

Bill No. 2026-01

Ordinance No. 2026-01

ORDINANCE APPROVING A PROJECT FOR CITY OF CARUTHERSVILLE, MISSOURI; APPROVING THE ISSUANCE OF LEASE CERTIFICATES OF PARTICIPATION IN THE AGGREGATE STATED PRINCIPAL AMOUNT OF \$1,140,000 PLUS A NET REOFFERING PREMIUM OF \$7,561.10 IN ORDER TO PROVIDE FUNDS FOR THE REPAIR AND REPLACEMENT OF ROOFS AND HVAC SYSTEMS AT THE CARUTHERSVILLE RECREATION CENTER, THE CONSTRUCTION OF PICKLEBALL COURTS AT ENGLAND PARK AND TO PAY THE COST OF ISSUANCE; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID CERTIFICATES; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID CERTIFICATES

WHEREAS, City of Caruthersville, Missouri, Missouri (the "City"), is a duly organized third class city and body corporate and political subdivision of the State of Missouri, organized and existing under the Revised Statutes of Missouri, as amended; and

WHEREAS, the City is authorized by law to establish, rent, acquire, erect, repair, maintain and operate buildings and other facilities and to rent, purchase and otherwise provide other personal property necessary for public purposes; and

WHEREAS, the City has determined it is necessary to finance improvements consisting of the repair and replacement of roofs and HVAC systems at the Caruthersville Recreation Center and the construction of pickleball courts at England Park and to pay the cost of issuance of the Certificates (the "Project"); and

WHEREAS, funds are needed to acquire, construct and renovate the Project and the Council of the City (the "City Council") hereby finds and determines that it is desirable and in the best interests of the City that the City approve the sale of certificates of participation in the Lease as hereinafter defined which certificates of participation shall be known as City of Caruthersville, Missouri, Missouri Lease Certificates of Participation, Series 2026 (the "Certificates"), in the aggregate stated principal amount of \$1,140,000, plus a net reoffering premium in the amount of \$7,561.10, as defined in the Declaration of Trust, for the purpose of providing funds to pay the costs of the Project; and

WHEREAS, The City intends to satisfy its obligation to make Rental Payments with respect to the Certificates out of revenues generated from its sales tax and other sources of revenue; and

WHEREAS, the City has agreed to lease, as lessor, its interest in the Project site pursuant to a Base Lease Agreement, dated as of February 26, 2026 (the "Base Lease"), and to lease, as lessee, the Project and the Project site pursuant to a Project Lease Agreement, dated as of February 26, 2026 (the "Lease"); and

WHEREAS, the City Council further finds and determines that it is necessary and desirable in connection with the acquisition, construction and installation of the Project and the issuance of the Certificates that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF CITY OF CARUTHERSVILLE, MISSOURI, MISSOURI AS FOLLOWS:

Section 1. Approval of Issuance of the Certificates. The City Council hereby approves the sale of City of Caruthersville, Missouri, Missouri Lease Certificates of Participation, (City of Caruthersville, Missouri, Missouri Jail Project), Series 2026, in the aggregate stated principal amount of \$1,140,000 for the purpose of providing funds to pay the costs of acquiring, constructing, renovating and installing the Project. The Certificates shall be issued and secured pursuant to that certain Declaration of Trust dated as of February 26, 2026 (the "Trust Agreement"), approved herein. The Certificates shall be dated initially as of February 26, 2026, shall mature on March 1 in the years and in the amounts set forth below and shall evidence a right to receive certain payments (comprising a Principal Component and an Interest Component) derived from the Lease hereinafter described and payable from the source and in the manner set forth herein and in the Trust Agreement. The Interest Component of such payments shall be payable semiannually on March 1 and September 1, in each year, beginning September 1, 2026, at the respective rates per annum set forth below:

<u>Maturity</u>	<u>Stated Principal Component</u>	<u>Interest Rate</u>	<u>Yield</u>
2031	\$310,000	3.350%	3.350%
2036	\$370,000	4.000%	3.720%
2041	\$460,000	4.500%	4.360%

Interest Components with respect to the Certificates shall be computed on the basis of a 360-day year of twelve 30-day months from the date of the Certificates or from the most recent Payment Date to which Interest Components have been paid or duly provided for, and shall be payable on March 1 and September 1, in each year, beginning September 1, 2026.

THE SERIES 2026 CERTIFICATES may be called for redemption and payment prior to maturity, at the option of the City, on March 1, 2031, and thereafter, in whole or in part, at any time, and in such order of maturities as the City shall determine, in its sole discretion, by lot or such other equitable manner determined by the Trustee, in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the date of redemption.

The Series 2026 Certificates maturing on March 1, 2031 shall be subject to mandatory redemption and payment prior to maturity at a redemption price of 100% of the stated principal amount thereof to be redeemed plus accrued interest thereon to the redemption date, without premium, on each of the following dates and aggregate stated principal amounts, respectively:

Sinking Fund Payment Date	Sinking Fund Payment
March 1, 2027	\$60,000
March 1, 2028	\$60,000
March 1, 2029	\$60,000
March 1, 2030	\$65,000
March 1, 2031*	\$65,000

* *Final Maturity*

The Series 2026 Certificates maturing on March 1, 2036 shall be subject to mandatory redemption and payment prior to maturity at a redemption price of 100% of the stated principal amount thereof to be redeemed plus accrued interest thereon to the redemption date, without premium, on each of the following dates and aggregate stated principal amounts, respectively:

Sinking Fund Payment Date	Sinking Fund Payment
March 1, 2032	\$70,000
March 1, 2033	\$70,000
March 1, 2034	\$75,000
March 1, 2035	\$75,000
March 1, 2036*	\$80,000

* *Final Maturity*

The Series 2026 Certificates maturing on March 1, 2041 shall be subject to mandatory redemption and payment prior to maturity at a redemption price of 100% of the stated principal amount thereof to be redeemed plus accrued interest thereon to the redemption date, without premium, on each of the following dates and aggregate stated principal amounts, respectively:

Sinking Fund Payment Date	Sinking Fund Payment
March 1, 2037	\$85,000
March 1, 2038	\$90,000
March 1, 2039	\$90,000
March 1, 2040	\$95,000
March 1, 2041*	\$100,000

* *Final Maturity*

The SERIES 2026 Certificates shall be subject to redemption prior to maturity, at the option of the Lessor, upon instructions from the City, in whole and not in part, on any date, at a redemption price equal to the principal amount of the Certificates to be redeemed plus interest accrued thereon to the redemption date, upon the occurrence of any of the following conditions or events:

- (a) if title to, or the use for a limited period of, all or any portion of the Project is condemned by any authority having the power of eminent domain;
- (b) if title to all or any portion of the Project is found to be deficient or nonexistent to the extent that the efficient utilization of the Project by the City is impaired;
- (c) if substantially all of the Project is damaged or destroyed by fire or other casualty;
or

- (d) if as a result of changes in the Constitution of the State of Missouri or the United States, or of legislative or administrative action by the State of Missouri or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Lease shall become void, unenforceable, impossible of performance without unreasonable delay, or unreasonable burdens or excessive liabilities are imposed on the City or the Lessor with respect to the Lease.

The Series 2026 Certificates shall be in such denominations, shall be in such forms, shall have such other terms and provisions, and shall be issued, executed and delivered in such manner subject to such provisions, covenants and agreements, as are set forth in the Indenture.

Section 2. Limited Obligations. The Certificates and the interest thereon shall be limited obligations payable solely out of the rents, revenues and receipts received by the Lessor from the City pursuant to the Lease authorized herein. Neither the Certificates nor any portion of the payments evidenced thereby shall constitute a debt or liability of the City or any political subdivision of the State of Missouri or an indebtedness within the meaning of any constitutional or statutory debt limitations or restriction.

Section 3. Authorization of Documents. The City is hereby authorized to enter into the following documents, which shall be in substantially the form presented to and reviewed by the City Council at this meeting and attached to this Ordinance (copies of which shall be filed in the records of the City), with such changes therein as shall be approved by the officers of the City executing such documents, such approval to be conclusively evidenced by the execution of such documents by such officers:

- (a) the Base Lease Agreement to be dated as of February 26, 2026 (the “Base Lease”), between the City and the Lessor, under which the City shall lease the Project Site and the improvements thereon to the Lessor for a period ending on December 31, 2043.
- (b) the Project Lease Agreement to be dated as of February 26, 2026 (the “Lease”), among the Lessor and the City, under which the Lessor shall lease the Project and the Project site to the City upon the terms and conditions as set forth therein.

Section 4. Approval of Documents. The City Council hereby approves the following documents, in substantially the forms presented to and reviewed by it at this meeting and attached to this Ordinance (copies of which documents shall be filed with the records of the City):

- (a) the Declaration of Trust to be dated as of February 26, 2026 (the “Trust Agreement”), by UMB Bank, N.A., Kansas City, Missouri (the “Trustee”), and joined in by the City, under which the Certificates shall be sold and the Trustee shall pledge and assign the rents, revenues and receipts received pursuant to the

Lease for the benefit of and security of the Owners of the Certificates upon the terms and conditions as set forth in the Indenture;

- (b) the Official Statement (the “Official Statement”), utilized by L. J. Hart & Company in connection with the sale of the Certificates.

Section 5. Execution of Documents. The City is hereby authorized and directed to enter into and the Presiding Counsel Member and any other Counsel Member are hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the Trust Agreement, the Base Lease, the Lease, the Official Statement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 6. Further Authority. The City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such further action, and execute such other documents, certificates, and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Trust Agreement, the Base Lease and the Lease.

Section 7. Private Sale. The City has received an offer from L. J. Hart & Company of St. Louis, Missouri, (the “Purchaser”) to purchase the Lease Certificates of Participation referred to herein at a price equal to 97.8772% of their face value, \$1,140,00, plus a net reoffering premium in the amount of \$7,561.10, plus interest thereon, if any, to the date of their delivery, plus any accrued interest to the date of delivery. The City hereby finds and determines that the Certificates may be sold at a private sale pursuant to Section 108.170, Revised Statutes of Missouri (2000), as amended. The offer of the Purchaser to purchase the Certificates is reasonable and advantageous to the City and is hereby accepted. The City Council hereby authorizes and directs that the Certificates be issued, and that the Presiding Counsel Member and City Clerk of the City Council execute and deliver a contract on the part of the City for the sale of the Certificates to the Purchaser, all upon the terms and conditions herein set forth.

Section 8. Qualified Tax-Exempt Obligations. The City hereby designates the Lease (and hence the right to receive payments thereunder evidenced by the Certificates) as “qualified tax-exempt obligations” as such term is defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. In connection therewith the City hereby represents and warrants that:

- (a) the aggregate reasonably anticipated amount of tax-exempt obligations which will be issued by or on behalf of the City and all subordinate entities during calendar year 2026 shall not exceed \$10,000,000, and
- (b) the aggregate amount of the Lease and all other obligations heretofore designated by or on behalf of the City and all subordinate entities as qualified tax-exempt obligations during calendar year 2026, does not exceed \$10,000,000.

The Presiding Counsel Member is hereby authorized to take such other action as may be necessary to make effective the designation under this Section.

Section 9. Continuing Disclosure. For purposes of this Section 8 the following terms have the following meanings:

“Beneficial Owner” means any registered owner of the Certificates and any other person who, directly or indirectly, has investment power with respect to any of the Certificates.

“MSRB” means the Municipal Securities Rulemaking Board through its Electronic Municipal Marketing Access (“EMMA”) system.

“Rule 15c2-12’ means Rule 15c2-12 adopted by the Securities and Exchange Commission under Securities Exchange Act of 1934, as the same may be amended from time to time.

- (a) After the close of each fiscal year beginning with the fiscal year ending December 31, 2026, the City will furnish to the MSRB, no later than December 31st of each year, (i) a copy of the financial statements of the City prepared in accordance with a system of accounting conforming to the cash basis and budget laws of the State of Missouri (which is a comprehensive basis of accounting other than generally accepted accounting principles) and audited by its independent auditors (or if not available as of the date of the request, the unaudited financial statements of the City prepared in the same format [basic financial statements and notes to the basic financial statements] with the audited financial statements to follow as soon as practicable after they become available), and (ii) operating data and financial data of the City. It is expected that the City will have an independent audit completed every two years. Thus, in the year that an audit is not conducted, the unaudited data, as described above, is to be submitted.
- (b) Any financial information described in the above paragraph may be incorporated by cross reference to other documents, including official statements of debt issues of the City that have been filed with the MSRB or the Securities and Exchange Commission, and in the case of a final official statement, that is available from the MSRB. The City shall identify clearly each document provided by cross reference and the source from which it is available.
- (c) the City shall give, or cause to be given, in a timely manner not in excess of ten Business Days after the occurrence of the event, written notice of the occurrence of any of the following events with respect to the Certificates (“Material Events”):
 - i. principal or interest payment delinquencies;
 - ii. non-payment related defaults, if material;

- iii. unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. unscheduled draws on credit enhancements reflecting financial difficulties;
- v. substitution of credit or liquidity providers, or their failure to perform;
- vi. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issues (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- vii. modifications to rights of holders of the Certificates, if material;
- viii. Certificate calls, if material, and tender offers;
- ix. defeasances;
- x. release, substitution or sale of property securing repayment of the Certificates, if material;
- xi. rating changes.
- xii. bankruptcy, insolvency, receivership or similar event of the obligated person;
- xiii. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; or
- xiv. the appointment of a successor or additional trustee or the change of the name of a trustee, if material
- xv. incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- xvi. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term

Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Whenever the City obtains knowledge of the occurrence of a Material Event listed in Section (C) above as items (ii), (vii), (viii), (x), (xiii), (xiv), (xv), or (xvi), the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

If the City determines that knowledge of the occurrence of a Material Event listed in Section (C) (ii), (vii), (viii), (x), (xiii), (xiv), (xv), or (xvi), would be material under applicable federal securities laws, or if the City obtains knowledge of any other Material Event described in Section (C) above, the City shall promptly, but not in excess of ten Business Days after the occurrence of the event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Material Events described in subsections C (viii) (other than tender offers) and (ix) of this Section 5 need not be given earlier than the notice, if any, of the underlying event is given to holders of affected Certificates pursuant to the Ordinance.

- (d) In a timely manner, the City shall furnish to the MSRB notice of failure of the City to provide required annual financial information on or before the date specified above.
- (e) The City's obligation to provide the information described above shall terminate upon the payment in full of the Certificates either at maturity or upon redemption prior to maturity.
- (f) The provisions referred to in this Section may be amended only by a written instrument executed by the Presiding Counsel Member of the City Council if the City receives an opinion from Certificate Counsel to the effect that the amendment is in compliance with Rule 15c2-12 and all current amendments thereto and interpretations thereof that are applicable to the undertaking made by the City described in this Section.

The provisions referred to in this Section shall be more fully set forth in a Continuing Disclosure Agreement between the City and L.J. Hart & Company to be dated the date of the closing of the Certificate issue.

The City's obligations under this Section 8 shall terminate upon the payment in full (including the defeasance) of the Certificates either at maturity or upon redemption prior to maturity.

Section 10. Post Issuance Compliance. The City understands that the Certificates bear interest at tax-exempt rates, and that federal tax law imposes ongoing requirements on the City that must be complied with for the tax-exempt interest rates to continue. In furtherance of the

**BOARD OF ADJUSTMENT
FOR THE CITY OF CARUTHERSVILLE, MISSOURI**

In Re: Variance Petition of James Elliott, Jr.

Case No. 2026-1

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

This case comes before the Board of Adjustment on a petition submitted by James Elliott, Jr. requesting a variance in the application of the side-yard setback requirements in the R-5 zoning district for the placement of his home on his lot located at 304 E. 20th Street, Tax parcel ID # 16-05021-03-039-00100 in the unplatted portion of the City of Caruthersville (hereinafter referred to as the "House Lot").

Governing Law

The board of adjustment is authorized to grant a variance in the strict application of the city's zoning laws, where by reason of exceptional narrowness, shallowness or shape of a parcel of land, or by reason of exceptional topography or other extraordinary or exceptional situation or condition, strict application of any provision of chapter 405 of the Code of Ordinances would result in peculiar and exceptional practical difficulties and clearly demonstrable hardship upon the owner of the property, and not a mere inconvenience to the owner. Clear indications must be made by the petitioner that conditions of the specific lot under question are different than any other lot, that these conditions may have existed before adoption of the zoning code on May 18, 1970, and the type of hardship to be sustained.

The current provisions in the state statute of Missouri which authorizes the establishment and operation of a board of adjustment provides the following powers and standards with respect to the granting of a variance.

Missouri Revised Statute § 89.090. Board of Adjustment—Powers ...

"(3) In passing upon appeals, where there are practical difficulties or unnecessary hardship in the way of carrying out the strict letter of such ordinance, to vary or modify the application of any of the regulations or provisions of such ordinance relating to the construction or alteration of buildings or structures or the use of land so that the spirit of the ordinance shall be observed, public safety and welfare secured and substantial justice done ..."

This Board will consider each of the above standards in addressing the request for a variance in this matter.

The standard side yard setback requirement in the R-5 district is specified as 5 feet as set forth in the table contained in the zoning code referenced in Section 405.580. The standard setback is modified in one of two ways for corner lots at intersecting streets as follows:

- a) The general rule for a side yard setback on a corner lot is specified in Section 405.540 of the Code which provides that the required side yard on the street side of a corner lot shall be the same as the required front yard on such street ... (which in the case of the R-5 district would result in a side yard setback of twenty-five feet from the side street).
- b) Section 405.530 provides an exception to the general rule when the side street is a secondary street. The side yard in such instances "shall be a minimum of seven (7) feet.

In applying these standards, this Board determines that Kelly Drive is a secondary street, consistent with the determination of the city's building inspector. As such, the appropriate side yard setback from Kelly Drive is Seven (7) feet.

Findings of Fact

Petitioner is seeking to place a manufactured home on the House Lot oriented to face East 20th Street. The House Lot is a corner lot. Kelly Drive adjoins the lot to the East. The width of Petitioner's House Lot is Seventy-Nine (79) feet. The width of Petitioner's manufactured home is Sixty-Eight (68) feet. As such, with a seven foot setback from Kelly Drive and a five foot setback from the neighboring property to the West, the lot is one foot too short to avoid encroachment of the manufactured home on the required side yards.

Kelly Drive is a lightly traveled secondary street primarily serving only its residents as there is no outlet other than the entrance from 20th Street. Kelly Drive is situated within a fifty-foot right-of-way but measures only approximately 20 feet in width.

Permitting a variance to allow for a ten inch encroachment on the required side yard adjoining Kelly Drive will not have a detrimental impact on public safety and welfare. It will in no measure interfere with sightlines of vehicular traffic at the intersection of 20th Street and Kelly Drive.

The property owner of the adjoining lot to the west of the House Lot conveyed through her ward council member that she has no objection to Mr. Elliott's manufactured encroaching on the required side yard of the House Lot by up to one-foot. The Board finds that an encroachment of up to ten inches by the manufactured home on the required western side yard does not present a safety concern as the adjoining lots are developed.

Requiring the placement of the manufactured home to be oriented to face Kelly Drive would create a significant financial hardship on the Petitioner as it would require the relocation of a gas line and removal of a telephone pole with such costs being approximately \$2,000.

Conclusions of Law and Order

Based upon the foregoing. The Board of Adjustment hereby makes the following rulings and order:

1. That the unique character of Kelly Drive, together with the more than adequate width of the undeveloped portion of the right of way for Kelly Drive, creates an extraordinary or exceptional situation or condition relative to the House Lot and the suitability of a variance allowing the encroachment of the manufactured home within the required side yard adjoining Kelly Drive. The unique character of the House Lot in relation to Kelly Drive has existed before adopting of the city's zoning Code.
2. That requiring the home to be oriented facing Kelly Drive creates peculiar and exceptional practical difficulties and clearly demonstrable hardship upon Petitioner and not a mere inconvenience.
3. That the spirit of the ordinance providing for side yard requirements on corner lots along a secondary street are in place to protect both the sight lines for vehicular traffic and to provide adequate open space between the street and the structure. In this case, the pavement for Kelly Drive is approximately 13 feet from the east line of the House Lot. As such there is approximately 13 feet of undeveloped space between the lot and the paved portion of the street. With a variance of up to ten inches there would still remain approximately 19 feet of open space between the manufactured home and Kelly Drive. It is the determination of this board that in these particular circumstances, a variance allowing an encroachment of up to ten inches upon the required side yard adjoining Kelly Drive is within the spirit of the ordinance, that public safety and welfare are secured, and that substantial justice is done.
4. That with the acquiescence of the adjoining property owner to the West, the Board concludes that allowing an encroachment of up to ten inches upon the required western side yard of the House Lot is within the spirit of the ordinance, that public safety and welfare are secured, and that substantial justice is done.

WHEREFORE, it is hereby ordered that a variance in the side yard requirement for the House Lot located at 304 E. 20th Street is hereby granted to Petitioner allowing the placement of his manufactured home in a manner such that the front faces 20th Street and that the manufactured home will not encroach upon any required side yard by more than ten (10) inches.

SO ORDERED: Kerry Smith

Date: 2/11/26