord. No. 2011-4, Sec. 4.)

## **CHAPTER 3.08**

### **LEASE PURCHASE AGREEMENT**

Sections:

- |         |                       |
|---------|-----------------------|
| 3.08.01 | Agreement             |
| 3.08.02 | Financing obligations |
| 3.08.03 | Tax exempt obligation |
| 3.08.04 | Authorization         |

3.08.01 Agreement The Lessee enter into a Lease Agreement with Welch State Bank for the purpose of procuring equipment. (Ord. No. 2011-5, Sec. 1.)

3.08.02 Financing obligations The Lessee desires to designate the obligations evidenced by the Lease Purchase Agreement dated as of June 6, 2011, by and between the Lessee and Welch State Bank as “Short-term financing obligations” authorized by Amendment 78 of the Arkansas Constitution and Act 1808 of the Acts of Arkansas 2001. The obligations evidenced

by this Agreement, along with all other “Short-term financing obligations” issued by the lessee equal five percent (5%) or less of the assessed value of taxable property located within the municipality as determined by the last tax assessment completed prior to the issuance of the Agreement. (Ord. No. 2011-5, Sec. 2.)

3.08.03 Tax exempt obligation The Lease Purchase Agreement dated as of June 6, 2011, by and between the Lessee and Welch State Bank is designated by the Lessee as a “qualified tax exempt obligation” for the purposes of Section 265(b)93) of the Internal Revenue Code of 1986, as amended. (Ord. No. 2011-5, Sec. 3.)

3.08.04 Authorization The Lessee designates Kevin Hatfield, city Mayor of the city of Huntsville as an authorized signer of the Lease Purchase Agreement dated as of June 6, 2011, by and between the city of Huntsville, AR and Welch State Bank. (Ord. No. 2011-5, Sec. 4.)

## **CHAPTER 3.12**

### **OFFICIALS DOING BUSINESS WITH CITY**

#### Sections:

- 3.12.01 Authorization
- 3.12.02 Compliance

3.12.01 Authorization The City Council of the city of Huntsville finds that it is in the best interest of the city to allow those people who have been elected, appointed and/or employed and their immediate family members to also be allowed to do business with and for the city as authorized by Act 485 of 1981, under the stated conditions.

- A. The purchase is under Five Thousand Dollars (\$5,000) in value and comparable merchandise for equipment at comparable prices is not otherwise available within the city; and
- B. The cost of the service is under Five Thousand Dollars (\$5,000) in value and comparable service at comparable prices are not otherwise available within the city; and

- C. The elected/appointed official abstains from all actions related to selection or compensation for any business that might involve doing business or receiving services outside of their position as an elected official from them or a relative.

3.12.02 Compliance Failure to comply with these conditions will result in revocation of that official's ability to do any business with the city again. (Ord. No. 2011-2.)