

THE TOWN OF  
FOUNTAIN LAKE, ARKANSAS  
7148 PARK AVENUE  
FOUNTAIN LAKE, ARKANSAS 71901.

MINUTES FROM THE 139<sup>th</sup> TOWN COUNCIL MEETING THIS WAS HELD ON APRIL 11, 2016.

THE MEETING WAS CALLED TO ORDER BY MAYOR JACK FIELDS. MEMBERS PRESENT WERE JIMMY ATTEBURY, RICK QUALLS, AND JOHN MINTON. MEMBERS ABSENT WERE CARL RADER AND JAMES DRIVER.

A MOTION WAS MADE BY RICK QUALLS AND 2<sup>ND</sup> BY JIMMY ATTEBURY TO ACCEPT THE MINUTES AS WRITTEN. ALL WERE IN FAVOR NONE OPPOSED.

THE FINANCIAL TOTALS WERE GIVEN AND A MOTION WAS MADE BY JIMMY ATTEBURY AND 2<sup>ND</sup> BY JOHN MINTON TO ACCEPT THEM AS WRITTEN. ALL WERE IN FAVOR NONE OPPOSED.

FINANCIAL COMMITTEE: NONE

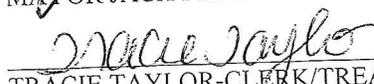
ROAD COMMITTEE: TIM JACKSON CLEANED OUT THE DITCHES ON BUD MCKINLEY, HILLVALE AND CURTIS LANE.

OLD BUSINESS: TICKET BOOKS HAVE BEEN SHREDDED. BANK OF THE OZARKS LOAN OFFICER IS OUT OF TOWN FOR PURCHASE OF PROPERTY.

NEW BUSINESS: MINUTES UP TO DATE ON WEB SITE.

A MOTION WAS MADE BY JIMMY ATTEBURY AND 2<sup>ND</sup> BY RICK QUALLS TO ADJOURN. ALL WERE IN FAVOR NONE OPPOSED.

  
MAYOR JACK FIELDS

  
TRACIE TAYLOR-CLERK/TREASURER



**John Howard & Sherry L Daves**  
**Attorneys at Law, PA**  
**455 West Grand, Hot Springs, AR 71901**  
Telephone: (501) 623-5070 Facsimile: (501) 623-5040

February 8, 2016

The Town of Fountain Lake  
Mr. Jack Fields, Mayor  
7148 Park Ave.  
Hot Springs, AR 71901

VIA REGULAR MAIL AND EMAIL  
jackcfields@peoplepc.com

RE: Contract for Legal Services  
Town of Fountain Lake

Dear Mayor Fields:

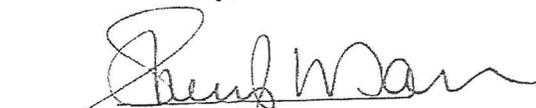
John Howard & Sherry L. Daves, Attorneys at Law, P.A., hereby terminates the existing contract for legal services. Our civil practice is such that we no longer have adequate time to serve the town's needs.

It has been a pleasure to work with you and the other officials of the Town of Fountain Lake to serve the needs of the community. Best wishes for continued growth and prosperity.

Sincerely,

  
John Howard

Sincerely,

  
Sherry L Daves

# RE: Town of Fountain Lake, Arkansas buying property Mayor Jack Fields

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**From:** David Schoen <dschoen@arml.org>  
**To:** Jack Fields  
**Subject:** RE: Town of Fountain Lake, Arkansas buying property Mayor Jack Fields  
**Date:** Feb 9, 2016 1:19 PM

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Mayor,

While I cannot give you an opinion on a specific transaction, I will be glad to discuss in general the laws that apply to property purchases and the questions you have raised. For advice on how the law applies to the transaction that you are proposing, you will need to consult with your town attorney or retained local counsel.

First, we have to consider article 12 sec. 4 of the Arkansas Constitution, which, standing alone, would prohibit the city from committing more than its current year's revenue, although this may include funds on hand such as carryover from a prior year. In the scenario you have described, the down payment should not exceed current revenue for 2016 when considered along with all of the city's other expenses.

However, five year financing on the purchase of property is permitted by amendment 78 to the Ark. Constitution. In line with your example, the amendment allows a city or town to finance such a purchase for a period of up to five years. The town's total debt under amendment 78 may not exceed five percent (5%) of the assessed value of taxable property located within the town.

ACA 14-54-302 authorizes cities and towns to purchase real estate. Subsection (c) of that law provides the procedures that must be followed, requiring for example a written resolution approving the conveyance and passed by a majority of the council present and participating.

Finally, street turnback funds may not be used to purchase the property.

I hope this summary of the law is helpful. Please feel free to let me know if you have any further questions.

David C. Schoen, Legal Counsel, Arkansas Municipal League  
| Phone: 501.978.6114 | Fax: 501.537.7251 | Email: dschoen@arml.org |  
Website: [www.arml.org](http://www.arml.org)

-----Original Message-----

From: Jack Fields [mailto:jackcfields@peoplepc.com]

Sent: Monday, February 08, 2016 10:28 PM

To: David Schoen <dschoen@arml.org>

Subject: Town of Fountain Lake, Arkansas buying property Mayor Jack Fields

Mr. Schoen,

I have ask you before about some questions about laws that go with being an town. The Town of Fountain lake is looking at buying almost 10 acres of land with a house on it to use as a Town hall and someday build a new town hall, a park and community building on it. The property has a 2 acres pond on it as well. We put it in the legal section of the local paper so we could get input from the town population on funding the land purchase. There was only 5 that showed up at the town meeting and all were against buying the property. The board wants the town to grow and move forward. The town pass a plan on the reason we were buying the land and a resolution to purchase the land if it pass all inspections. Have had some input for the land purchase that was good but there is a couple of people saying we are breaking the law by purchasing the property. The resolution states the town is going to put \$30,000 dollars from the general fund and borrowing the other \$57,500 to be pay back within five years. The town has \$94,000 dollars in the general fund as of 02/08/2016. I had one person come to the meeting last night and saying we were taking money out of the street fund to help pay off the loan. I try to explain to him that once the money is in the street fund that is where he money will stay and be spent on the roads. My questions is as long as we have a resolution saying what the town is going to do. We can use the money out of the general fund and put the money down on the loan? When the inspections pass on the property the town plan on closing on the property. Are we breaking any laws by doing this? We had a lawyer in Hot Springs helping us when we needed some legal services but they terminated the contract with us Monday. The proerty appraisal was \$95,000. Thanks for any help you can give me on this matter.

Mayor Jack Fields  
Fountain Lake, Arkansas