

RESOLUTION NO. 2026-33

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF FAIRFIELD BAY, ARKANSAS,
APPROVING USE OF FUNDS
DURING THE FISCAL YEAR ENDING
DECEMBER 31, 2026,
IN ACCORDANCE WITH
MINIMUM BALANCE REQUIREMENT IN THE
2026 BUDGET ORDINANCE;
AND FOR OTHER PURPOSES**

WHEREAS, The City Council has had on-going review of the City's expenditures during the current fiscal year, including compliance with the City's 2026 Budget Ordinance; and

WHEREAS, The City Council imposed a "Minimum Balance Requirement" on the Franchise Fee account, in order to protect the City's financial position, and to maintain liquidity needed to make payroll and other necessary payments; and

WHEREAS, The City Council's Minimum Balance Requirement is meant to assist the Council in understanding the cash flow needs of the City, as it meets payment requirements for federal taxes, payroll, debt retirement, grants, utilities, and other necessities; and

WHEREAS, The City has been undertaking a long-term capital improvement project, pursuant to a grant, which requires pre-payment of certain expenses, and the Recorder-Treasurer has been optimizing the City's use of funds to pre-pay construction costs and expenses which will be reimbursed by the grant-funding entity (State of Arkansas), and so the Recorder-Treasurer has used funds in the Franchise Tax Account to help meet construction cost vendor deadlines while awaiting reimbursement from the State, resulting in a balance below the City's statutory notification limit;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRFIELD BAY, ARKANSAS:

1. That the City Council has reviewed the Franchise Fee account balances to date, as part of its annual budgeting, and has come to the realization that the City's financial

condition requires some limitations on spending, and recognition of cash-flow requirements, in order to protect the City's fiscal integrity, based on experience during the current fiscal year.

2. Notwithstanding the necessity of limiting City spending, including reductions in Budgeted spending, the City Council is well aware of the Recorder-Treasurer's efforts to make timely payment to City vendors, including payments made pending reimbursement for grants, and other regular payments.
3. The City Council HEREBY APPROVES, RATIFIES, AND CONFIRMS the Recorder-Treasurer's use of funds from the Franchise Fee account for the current fiscal year ending December 31, 2026, to the date of this Resolution, although the Recorder-Treasurer's use of funds from the Franchise Fee account has resulted in a Franchise Fee account balance triggering notification as required by the City's 2026 Budget Ordinances (as amended), and as reported at the regular City Council meeting on June 8, 2026. Grant reimbursements made to the City can be used to adjust account balances as the Recorder-Treasurer shall decide, in accordance with all fiscal requirements, guidelines, and recommendations from Arkansas Legislative Audit.

SO BE IT RESOLVED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF FAIRFIELD BAY, ARKANSAS on this 13th day of July, 2026, at a regular Meeting of the City Council, *nunc pro tunc* to May 1, 2026.

APPROVED: _____



Honorable Seth J. Connell
Mayor

ATTEST, a true copy:

Honorable Rose M. Ostronic Owen
Recorder-Treasurer

Prepared at the request of Budget Committee:
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