



REQUEST
FOR
FINANCING PROPOSAL
BID NO: 21-007

The City of Hot Springs seeks financing for various capital assets (computer equipment, vehicles, motorcycles, heavy-duty equipment and other miscellaneous assets shown in Attachment A) in an amount not to exceed \$2,945,950.00. The City will request disbursement from the lender and the rate will be established at the time of disbursement based on the methodology outlined in this request. The City will maintain the security interest and titles for the capital assets as this is a general obligation borrowing.

1. The borrowing will be authorized pursuant to Amendment 78 of Article 16 of the Arkansas State Constitution, which allows cities to enter into short term financing. All loan documents will reflect that.
2. The note will **NOT** be designated as “qualified tax-exempt” obligation within the meaning of the Internal Revenue Code of 1986, as amended.
3. Any legal opinion will be provided by the City’s in house legal counsel. There should be no out of pocket costs for outside legal counsel or any other closing costs.
4. The benchmark index for establishing the rate is the 5 year Treasury bill. The rate will be fixed for the term of the note.
5. Repayments of principal and interest will be made annually, starting on July 1, 2021 and interest will be made semiannual, starting July 1, 2021.
6. The loan term will be five years.
7. The successful vendor will be responsible for preparing the 8038G for the City to remit to the IRS.
8. A copy of the amortization schedule must be included with the bid.

	Example	Your Bid
Benchmark used	5 Year Treasury	5 Year Treasury
Current value of 5 Year Treasury		
Date	January 29, 2021	
Value	2.489%	
Basis points to be added	.10%	
Rate if financing were to occur today (date of benchmark above)	2.499%	

- 9. The City's capital assets are insured by Arkansas Municipal League. Lenders will not be named as a loss payee. The City will hold all titles since the loan is a general obligation and not collateralized by the assets.
- 10. Added basis points must be fixed, and not a formula.
- 11. Any capital asset on the attached schedule can be substituted by another capital asset as long as it meets the definition established by Amendment 78.

THE PROPOSAL MUST BE RECEIVED IN A SEALED ENVELOPE BY 2:00 PM CT, MONDAY, FEBRUARY 8, 2021 TO: CITY OF HOT SPRINGS PURCHASING OFFICE
 324 MALVERN, 2ND FLOOR (71901)
 P. O. BOX 6300 (71902).
 HOT SPRINGS, AR,

THE FORM SHOWN ON THE REQUEST FOR PROPOSAL MUST BE USED OR THE RESPONSE WILL BE DECLARED NON-RESPONSIVE.

ENVELOPE MUST INDICATE THAT IS IT A SEALED PROPOSAL FOR FINANCING.

 COMPANY

 AUTHORIZED SIGNATURE

 E-MAIL

 PHONE #

 FAX #

 ADDRESS

 Dorethea Yates, Finance Director

 CITY ST ZIP CODE

1/7/2021

ATTACHMENT A
City of Hot Springs
Capital for Debt Financing 2021
BID NO: 21-007

Ladder Truck (Fire)	\$ 2,200,000.00
Vehicles	\$ 606,950.00
Equipment	<u>\$ 139,000.00</u>
Total	\$ 2,945,950.00