

# **Cabot City Council – Work Session Meeting**

Cabot City Annex – Council Chambers

August 5, 2019 @ 6:30 p.m.

## **Call to Order**

### **Municipal Services Committee – Chairman, Ed Long**

1. A & P Quarterly Report Tommy Hignight
2. Food Truck Ordinance Norma Naquin
3. Municipal Services Community Input

### **Budget & Personnel – Chairman, Doug Warner**

1. Amendment 78 Financing – Astro Turf (*Discussion Only*) Travis Young
2. Budget & Personnel Community Input

### **Police & Fire – Chairman, Damon Bivins**

1. Police & Fire Community Input

### **Community Development – Chairman, Kevin Davis**

1. Community Development Community Input

### **Military Affairs Committee – Chairman, Ron Waymack**

1. Military Affairs Community Input

### **General Community Input**

### **Adjournment**

*This Page left Blank*

# **Municipal Services**

**ORDINANCE NO. \_\_ of 2019**

**AN ORDINANCE AMENDING THE CODE OF CABOT; PROVIDING FOR BUSINESS LICENSING FOR CERTAIN OUTDOOR AND MOBILE VENDORS; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES**

WHEREAS, mobile food trucks have experienced a rise in popularity across the country and in the City of Cabot in the past few years; and

WHEREAS, the City of Cabot finds it desirable to set forth regulations to allow mobile food trucks to operate within the city under certain circumstances and to establish regulations concerning mobile food truck operation in order to protect the health safety and welfare of the City's inhabitants.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CABOT, ARKANSAS, THAT:**

**SECTION 1:** Chapter 8, Article II. § 8-18 – Definitions, of the Code of Cabot, is hereby amended to add the following definitions:

**Mobile Food Establishment**– a food establishment or preparing and/or serving foods from a self-contained vehicle either motorized or within a trailer that is readily movable without disassembling for transport to another location. Mobile food establishment may serve as a conveyance for outdoor vending at a fixed location and may be a mobile cart, stationary cart, pedal cart, trailer, van, portable building, or similar chassis with or without an engine.

**Mobile Food Vendor** – any person or persons who operate or sell food from a mobile food establishment.

**Mobile Outdoor Vending** - exhibiting, displaying, selling or offering for sale any goods, wares or merchandise from a fixed location on public or private property conveyance.

**Mobile Outdoor Vendor** - a person that exhibits, displays, sells or offers for sale any goods, wares or merchandise from a conveyance at a fixed location. This definition does not include a door-to-door solicitor, mobile food vending, children's lemonade stands or homeowners having garage sales.

**Fixed Location** - a vendor occupying a location for a period of 6 months or less.

**Roving Mobile Vendor** – a vendor traveling constantly without a fixed destination

**SECTION 2:** Chapter 8, Article II. § 8-19 – Payment Of Privilege Tax And Procurement Of License Required, of the Code of Cabot, is hereby amended as follows:

Reciprocity will not be extended to Mobile Food Establishments, Mobile Food Vendors, Mobile

Outdoor Vendors, nor Roving Mobile Vendors.

**SECTION 3:** Chapter 8, Article II. § 8-27 – Temporary Business Permits, of the Code of Cabot, is hereby amended as follows:

(a) Temporary business is defined as a free-standing business operation in a temporary structure, portable building, trailer or tent for seasonal or short-term operation. It is further defined as having no permanent municipal water and wastewater services, unless specifically defined otherwise within this Chapter.

\* It is not the intent of this Code to define Mobile Food Establishments, Mobile Food Vendors, Mobile Outdoor Vendors, and Roving Mobile Vendors as a Temporary Business.

Carnivals	30 days per permit
Seasonal tents or lots	30 days per permit
Christmas tree stands	30 days per permit
General commercial sales stands, tents or lots	90 days per permit
<del>Concession/refreshment/food service</del>	<del>180 days per permit</del>

**SECTION 4: Fee Schedule.** Each application for the issuance of a business license under this Section shall be accompanied by a fee, as delineated in Code of Cabot, Chapter 8, Article III, Division 3 § 8-124 – Business License Rates.

A fixed mobile vendor must operate at the location(s) specified on the application. Each additional location/truck will be charged a fee of \$50.00.

**SECTION 5: Mobile Vendor Permit Requirements.**

1. The provisions of this section shall apply to mobile food operations engaged in the business of cooking, preparing and distributing food or beverage, with or without charge, from mobile food trucks on or in public or private spaces. This section shall not apply to mobile frozen treat vendors (ice cream trucks) that move from place to place.

2. The provisions of this section shall not apply to concessionaire operations and agreements managed by the Cabot Parks and Recreation Department.

3. Mobile Food Truck operators shall obtain the following prior to conducting business in the City:

- a. A valid business license;
- b. A valid A & P license;
- c. A current health inspection;
- d. A valid driver's license;
- e. A current fire inspection by an incorporated Arkansas municipality;

4. Mobile Food Establishments shall adhere to all Advertising and Promotion regulations as set forth in Chapter 28 of the Code of Cabot.

**SECTION 6: Rules and Regulations General.**

1. No operator of a mobile food truck shall park, stand, or move a vehicle and conduct business within unauthorized areas of the City;

2. The operator of a mobile food truck is not granted or entitled to the exclusive use of the service location, in whole or in part, other than the approved time and place;

3. All mobile food trucks shall offer waste container for public use that the operator shall empty at his or her own expense;

4. Mobile food truck operators shall remove all trash at their expense. Mobile food truck operators shall not utilize dumpsters of other existing businesses without the permission of such businesses.

5. No mobile food truck shall make or cause to be made any unreasonable or excessive noise in violation of City ordinances;

6. A mobile food truck may conduct sales while parked on a public street when the City

has approved a temporary street closure for a City-sponsored or neighborhood-sponsored event such as a street festival or street fair;

7. Mobile food trucks on public property, the City reserves the right to temporarily move a mobile food truck to a nearby location if the approved location needs to be used for emergency, or other public purpose.

8. Inspectional Services. The food truck applicant shall ensure compliance with all City and state health regulations for mobile food truck vendors. Health and Fire inspections will be reciprocated.

9. In no instance, with the exception of special events, may the mobile vendor/ mobile food vendor reduce the number of available parking spaces below the minimum required for the primary business.

10. Businesses which require a permit (A&P permit) from the Cabot Advertising and Promotion Commission (the Commission) in addition to the Cabot City Business License are required to obtain and maintain the A&P permit in good standing as a condition of maintaining the business license. Revocation of the A&P permit by the Commission shall be deemed to simultaneously revoke the Cabot City Business License and all business operations shall be required to cease immediately.

**SECTION 7: Operation of Mobile Food Trucks.** Operation without A&P Permit. Any mobile food truck being operated without a valid A & P permit issued by the Cabot Chamber of Commerce Office shall be deemed a public and may be city into the Cabot District Court. Operation without a City Business. Any mobile food truck operating without a valid City Business License issued by the City of Cabot Clerk's Office may be written a citation to appear in the Cabot District Court.

**SECTION 8: Unattended Vehicles Prohibited.**

1. No mobile food truck shall be parked on the street overnight, unless present at the

location as part of the mobile food truck event, or left unsecured at any time food is kept in the mobile food truck. Any mobile food truck which is found to be unsecured shall be considered a public safety hazard and may be ticketed and impounded.

2. A mobile food truck operating outside of an approved site, at an unauthorized location, or beyond the hours for which the operation has been permitted shall be deemed operating in violation of this section and may be subject to enforcement under this section.

**SECTION 9: Fine for Violation.**

1. Any person operating a mobile food truck or service in violation of any provision of this section may be subject to a fine of three hundred dollars (\$300) per day.

2. Each day violation shall constitute a separate and distinct offense.

**SECTION 10: Enforcement.** The provisions of this Ordinance shall be with the Cabot Code Enforcement Department, Cabot Police Department, the Cabot Fire Department. If the Code Enforcement Department is not available to enforce the rules of this Ordinance, enforcement shall be with the Cabot Police Department.

**SECTION 11:** The Planning and Development Department shall develop regulations concerning the placement and operation of mobile canteen units to address, but not be limited to, the issues of hours of operation, parking, and health.

**SECTION 12:** 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 the ordinance, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the ordinance.

**SECTION 13:** Repealer. All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

**SECTION 14: Emergency Clause.** In light of the need for these changes, and the need to



provide the residents of the City of Cabot with dining and other options not associated with brick and mortar retain and commercial facilities, the Cabot City Council declares that an emergency exists and that the need to provide for the public peace, health, safety and welfare.

**SPONSOR:**

Norma Naquin, Ward 3, Position 1

**CO-SPONSOR:**

Ed Long, Ward 1 Position 1

**PASSED:**

**DATE:**

**APPROVED:**

---

Ken Kincade, Mayor

**APPROVED AS TO FORM:**

**ATTEST:**

---

Jim Taylor, City Attorney

---

Tammy Yocom, City Clerk

**Budget**

**&**

**Personnel**

ORDINANCE NO. \_\_\_ OF 2019

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF A PROMISSORY NOTE TO PROVIDE FINANCING FOR ASTROTURF FOR THE CABOT PARKS AND RECREATION FIELDS; AUTHORIZING THE SALE OF THE NOTE AND THE EXECUTION OF A NOTE PURCHASE AGREEMENT; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.**

WHEREAS, the City of Cabot, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78"), to issue notes and to expend the proceeds thereof to finance the cost of acquiring and constructing real property or tangible personal property having an expected useful life of more than one (1) year; and

WHEREAS, the City proposes to borrow monies to provide Astro turf for the Cabot Parks and Recreation fields (the "Astroturf Project"); and

WHEREAS, it is proposed that the City issue its Promissory Note (Astroturf Project) in the principal amount of \$652,000 (the "Note") under Amendment No. 78 for the purpose of financing the Astroturf Project; and

WHEREAS, the City has made arrangements with First Arkansas Bank & Trust (the "Purchaser") to purchase the Note; and

WHEREAS, a copy of the hereinafter described Note Purchase Agreement has been presented to and is before this meeting.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cabot, Arkansas:

Section 1. The City Council hereby finds that the Astroturf Project will have a useful life of more than one (1) year, that the City has incurred six obligations under Amendment No. 78: (1) a note dated November 16, 2015 in the amount of \$431,669.50 for the purchase of a fire truck (the "Fire Truck Note"); (2) a note dated March 3, 2016 in the amount of \$200,000 for the purchase of land (the "Land Financing Note"); (3) a note dated April 21, 2016 in the amount of \$200,000 for the completion of the Sports and Community Center Project (the "Community Center Note"); (4) a note dated November 30, 2016 in the amount of \$200,000 for the Sport and Community Center Project (the "Sports and Community Center Project"); (5) a note dated December 19, 2016 in the amount of \$449,577 for the purchase of a second fire truck (the "Second Fire Truck Note"); and (6) a note dated January 25, 2017 in the amount of \$230,000 for fitness equipment for the Veterans Park Community Center Expansion (the "Veterans Park Community Center Expansion Project") (collectively, the "Five Outstanding Notes"); and that the principal amount of the Note and the Five Outstanding Notes do not exceed five percent (5%) of the assessed value of taxable property located within the City as determined by the last tax assessment.

Section 2. The issuance of the Note in the principal amount of \$652,000 is hereby authorized. The Note shall be dated the date of issuance and shall bear interest on the outstanding principal amount at the rate of 2.48% per annum. Payment of principal and interest shall be monthly, commencing one month from the date the Note is issued. The Note shall be subject to prepayment prior to maturity, in whole or in part, at the option of the City, at any time without penalty.

Section 3. The Note shall be sold to the Purchaser for the purchase price of 100% of par, upon the terms and conditions set forth in a Note Purchase Agreement by and between the City and the Purchaser (the "Note Purchase Agreement"). The Mayor and City Clerk-Treasurer are hereby authorized to execute, acknowledge and deliver the Note Purchase Agreement and the Note for and on behalf of the City. The Note Purchase Agreement and the Note are hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Purchaser in order to complete the Note Purchase Agreement and the Note in substantially the forms submitted to this meeting with such changes as shall be approved by such persons executing the documents, their execution to constitute conclusive evidence of such approval.

Section 4. As provided in 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 City Treasurer is hereby authorized and directed to withdraw from the General Fund of the City and/or from such other sources as may be hereafter directed by the City Council, the amounts and at the times necessary to make the monthly debt service payments on the Note and to make such payments in accordance with the Note Purchase Agreement.

Section 5. (a) The City covenants with the Purchaser 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 Purchaser 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 represents to the Purchaser that it will not use or permit the use of the Astroturf Project 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. In this regard, the City covenants with the Purchaser that (i) it will not use (directly or indirectly) the proceeds of the Note to make or finance loans to any person, and (ii) that while the Note is outstanding the Astroturf Project will only be used by state and local governmental entities and by other persons on a basis as members of the general public.

(c) The Note is hereby designated as a "qualified tax-exempt obligation" within the meaning of the Code. The City represents to the Purchaser 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 2019 will not exceed \$10,000,000.

(d) The City shall pay any arbitrage rebate due the United States Treasury under Section 148 of the Code in connection with the Note from moneys in the General Fund of the City.

(e) The City covenants with the Purchaser 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 No. 1.150-2 (the "Regulation"). This Ordinance is an "official intent" within the meaning of the Regulation.

(f) The City covenants with the Purchaser 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 Note is issued, a statement concerning the Note which contains the information required by Section 149(e) of the Code.

Section 6. The Mayor and City Clerk-Treasurer, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Note Purchase Agreement and the performance of all obligations of the City thereunder, the issuance, execution, sale and delivery of the Note, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk-Treasurer are hereby further authorized and directed, for and on behalf of the City, 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 7. The City Clerk-Treasurer is hereby authorized and directed to file in the office of the City Clerk-Treasurer, as a part of the minutes of the meeting at which this Ordinance is adopted, for inspection by any interested person a copy of the Note Purchase Agreement and such document shall be on file for inspection by any interested person.

Section 8. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 9. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 10. It is hereby ascertained and declared that the Astro turf Project is immediately needed for the preservation of the public peace, health and safety. The Astro turf Project cannot be accomplished without the issuance of the Note, 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.

**SPONSOR:**  
Ken Kincade, Mayor

Referred by Parks and Recreation  
Commission

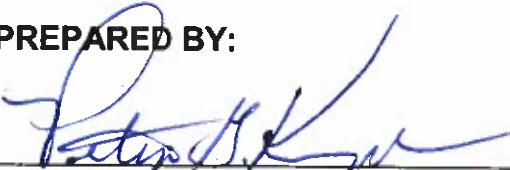
**PASSED: August 19, 2019.**

**DATE:**

**APPROVED:**

\_\_\_\_\_  
Ken Kincade, Mayor

**PREPARED BY:**

  
\_\_\_\_\_  
Peter G. Kumpe, Note Counsel

**ATTEST:**

\_\_\_\_\_  
Tammy Yocom, City Clerk-Treasurer

CERTIFICATE

The undersigned, City Clerk-Treasurer of the City of Cabot, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. \_\_\_\_ of 2019, adopted at a regular session of the City Council of the City of Cabot, Arkansas, held at the regular meeting place of the City at \_\_\_\_\_ o'clock p.m., on the 19th day of August, 2019, and that the Ordinance is of record in Ordinance Record Book No. \_\_\_\_\_, at page \_\_\_\_\_, now in my possession.

GIVEN under my hand and seal on this \_\_\_\_\_ day of August, 2019.

\_\_\_\_\_  
City Clerk-Treasurer

*This Page left Blank*