FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

**SPECIAL
AGENDA
CITY COUNCIL
OCTOBER 24, 2000**

A special meeting of the Fayetteville City Council meeting will be held on Tuesday, October 24, 2000 at 4:30 p.m. in Room 326 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

1. **TCA CABLE:** A resolution authorizing the TCA Cable Partners to temporarily operate the Cable Communications System.

2. **TRUSTEE/PAYING AGENT:** A resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.

113 WEST MOUNTAIN 72701 501 521-7700
FAX 501 575-8257

Meeting of October 24, 2000

	Roll				
DANIEL	y P				
SANTOS	y P				
YOUNG	y P				
RUSSELL	y P				
REYNOLDS	y P				
AUSTIN	✓ P				
DAVIS	y P				
TRUMBO	y P				
HANNA	y P				

1st
2nd
passed.
148-00

TCA Res					
DANIEL	y				
SANTOS	y				
YOUNG	y				
RUSSELL	y				
REYNOLDS	y				
AUSTIN	y				
DAVIS	y				
TRUMBO	y				
HANNA					

Meeting of October 24, 2000

Passed

149-00 1st 2nd

Res. ~~TRUSTEE~~ AGEN.					
DANIEL	y				
SANTOS	y				
YOUNG	y				
RUSSELL	y				
REYNOLDS	y				
AUSTIN	y				
DAVIS	y				
TRUMBO	y				
HANNA					

DANIEL					
SANTOS					
YOUNG					
RUSSELL					
REYNOLDS					
AUSTIN					
DAVIS					
TRUMBO					
HANNA					

Adj- 4:35pm

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STAFF REVIEW FORM

_____ AGENDA REQUEST
__X__ CONTRACT REVIEW
_____ GRANT REVIEW

For the Fayetteville City Council meeting of Tuesday, Oct. ~~23~~ 24, 2000

FROM:

Name	Division	Department
Peggy Vice	Purchasing	Administrative Services

ACTION REQUIRED:
Approval of a resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.

COST TO CITY:

$4,500.00 (annually)	50,000	Services & Charges
Cost of this Request	Category/Project Budget	Category/Project Name
5400-6800-7502-00	0	
Account Number	Funds Used To Date	Program Name
98047-40	50,000	Water & Sewer
Project Number	Remaining Balance	Fund

BUDGET REVIEW: __X__ Budgeted Item ____ Budget Adjustment Attached

Budget Manager

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** ____________

Accounting Manager	10-19-00 Date	Internal Auditor	10/19/00 Date
City Attorney	10-19-00 Date	ADA Coordinator	Date
Purchasing Officer	10-19-00 Date		

STAFF RECOMMENDATION:
Approval of Bank of Oklahoma as Trustee/Paying Agent for the Variable Rate Demand Bonds.

Division Head	Date	Cross Reference
Department Director	Date	New Item: **Yes** **No**
Administrative Services Director	10/19/00 Date	Prev Ord/Res #: ____________
Mayor	10/19/00 Date	Orig Contract Date: ____________

STAFF REVIEW FORM

Description Appointment of Bank of Oklahoma as Bond Trustee Meeting Date 10-23-00

Comments:

Reference Comments:

Budget Coordinator

Accounting Manager

no Resolution attached

City Attorney

Purchasing Officer

ADA Coordinator

Internal Auditor

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Mayor Fred Hanna and City Council

FROM: John Maguire, Administrative Services Director

DATE: October 18, 2000

SUBJECT: Variable Rate Demand Bond Program

As part of the Variable Rate Demand Bond Program an independent trustee and paying agent must be appointed. The City advertised for proposals from qualified financial institutions for trustee and paying agent services. A professional selection committee met and reviewed the submitted proposals. The committee recommends Bank of Oklahoma as the trustee and paying agent for the $10,000,000 City of Fayetteville, Water and Sewer System Revenue Bonds, Series 2000. The annual cost for the trustee and paying agent services are estimated to be $4,500 and will be paid from Water & Sewer Fund.

CITY OF FAYETTEVILLE, ARKANSAS
REQUEST FOR PROPOSALS 00-18
TRUSTEE AND PAYING AGENT
October 9, 2000

The City of Fayetteville (the "City") is seeking the services of a qualified financial institution to serve as an independent trustee and paying agent ("Trustee") in connection with the City's proposed $10,000,000 weekly variable rate demand notes (The Bonds). You are invited to submit a proposal expressing interest in providing such services to the City in accordance with the terms and conditions outlined herein.

Involved Parties

Stephens Inc. of Fayetteville will serve as financial advisor, and Kutak Rock Law firm of Little Rock will serve as legal advisor in connection with the Bonds. Bank of America and Bank of America Securities have been contracted to provide variable rate bond dealer services.

The City expects the Bonds to have a relatively short maturity of 2-5 years. A rating will be sought from either Standard & Poors Corporation or Moody's Investor Services. The City anticipates issuing a total of $10,000,000 in Bonds. The Trustee has a combined capital and surplus of at least $50,000,000.

Scope of Services

The following is a general list of services to be provided by the Trustee. It is not intended to be all inclusive as unanticipated situations may arise requiring additional assistance. The successful respondent will be expected to work with the staff of the City, as well as all professional firms involved, towards successful issuance of the Bonds at a minimum net interest cost.

1. Cooperate with the staffs of the City and other professional firms to complete preparation and documentation for the issuance of the Bonds in a timely manner.

2. To complete and authenticate the Bonds prior to closing.

3. To execute all documents necessary for the successful closing of the bond issue.

4. To provide annual administrative services in connection with the Bonds including, but not limited to, disbursement of interest payments to the bondholders; disbursement of principal payments to bondholders; registration, transfer and reissuance of bonds as requested by bondholders; transmittal of annual, special and final redemption notices; and provide monthly reports to the City showing assets, receipts, and disbursements from the bond funds.

5. Prepare and provide reports required by local, state, and federal agencies, including the Internal Revenue Service, as may be necessary or required by relevant laws.

6. Cooperate fully with the City in connection with any litigation challenging or otherwise affecting the validity of the Bonds. However, the trustee shall be under no obligation to institute any affirmative or defensive legal action prior to consulting with and obtaining the approval of the City. The City agrees to indemnify the trustee against any and all costs and expenses, outlays and counsel fees and other reasonable reimbursements, and against all liability. Should the trustee require the services of legal counsel in connection with any question concerning the legality of the Bonds, the City shall reimburse the trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements, provided that the trustee informs the City of any such action before the commencement of such action and the City approves.

Qualifications

Respondents to this RFP will provide the information in the following order regarding qualifications and characteristics of their firm.

1. Provide detailed descriptions of three similar variable rate bond issues for which the institution served as trustee and paying agent. These references should be selected to demonstrate experience in a local government environment, experience with bond issues the repayment of which are secured primarily by a pledge of water and sewer rates, and experience with administrative issues similar to those that can be expected in serving the City in connection with this bond issue. Names, addresses and phone numbers of contact persons within these three organizations must be provided as references.

2. Documentary evidence confirming the institution's qualifications to serve as corporate trustee for municipal bond issues.

3. Describe the institution's history and experience as a corporate trustee including, the following specific information:

   (a) Total number of variable rate bond issues for which your institution currently serves as trustee;

   (b) Aggregate dollar amount of all variable rate bond issues currently handled by the institution as trustee;

   (c) Amount of the largest variable rate revenue bond issue handled by the institution as trustee; and

   (d) A detailed statement of the fee(s) and expenses you would charge as trustee and paying agent in connection with the Bonds on the form provided as Exhibit "A" to this request for proposals.

4. Provide the name and qualification profile for all individuals who will work directly with the City. Clearly identify who will be your team leader, and what the role of

each participating individual will be relative to the Fayetteville assignment.

5. Provide any other data that specifically details your institution's unique qualifications for this type and size bond issue.

6. Outline any and all defaulted bond issues for which the institution has served as trustee during the past ten years in which the institution or any trust officer employed by the institution has ever been adjudged to have been negligent in its fiduciary capacity.

Evaluation and Selection Criteria

Each proposal received will be reviewed by a professional selection committee consisting of relevant City staff members and advised by the financial advisor. A selection recommendation will be made to the Mayor by the professional selection committee. The recommendation will be based upon each applicant's responsiveness to the request for proposals set forth above and the overall perception of the institution's capability to best serve the needs of the City.

The professional selection committee will rate the submissions based on a point system as outlined below. At the present time it is not anticipated that verbal presentations and interviews will be scheduled, however, the City may, at its discretion, schedule such interviews as it deems appropriate. The successful applicant must agree that the proposed fee will be contingent upon the successful sale of the bond issue.

1)	Qualifications in Relation to the Specific Project to be Performed	20
2)	Experience, Competence, and Capacity for Performance	20
3)	Proposed Method of Doing Work	10
4)	Past Performance	30
5)	Price	20

Right of Rejection

The City reserves the right to reject any and all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in the best interest of the City.

Submission of Proposals

Respondents will be expected to address the issues itemized above under the caption "Qualifications" in order. Please submit a fax transmittal of your proposal to Peggy Vice, Purchasing Manager, 113 West Mountain, Fayetteville, Arkansas 72701 no later than 11:00 a.m. on October 13, 2000.

Questions

The primary City staff contact for this project will be John Maguire. Questions about this RFP may be directed to John Maguire at (501)575-8330 or Dennis Hunt at (501) 718-7400.

Exhibit "A"

City of Fayetteville, Arkansas
Trustee and Paying Agent Fee Schedule

1. **TRUSTEE FEES**

Item	Base Fee	Minimum
Authentication Fee	________ per ________ ________ per ________ ________ per ________	$
Annual Administration Fee	________ per ________ ________ per ________ ________ per ________	$
Acceptance and Registration Fee	________ per ________	$
Legal Fees		$
Additional Fees or Charges		$

2. **PAYING AGENT FEES**

Item	Base Fee	Minimum
Interest Disbursement	________ per ________	$
Principal Disbursement	________ per ________	$
Additional Fees or Charges		$

3. **OTHER ALTERNATIVE FEES**

CITY OF FAYETTEVILLE, ARKANSAS

RESOLUTION NO. ________

AUTHORIZING TCA CABLE PARTNERS TO TEMPORARILY OPERATE THE CABLE COMMUNICATIONS SYSTEM

WHEREAS, the City of Fayetteville, Arkansas ("City") passed and adopted an Ordinance (hereinafter referred to as the "Franchise") granting a non-exclusive franchise; and

WHEREAS, the Franchise is currently held by TCA Cable Partners ("TCA"); and

WHEREAS, pursuant to Section 47 U.S C. § 546(a) TCA provided notification to the City of TCA's intent to seek renewal of the Franchise under 47 U S C § 546(a-g); and

WHEREAS, pursuant to Section 47 U.S.C. § 546(a) the City properly commenced franchise renewal proceedings; and

WHEREAS, the City and TCA have agreed, pursuant to 47 U.S.C. § 546(h), to conduct franchise renewal negotiations informally in an attempt to reach a mutually acceptable franchise agreement; and

WHEREAS, the City and TCA are interested in continuing informal discussions and negotiations regarding franchise renewal; and

WHEREAS, both the City and TCA desire to expressly reserve all of their respective rights under state and federal law.

NOW, THEREFORE, be it resolved by the City Council of the City of Fayetteville, Arkansas that:

1. The City hereby authorizes TCA to operate the cable television system in the City of Fayetteville, in full compliance with all of the terms and conditions of the Franchise, for a period commencing on November 1, 2000 and continuing through either the date on which TCA's Franchise is either renewed or until December 31, 2000 whichever shall first occur.

36x287/1

2. This Resolution shall become effective upon the occurrence of both of the following conditions. (1) The Resolution being passed and adopted by the City Council of the City of Fayetteville; and (2) TCA's acceptance of this Resolution and the Franchise for the term specified in paragraph (1) above, provided TCA accepts and agrees to each and every term of this Resolution and the Franchise within fourteen (14) days from the date this Resolution is passed and adopted.

Adopted by the City Council of Fayetteville, Arkansas this _______ day of ____________, 2000

CITY OF FAYETTEVILLE, ARKANSAS

By ______________________________
Its______________________________

ATTEST:

____

CERTIFICATION

I, _________, City _________ of the City of Fayetteville, Arkansas the custodian of its records, do hereby certify the above is a true and exact copy of a Resolution passed, adopted, and approved by the City Council of said City on ________ ___, 2000.

Dated: _________________, 2000

By:______________________________
Its:______________________________

ACCEPTANCE

TCA Cable Partners, hereby acknowledges the City of Fayetteville, Arkansas Resolution No. _______ ("Resolution") and Ordinance No. ________, attached hereto and referenced in the Resolution ("Franchise") and hereby accepts each and every term, provision and recital of the Resolution and agrees to be bound by the terms and provisions of the Franchise in accordance with the Resolution

Dated ___________________, 2000

TCA CABLE PARTNERS

By:________________________________

Its:________________________________

SWORN TO BEFORE ME this
_____ day of __________________, 2000

____
NOTARY PUBLIC

MOSS & BARNETT
A Professional Association

4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Telephone 612.347.0300
Facsimile 612.339.6686
www.moss-barnett.com

BRIAN T. GROGAN
612.347.0340
GroganB@moss-barnett.com

RECEIVED
OCT 16 2000
CITY ATTORNEY'S OFFICE

VIA FACSIMILE AND U.S. MAIL

October 11, 2000

Jerry Rose, Esq.
City Attorney
113 West Mountain, Room 302
Fayetteville, AR 72701

Re: City of Fayetteville, Arkansas

Dear Jerry:

Pursuant to our telephone conversation you asked that I provide you with a brief overview of the work I have done on behalf of the City of Fayetteville, Arkansas ("City") regarding both the cable television and telecommunications matters.

With respect to the cable television project, the work began with a meeting at the Fayetteville City Hall with representatives of Cox Communications ("Cox"). In preparation for that meeting I reviewed the needs assessment information which the City had previously documented as well as the draft franchise agreement prepared by your office. Following the face-to-face meeting with Cox representatives I began a series of telephone conferences with Cox's legal counsel, Mr. Gary Lutzger. Mr. Lutzger is a very competent attorney from Washington, D.C. and the negotiation process has required a line-by-line review of the City's draft document. As you and I discussed, I intentionally volunteered to take responsibility for all redrafts of the franchise document to ensure that the City retained control of authorship.

I have prepared one revised draft and have since gone back through those revisions with Mr. Lutzger to ensure that he and I are in agreement. This document will shortly be forwarded to your attention and to Cox representatives for review and consideration. I anticipate that only a handful of major issues will remain including the institutional network, PEG access funding and franchise term.

With respect to the institutional network, this issue has presented the greatest challenge during the negotiation process. The City and Cox have exchanged information regarding the institutional network and it appears the costs associated with meeting the City's needs may be extensive. We are continuing to explore a number of options with Cox to address the City's needs although this process has proven to be quite time consuming and has resulted in numerous delays. I anticipate that resolution of the institutional network will be the most difficult term to address in completing the cable television renewal negotiations with Cox.

With respect to the telecommunications matter, this process began with me first reviewing all of the existing licenses, agreements and related documentation which the City has in place with its

existing telecommunications providers. I have also reviewed questions and information with the Telecommunications Commission and have participated in telephone conferences with that group to address additional issues. Thereafter I worked closely with your office to develop a draft telecommunications ordinance which will assist the City in responding to the requests it has received from new telecommunications providers seeking access to the City's rights-of-way.

After the telecommunications ordinance was prepared, we circulated it to all interested parties. I have worked with legal counsel from Adelphia Communications to address concerns which Adelphia had with respect to the ordinance. In particular we reviewed issues relating to the level of compensation Adelphia would be required to remit for access to the rights-of-way. As you may recall, I traveled to the City to be present for the City Council's consideration of the telecommunications ordinance and at that time we learned of a number of concerns from Southwestern Bell. Unfortunately, these concerns had not been relayed to us earlier and therefore it was not possible for the council to take final action on the ordinance at that time.

Since then I have worked with Southwestern Bell's attorney, Mr. Ron Young, to address a number of his client's concerns and anticipate that a revised draft of the ordinance will be forwarded to your office in the next several days. I recommend that this document again be circulated to all interested parties so that when it is placed before the City Council all of the providers will have had an opportunity to have input.

A great deal of the work on both the cable television and telecommunications matters has now been accomplished and I am optimistic that both documents will soon be in a form to present to your council. As described above, the institutional network, however, remains somewhat of a wild card. Depending upon the desires of the City I anticipate at least one more visit to the City to address the cable television franchise before the council, should you so desire. It may be necessary for additional visits to conclude the cable television and telecommunications matters, but only to the extent you deem necessary and appropriate.

I hope this letter helps to summarize the work which has been performed on behalf of the City with respect to the above-described matters. If you should have any questions or if I can provide any additional information or detail, please feel free to contact me.

Very truly yours,

Brian T. Grogan

Brian T. Grogan

BTG/tlh
369456/1

Cox Communications, Inc.
1400 Lake Hearn Drive, NE
Atlanta, Georgia 30319
(404) 843-5000

October 16, 2000

COX COMMUNICATIONS

VIA FACSIMILE AND U.S. MAIL

Jerry E. Rose, Esq.
City Attorney
City of Fayetteville
113 West Mountain
Fayetteville, Arkansas 72701

Re: Cox Cable Television Franchise

Dear Jerry:

As you know, Gary Lutzker, on Cox's behalf, and Brian Grogan, on the City's behalf, have been diligently negotiating the renewal of Cox's cable television franchise since we all convened in Fayetteville earlier this year. I understand from Gary that they have made significant progress on the renewal but that a number of issues remain outstanding. Included among the open issues are the terms and conditions under which institutional network services would be provided to the City. We are currently preparing cost estimates based on the information we recently have received from the City regarding the level of services desired and the locations to which the services would be provided, and we hope to forward this information to you and Brian within the next several weeks. I also believe that Brian is in the process of preparing a revised draft of the franchise agreement to reflect the progress he and Gary have made, which he expects to distribute sometime this week.

We are pleased with the amount of progress that has been made to date, but we also are concerned that the parties will not have resolved all of the open issues, in particular those surrounding the institutional network services, prior to the expiration of our current franchise on November 1, 2000. Accordingly, we are respectfully requesting that the City grant a short-term extension of the franchise through March 31, 2001 in order to permit Cox and the City to complete their negotiations. Although we hope to complete the negotiations in advance of that date and will work diligently to accomplish that goal, we believe that extending it through March would avoid the need to request yet another extension from the City Council in the event the negotiations take longer than expected.

Jerry E. Rose, Esq.
October 16, 2000
Page 2

On a related note, the City has asked Cox to consider upgrading its cable television system to 862 MHz, rather than to 750 MHz as previously planned by Cox. As we indicated earlier, Cox was willing to accede to the City's request, in return for the City's commitment to grant a 15-year franchise. You responded that you were not in a position to make that commitment, as it is a decision that must be made by the City Council. Even though we were disappointed in that response, we certainly appreciated and understood it. As a result, we proceeded with our upgrade to the extent possible, but we have now reached a point in our construction activities that we must either suspend the upgrade pending final determination by the Council or move forward with either the 862 MHz or 750 MHz platform.

We feel strongly that it is in both the City's and Cox's best interests to proceed with the upgrade without delay, so we have rejected the former option. We have elected instead to press ahead with the City's requested 862 MHz upgrade. Cox understands that we have no guarantee that the City will reciprocate with a 15-year franchise term, but we are optimistic that the goodwill we have shown by this decision, and the benefit that will be reaped by the City as a result, will be duly noted by the Council. We also hope that you will encourage the Council, if you feel it appropriate, to grant our request for the 15-year term.

As a result of our upgrade decision, Cox hopes to begin turning on the first of the newly upgraded fiber nodes by the end of this year. We are excited about that prospect and trust that the City will be as well.

We look forward to receiving Brian's forthcoming draft of the franchise and to continued progress on the negotiations. In the meantime, we would appreciate hearing from you or Brian in response to our request for the extension. Please feel free to contact me directly at 404.269.6780, or Gary Lutzker at 202.776.2107.

Very truly yours,

Debbie Reichle

Deborah L. Reichle
Director of Government Affairs

cc: Mr. Russell Rogers (via facsimile)
Mr. Dennis Yocum (via facsimile)
Gary Lutzker, Esq. (via facsimile)
Brian Grogan, Esq. (via facsimile)

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Its____________________________

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Its:____________________________

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Dated __________________, 2000

TCA CABLE PARTNERS

By: ______________________________

Its: ______________________________

SWORN TO BEFORE ME this
_____ day of _________________, 2000

____
NOTARY PUBLIC

MOSS & BARNETT

A Professional Association

Brian T. Grogan
612.347.0340
GroganB@moss-barnett.com

4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Telephone 612.347.0300
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BTG/tlh
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Cox Communications, Inc.
1400 Lake Hearn Drive, NE
Atlanta, Georgia 30319
(404) 843-5000

October 16, 2000

COX COMMUNICATIONS

VIA FACSIMILE AND U.S. MAIL

Jerry E. Rose, Esq.
City Attorney
City of Fayetteville
113 West Mountain
Fayetteville, Arkansas 72701

Re: Cox Cable Television Franchise

Dear Jerry:

As you know, Gary Lutzker, on Cox's behalf, and Brian Grogan, on the City's behalf, have been diligently negotiating the renewal of Cox's cable television franchise since we all convened in Fayetteville earlier this year. I understand from Gary that they have made significant progress on the renewal but that a number of issues remain outstanding. Included among the open issues are the terms and conditions under which institutional network services would be provided to the City. We are currently preparing cost estimates based on the information we recently have received from the City regarding the level of services desired and the locations to which the services would be provided, and we hope to forward this information to you and Brian within the next several weeks. I also believe that Brian is in the process of preparing a revised draft of the franchise agreement to reflect the progress he and Gary have made, which he expects to distribute sometime this week.

We are pleased with the amount of progress that has been made to date, but we also are concerned that the parties will not have resolved all of the open issues, in particular those surrounding the institutional network services, prior to the expiration of our current franchise on November 1, 2000. Accordingly, we are respectfully requesting that the City grant a short-term extension of the franchise through March 31, 2001 in order to permit Cox and the City to complete their negotiations. Although we hope to complete the negotiations in advance of that date and will work diligently to accomplish that goal, we believe that extending it through March would avoid the need to request yet another extension from the City Council in the event the negotiations take longer than expected.

Jerry E. Rose, Esq.
October 16, 2000
Page 2

On a related note, the City has asked Cox to consider upgrading its cable television system to 862 MHz, rather than to 750 MHz as previously planned by Cox. As we indicated earlier, Cox was willing to accede to the City's request, in return for the City's commitment to grant a 15-year franchise. You responded that you were not in a position to make that commitment, as it is a decision that must be made by the City Council. Even though we were disappointed in that response, we certainly appreciated and understood it. As a result, we proceeded with our upgrade to the extent possible, but we have now reached a point in our construction activities that we must either suspend the upgrade pending final determination by the Council or move forward with either the 862 MHz or 750 MHz platform.

We feel strongly that it is in both the City's and Cox's best interests to proceed with the upgrade without delay, so we have rejected the former option. We have elected instead to press ahead with the City's requested 862 MHz upgrade. Cox understands that we have no guarantee that the City will reciprocate with a 15-year franchise term, but we are optimistic that the goodwill we have shown by this decision, and the benefit that will be reaped by the City as a result, will be duly noted by the Council. We also hope that you will encourage the Council, if you feel it appropriate, to grant our request for the 15-year term.

As a result of our upgrade decision, Cox hopes to begin turning on the first of the newly upgraded fiber nodes by the end of this year. We are excited about that prospect and trust that the City will be as well.

We look forward to receiving Brian's forthcoming draft of the franchise and to continued progress on the negotiations. In the meantime, we would appreciate hearing from you or Brian in response to our request for the extension. Please feel free to contact me directly at 404.269.6780, or Gary Lutzker at 202.776.2107.

Very truly yours,

Debbie Reichle

Deborah L. Reichle
Director of Government Affairs

cc: Mr. Russell Rogers (via facsimile)
Mr. Dennis Yocum (via facsimile)
Gary Lutzker, Esq. (via facsimile)
Brian Grogan, Esq. (via facsimile)

Trustee/Paying Agent
2. Page 1

STAFF REVIEW FORM

_____ AGENDA REQUEST
X CONTRACT REVIEW
_____ GRANT REVIEW

For the Fayetteville City Council meeting of Tuesday, Oct. ~~23~~ 24, 2000

FROM:

Peggy Vice	Purchasing	Administrative Services
Name	Division	Department

ACTION REQUIRED:
Approval of a resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.

COST TO CITY:

$4,500.00 (ANNUALLY)	50,000	Services & Charges
Cost of this Request	Category/Project Budget	Category/Project Name
5400-6800-7502-00	0	
Account Number	Funds Used To Date	Program Name
98047-40	50,000	Water & Sewer
Project Number	Remaining Balance	Fund

BUDGET REVIEW: X Budgeted Item _____ Budget Adjustment Attached

Budget Manager

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** _____

Accounting Manager	10-19-00 Date	Internal Auditor	10/19/00 Date
City Attorney	10-19-00 Date	ADA Coordinator	Date
P Vice Purchasing Officer	10-19-00 Date		

STAFF RECOMMENDATION:
Approval of Bank of Oklahoma as Trustee/Paying Agent for the Variable Rate Demand Bonds.

Division Head	Date	Cross Reference
Department Director	Date	New Item: **Yes** **No**
Administrative Services Director	10/14/00 Date	Prev Ord/Res #: _____
Mayor	10/14/00 Date	Orig Contract Date: _____

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Mayor Fred Hanna and City Council

FROM: John Maguire, Administrative Services Director

DATE: October 18, 2000

SUBJECT: Variable Rate Demand Bond Program

As part of the Variable Rate Demand Bond Program an independent trustee and paying agent must be appointed. The City advertised for proposals from qualified financial institutions for trustee and paying agent services. A professional selection committee met and reviewed the submitted proposals. The committee recommends Bank of Oklahoma as the trustee and paying agent for the $10,000,000 City of Fayetteville, Water and Sewer System Revenue Bonds, Series 2000. The annual cost for the trustee and paying agent services are estimated to be $4,500 and will be paid from Water & Sewer Fund.

CITY OF FAYETTEVILLE, ARKANSAS
REQUEST FOR PROPOSALS 00-18
TRUSTEE AND PAYING AGENT
October 9, 2000

The City of Fayetteville (the "City") is seeking the services of a qualified financial institution to serve as an independent trustee and paying agent ("Trustee") in connection with the City's proposed $10,000,000 weekly variable rate demand notes (The Bonds). You are invited to submit a proposal expressing interest in providing such services to the City in accordance with the terms and conditions outlined herein.

<u>Involved Parties</u>

Stephens Inc. of Fayetteville will serve as financial advisor, and Kutak Rock Law firm of Little Rock will serve as legal advisor in connection with the Bonds. Bank of America and Bank of America Securities have been contracted to provide variable rate bond dealer services.

The City expects the Bonds to have a relatively short maturity of 2-5 years. A rating will be sought from either Standard & Poors Corporation or Moody's Investor Services. The City anticipates issuing a total of $10,000,000 in Bonds. The Trustee has a combined capital and surplus of at least $50,000,000.

<u>Scope of Services</u>

The following is a general list of services to be provided by the Trustee. It is not intended to be all inclusive as unanticipated situations may arise requiring additional assistance. The successful respondent will be expected to work with the staff of the City, as well as all professional firms involved, towards successful issuance of the Bonds at a minimum net interest cost.

1. Cooperate with the staffs of the City and other professional firms to complete preparation and documentation for the issuance of the Bonds in a timely manner.

2. To complete and authenticate the Bonds prior to closing.

3. To execute all documents necessary for the successful closing of the bond issue.

4. To provide annual administrative services in connection with the Bonds including, but not limited to, disbursement of interest payments to the bondholders; disbursement of principal payments to bondholders; registration, transfer and reissuance of bonds as requested by bondholders; transmittal of annual, special and final redemption notices; and provide monthly reports to the City showing assets, receipts, and disbursements from the bond funds.

5. Prepare and provide reports required by local, state, and federal agencies, including the Internal Revenue Service, as may be necessary or required by relevant laws.

6. Cooperate fully with the City in connection with any litigation challenging or otherwise affecting the validity of the Bonds. However, the trustee shall be under no obligation to institute any affirmative or defensive legal action prior to consulting with and obtaining the approval of the City. The City agrees to indemnify the trustee against any and all costs and expenses, outlays and counsel fees and other reasonable reimbursements, and against all liability. Should the trustee require the services of legal counsel in connection with any question concerning the legality of the Bonds, the City shall reimburse the trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements, provided that the trustee informs the City of any such action before the commencement of such action and the City approves.

Qualifications

Respondents to this RFP will provide the information in the following order regarding qualifications and characteristics of their firm.

1. Provide detailed descriptions of three similar variable rate bond issues for which the institution served as trustee and paying agent. These references should be selected to demonstrate experience in a local government environment, experience with bond issues the repayment of which are secured primarily by a pledge of water and sewer rates, and experience with administrative issues similar to those that can be expected in serving the City in connection with this bond issue. Names, addresses and phone numbers of contact persons within these three organizations must be provided as references.

2. Documentary evidence confirming the institution's qualifications to serve as corporate trustee for municipal bond issues.

3. Describe the institution's history and experience as a corporate trustee including, the following specific information:

   (a) Total number of variable rate bond issues for which your institution currently serves as trustee;

   (b) Aggregate dollar amount of all variable rate bond issues currently handled by the institution as trustee;

   (c) Amount of the largest variable rate revenue bond issue handled by the institution as trustee; and

   (d) A detailed statement of the fee(s) and expenses you would charge as trustee and paying agent in connection with the Bonds on the form provided as Exhibit "A" to this request for proposals.

4. Provide the name and qualification profile for all individuals who will work directly with the City. Clearly identify who will be your team leader, and what the role of

each participating individual will be relative to the Fayetteville assignment.

5. Provide any other data that specifically details your institution's unique qualifications for this type and size bond issue.

6. Outline any and all defaulted bond issues for which the institution has served as trustee during the past ten years in which the institution or any trust officer employed by the institution has ever been adjudged to have been negligent in its fiduciary capacity.

Evaluation and Selection Criteria

Each proposal received will be reviewed by a professional selection committee consisting of relevant City staff members and advised by the financial advisor. A selection recommendation will be made to the Mayor by the professional selection committee. The recommendation will be based upon each applicant's responsiveness to the request for proposals set forth above and the overall perception of the institution's capability to best serve the needs of the City.

The professional selection committee will rate the submissions based on a point system as outlined below. At the present time it is not anticipated that verbal presentations and interviews will be scheduled, however, the City may, at its discretion, schedule such interviews as it deems appropriate. The successful applicant must agree that the proposed fee will be contingent upon the successful sale of the bond issue.

1) Qualifications in Relation to the Specific Project to be Performed 20
2) Experience, Competence, and Capacity for Performance 20
3) Proposed Method of Doing Work 10
4) Past Performance 30
5) Price 20

Right of Rejection

The City reserves the right to reject any and all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in the best interest of the City.

Submission of Proposals

Respondents will be expected to address the issues itemized above under the caption "Qualifications" in order. Please submit a fax transmittal of your proposal to Peggy Vice, Purchasing Manager, 113 West Mountain, Fayetteville, Arkansas 72701 no later than 11:00 a.m. on October 13, 2000.

Questions

The primary City staff contact for this project will be John Maguire. Questions about this RFP may be directed to John Maguire at (501)575-8330 or Dennis Hunt at (501) 718-7400.

Exhibit "A"

City of Fayetteville, Arkansas
Trustee and Paying Agent Fee Schedule

1. **TRUSTEE FEES**

Item	Base Fee	[illegible]
Authentication Fee	______ per ______ ______ per ______ ______ per ______	$
Annual Administration Fee	______ per ______ ______ per ______ ______ per ______	$
Acceptance and Registration Fee	______ per ______	$
Legal Fees		$
Additional Fees or Charges		$

2. **PAYING AGENT FEES**

Item	Base Fee	[illegible]
Interest Disbursement	______ per ______	$
Principal Disbursement	______ per ______	$
Additional Fees or Charges		$

3. **OTHER ALTERNATIVE FEES**

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

SPECIAL
AGENDA
CITY COUNCIL
OCTOBER 24, 2000

A special meeting of the Fayetteville City Council meeting will be held on Tuesday, October 24, 2000 at 4:30 p.m. in Room 326 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

148-00 1. **TCA CABLE:** A resolution authorizing the TCA Cable Partners to temporarily operate the Cable Communications System.

149-00 2. **TRUSTEE/PAYING AGENT:** A resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.

113 WEST MOUNTAIN 72701 501 521-7700
FAX 501 575-8257

CITY OF FAYETTEVILLE, ARKANSAS

RESOLUTION NO. ________

AUTHORIZING TCA CABLE PARTNERS TO TEMPORARILY OPERATE THE CABLE COMMUNICATIONS SYSTEM

WHEREAS, the City of Fayetteville, Arkansas ("City") passed and adopted an Ordinance (hereinafter referred to as the "Franchise") granting a non-exclusive franchise; and

WHEREAS, the Franchise is currently held by TCA Cable Partners ("TCA"); and

WHEREAS, pursuant to Section 47 U.S.C. § 546(a) TCA provided notification to the City of TCA's intent to seek renewal of the Franchise under 47 U S C § 546(a-g); and

WHEREAS, pursuant to Section 47 U.S.C. § 546(a) the City properly commenced franchise renewal proceedings; and

WHEREAS, the City and TCA have agreed, pursuant to 47 U.S.C. § 546(h), to conduct franchise renewal negotiations informally in an attempt to reach a mutually acceptable franchise agreement; and

WHEREAS, the City and TCA are interested in continuing informal discussions and negotiations regarding franchise renewal; and

WHEREAS, both the City and TCA desire to expressly reserve all of their respective rights under state and federal law.

NOW, THEREFORE, be it resolved by the City Council of the City of Fayetteville, Arkansas that:

1. The City hereby authorizes TCA to operate the cable television system in the City of Fayetteville, in full compliance with all of the terms and conditions of the Franchise, for a period commencing on November 1, 2000 and continuing through either the date on which TCA's Franchise is either renewed or until December 31, 2000 whichever shall first occur.

368287/1

2. This Resolution shall become effective upon the occurrence of both of the following conditions. (1) The Resolution being passed and adopted by the City Council of the City of Fayetteville; and (2) TCA's acceptance of this Resolution and the Franchise for the term specified in paragraph (1) above, provided TCA accepts and agrees to each and every term of this Resolution and the Franchise within fourteen (14) days from the date this Resolution is passed and adopted.

Adopted by the City Council of Fayetteville, Arkansas this _______ day of ____________, 2000

CITY OF FAYETTEVILLE, ARKANSAS

By ____________________________
Its____________________________

ATTEST:

____

CERTIFICATION

I, _________, City _________ of the City of Fayetteville, Arkansas the custodian of its records, do hereby certify the above is a true and exact copy of a Resolution passed, adopted, and approved by the City Council of said City on ___________, 2000.

Dated: ________________, 2000

By:____________________________
Its:____________________________

ACCEPTANCE

TCA Cable Partners, hereby acknowledges the City of Fayetteville, Arkansas Resolution No. _______ ("Resolution") and Ordinance No. ________, attached hereto and referenced in the Resolution ("Franchise") and hereby accepts each and every term, provision and recital of the Resolution and agrees to be bound by the terms and provisions of the Franchise in accordance with the Resolution

Dated ___________________, 2000

TCA CABLE PARTNERS

By: ________________________________

Its: ________________________________

SWORN TO BEFORE ME this
_____ day of _________________, 2000

____
NOTARY PUBLIC

MOSS & BARNETT

A Professional Association

Brian T. Grogan
612.347.0340
GroganB@moss-barnett.com

4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Telephone 612.347.0300
Facsimile 612.339.6686
www.moss-barnett.com

RECEIVED
OCT 16 2000
CITY ATTORNEY'S OFFICE

VIA FACSIMILE AND U.S. MAIL

October 11, 2000

Jerry Rose, Esq.
City Attorney
113 West Mountain, Room 302
Fayetteville, AR 72701

Re: City of Fayetteville, Arkansas

Dear Jerry:

Pursuant to our telephone conversation you asked that I provide you with a brief overview of the work I have done on behalf of the City of Fayetteville, Arkansas ("City") regarding both the cable television and telecommunications matters.

With respect to the cable television project, the work began with a meeting at the Fayetteville City Hall with representatives of Cox Communications ("Cox"). In preparation for that meeting I reviewed the needs assessment information which the City had previously documented as well as the draft franchise agreement prepared by your office. Following the face-to-face meeting with Cox representatives I began a series of telephone conferences with Cox's legal counsel, Mr. Gary Lutzger. Mr. Lutzger is a very competent attorney from Washington, D.C. and the negotiation process has required a line-by-line review of the City's draft document. As you and I discussed, I intentionally volunteered to take responsibility for all redrafts of the franchise document to ensure that the City retained control of authorship.

I have prepared one revised draft and have since gone back through those revisions with Mr. Lutzger to ensure that he and I are in agreement. This document will shortly be forwarded to your attention and to Cox representatives for review and consideration. I anticipate that only a handful of major issues will remain including the institutional network, PEG access funding and franchise term.

With respect to the institutional network, this issue has presented the greatest challenge during the negotiation process. The City and Cox have exchanged information regarding the institutional network and it appears the costs associated with meeting the City's needs may be extensive. We are continuing to explore a number of options with Cox to address the City's needs although this process has proven to be quite time consuming and has resulted in numerous delays. I anticipate that resolution of the institutional network will be the most difficult term to address in completing the cable television renewal negotiations with Cox.

With respect to the telecommunications matter, this process began with me first reviewing all of the existing licenses, agreements and related documentation which the City has in place with its

existing telecommunications providers. I have also reviewed questions and information with the Telecommunications Commission and have participated in telephone conferences with that group to address additional issues. Thereafter I worked closely with your office to develop a draft telecommunications ordinance which will assist the City in responding to the requests it has received from new telecommunications providers seeking access to the City's rights-of-way.

After the telecommunications ordinance was prepared, we circulated it to all interested parties. I have worked with legal counsel from Adelphia Communications to address concerns which Adelphia had with respect to the ordinance. In particular we reviewed issues relating to the level of compensation Adelphia would be required to remit for access to the rights-of-way. As you may recall, I traveled to the City to be present for the City Council's consideration of the telecommunications ordinance and at that time we learned of a number of concerns from Southwestern Bell. Unfortunately, these concerns had not been relayed to us earlier and therefore it was not possible for the council to take final action on the ordinance at that time.

Since then I have worked with Southwestern Bell's attorney, Mr. Ron Young, to address a number of his client's concerns and anticipate that a revised draft of the ordinance will be forwarded to your office in the next several days. I recommend that this document again be circulated to all interested parties so that when it is placed before the City Council all of the providers will have had an opportunity to have input.

A great deal of the work on both the cable television and telecommunications matters has now been accomplished and I am optimistic that both documents will soon be in a form to present to your council. As described above, the institutional network, however, remains somewhat of a wild card. Depending upon the desires of the City I anticipate at least one more visit to the City to address the cable television franchise before the council, should you so desire. It may be necessary for additional visits to conclude the cable television and telecommunications matters, but only to the extent you deem necessary and appropriate.

I hope this letter helps to summarize the work which has been performed on behalf of the City with respect to the above-described matters. If you should have any questions or if I can provide any additional information or detail, please feel free to contact me.

Very truly yours,

Brian T. Grogan

Brian T. Grogan

BTG/tlh
369456/1

Cox Communications, Inc.
1400 Lake Hearn Drive, NE
Atlanta, Georgia 30319
(404) 843-5000

October 16, 2000

COX COMMUNICATIONS

VIA FACSIMILE AND U.S. MAIL

Jerry E. Rose, Esq.
City Attorney
City of Fayetteville
113 West Mountain
Fayetteville, Arkansas 72701

Re: Cox Cable Television Franchise

Dear Jerry:

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Very truly yours,

Debbie Reichle

Deborah L. Reichle
Director of Government Affairs

cc: Mr. Russell Rogers (via facsimile)
Mr. Dennis Yocum (via facsimile)
Gary Lutzker, Esq. (via facsimile)
Brian Grogan, Esq. (via facsimile)

STAFF REVIEW FORM

_____ AGENDA REQUEST
__X__ CONTRACT REVIEW
_____ GRANT REVIEW

For the Fayetteville City Council meeting of Tuesday, Oct. ~~23~~ 24, 2000

FROM:

Peggy Vice	Purchasing	Administrative Services
Name	Division	Department

ACTION REQUIRED:
Approval of a resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.

COST TO CITY:

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Project Number	Remaining Balance	Fund

BUDGET REVIEW: __X__ Budgeted Item _____ Budget Adjustment Attached

Budget Manager ____________________ Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** ____________

Accounting Manager ______ Date 10-19-00 Internal Auditor ______ Date 10/19/00

City Attorney ______ Date 10-19-00 ADA Coordinator ______ Date ______

P. Vice
Purchasing Officer Date 10-19-00

STAFF RECOMMENDATION:
Approval of Bank of Oklahoma as Trustee/Paying Agent for the Variable Rate Demand Bonds.

Division Head ______ Date ______

Department Director ______ Date ______

Administrative Services Director ______ Date 10/19/00

Mayor ______ Date 10/19/00

Cross Reference

New Item: **Yes** **No**

Prev Ord/Res #: ____________

Orig Contract Date: ____________

FAYETTEVILLE
THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Mayor Fred Hanna and City Council

FROM: John Maguire, Administrative Services Director

DATE: October 18, 2000

SUBJECT: Variable Rate Demand Bond Program

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2. To complete and authenticate the Bonds prior to closing.

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5. Prepare and provide reports required by local, state, and federal agencies, including the Internal Revenue Service, as may be necessary or required by relevant laws.

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Evaluation and Selection Criteria

Each proposal received will be reviewed by a professional selection committee consisting of relevant City staff members and advised by the financial advisor. A selection recommendation will be made to the Mayor by the professional selection committee. The recommendation will be based upon each applicant's responsiveness to the request for proposals set forth above and the overall perception of the institution's capability to best serve the needs of the City.

The professional selection committee will rate the submissions based on a point system as outlined below. At the present time it is not anticipated that verbal presentations and interviews will be scheduled, however, the City may, at its discretion, schedule such interviews as it deems appropriate. The successful applicant must agree that the proposed fee will be contingent upon the successful sale of the bond issue.

1) Qualifications in Relation to the Specific Project to be Performed 20
2) Experience, Competence, and Capacity for Performance 20
3) Proposed Method of Doing Work 10
4) Past Performance 30
5) Price 20

Right of Rejection

The City reserves the right to reject any and all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in the best interest of the City.

Submission of Proposals

Respondents will be expected to address the issues itemized above under the caption "Qualifications" in order. Please submit a fax transmittal of your proposal to Peggy Vice, Purchasing Manager, 113 West Mountain, Fayetteville, Arkansas 72701 no later than 11:00 a.m. on October 13, 2000.

Questions

The primary City staff contact for this project will be John Maguire. Questions about this RFP may be directed to John Maguire at (501)575-8330 or Dennis Hunt at (501) 718-7400.

Exhibit "A"

City of Fayetteville, Arkansas
Trustee and Paying Agent Fee Schedule

1. TRUSTEE FEES

Item	Base Fee	Minimum
Authentication Fee	________ per ________ ________ per ________ ________ per ________	$
Annual Administration Fee	________ per ________ ________ per ________ ________ per ________	$
Acceptance and Registration Fee	________ per ________	$
Legal Fees		$
Additional Fees or Charges		$

2. PAYING AGENT FEES

Item	Base Fee	Minimum
Interest Disbursement	________ per ________	$
Principal Disbursement	________ per ________	$
Additional Fees or Charges		$

3. OTHER ALTERNATIVE FEES

STAFF REVIEW FORM

_____ AGENDA REQUEST
__X__ CONTRACT REVIEW
_____ GRANT REVIEW

For the Fayetteville City Council meeting of Tuesday, Oct. ~~23~~ 24, 2000

FROM:

Peggy Vice	Purchasing	Administrative Services
Name	Division	Department

ACTION REQUIRED:
Approval of a resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.

COST TO CITY:

$4,500.00 (ANNUALLY)	50,000	Services & Charges
Cost of this Request	Category/Project Budget	Category/Project Name
5400-6800-7502-00	0	
Account Number	Funds Used To Date	Program Name
98047-40	50,000	Water & Sewer
Project Number	Remaining Balance	Fund

BUDGET REVIEW: __X__ Budgeted Item ____ Budget Adjustment Attached

Budget Manager

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** ____________

Accounting Manager	10-19-00 Date	Internal Auditor	10/19/00 Date
City Attorney	10-19-00 Date	ADA Coordinator	Date
Purchasing Officer P Vice	10-19-00 Date		

STAFF RECOMMENDATION:
Approval of Bank of Oklahoma as Trustee/Paying Agent for the Variable Rate Demand Bonds.

Division Head	Date	Cross Reference
Department Director	Date	New Item: **Yes** **No**
Administrative Services Director	10/19/00 Date	Prev Ord/Res #: ____________
Mayor	10/19/00 Date	Orig Contract Date: ____________

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Mayor Fred Hanna and City Council

FROM: John Maguire, Administrative Services Director

DATE: October 18, 2000

SUBJECT: Variable Rate Demand Bond Program

As part of the Variable Rate Demand Bond Program an independent trustee and paying agent must be appointed. The City advertised for proposals from qualified financial institutions for trustee and paying agent services. A professional selection committee met and reviewed the submitted proposals. The committee recommends Bank of Oklahoma as the trustee and paying agent for the $10,000,000 City of Fayetteville, Water and Sewer System Revenue Bonds, Series 2000. The annual cost for the trustee and paying agent services are estimated to be $4,500 and will be paid from Water & Sewer Fund.

CITY OF FAYETTEVILLE, ARKANSAS
REQUEST FOR PROPOSALS 00-18
TRUSTEE AND PAYING AGENT
October 9, 2000

The City of Fayetteville (the "City") is seeking the services of a qualified financial institution to serve as an independent trustee and paying agent ("Trustee") in connection with the City's proposed $10,000,000 weekly variable rate demand notes (The Bonds). You are invited to submit a proposal expressing interest in providing such services to the City in accordance with the terms and conditions outlined herein.

Involved Parties

Stephens Inc. of Fayetteville will serve as financial advisor, and Kutak Rock Law firm of Little Rock will serve as legal advisor in connection with the Bonds. Bank of America and Bank of America Securities have been contracted to provide variable rate bond dealer services.

The City expects the Bonds to have a relatively short maturity of 2-5 years. A rating will be sought from either Standard & Poors Corporation or Moody's Investor Services. The City anticipates issuing a total of $10,000,000 in Bonds. The Trustee has a combined capital and surplus of at least $50,000,000.

Scope of Services

The following is a general list of services to be provided by the Trustee. It is not intended to be all inclusive as unanticipated situations may arise requiring additional assistance. The successful respondent will be expected to work with the staff of the City, as well as all professional firms involved, towards successful issuance of the Bonds at a minimum net interest cost.

1. Cooperate with the staffs of the City and other professional firms to complete preparation and documentation for the issuance of the Bonds in a timely manner.

2. To complete and authenticate the Bonds prior to closing.

3. To execute all documents necessary for the successful closing of the bond issue.

4. To provide annual administrative services in connection with the Bonds including, but not limited to, disbursement of interest payments to the bondholders; disbursement of principal payments to bondholders; registration, transfer and reissuance of bonds as requested by bondholders; transmittal of annual, special and final redemption notices; and provide monthly reports to the City showing assets, receipts, and disbursements from the bond funds.

5. Prepare and provide reports required by local, state, and federal agencies, including the Internal Revenue Service, as may be necessary or required by relevant laws.

6. Cooperate fully with the City in connection with any litigation challenging or otherwise affecting the validity of the Bonds. However, the trustee shall be under no obligation to institute any affirmative or defensive legal action prior to consulting with and obtaining the approval of the City. The City agrees to indemnify the trustee against any and all costs and expenses, outlays and counsel fees and other reasonable reimbursements, and against all liability. Should the trustee require the services of legal counsel in connection with any question concerning the legality of the Bonds, the City shall reimburse the trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements, provided that the trustee informs the City of any such action before the commencement of such action and the City approves.

Qualifications

Respondents to this RFP will provide the information in the following order regarding qualifications and characteristics of their firm.

1. Provide detailed descriptions of three similar variable rate bond issues for which the institution served as trustee and paying agent. These references should be selected to demonstrate experience in a local government environment, experience with bond issues the repayment of which are secured primarily by a pledge of water and sewer rates, and experience with administrative issues similar to those that can be expected in serving the City in connection with this bond issue. Names, addresses and phone numbers of contact persons within these three organizations must be provided as references.

2. Documentary evidence confirming the institution's qualifications to serve as corporate trustee for municipal bond issues.

3. Describe the institution's history and experience as a corporate trustee including, the following specific information:

   (a) Total number of variable rate bond issues for which your institution currently serves as trustee;

   (b) Aggregate dollar amount of all variable rate bond issues currently handled by the institution as trustee;

   (c) Amount of the largest variable rate revenue bond issue handled by the institution as trustee; and

   (d) A detailed statement of the fee(s) and expenses you would charge as trustee and paying agent in connection with the Bonds on the form provided as Exhibit "A" to this request for proposals.

4. Provide the name and qualification profile for all individuals who will work directly with the City. Clearly identify who will be your team leader, and what the role of

each participating individual will be relative to the Fayetteville assignment.

5. Provide any other data that specifically details your institution's unique qualifications for this type and size bond issue.

6. Outline any and all defaulted bond issues for which the institution has served as trustee during the past ten years in which the institution or any trust officer employed by the institution has ever been adjudged to have been negligent in its fiduciary capacity.

Evaluation and Selection Criteria

Each proposal received will be reviewed by a professional selection committee consisting of relevant City staff members and advised by the financial advisor. A selection recommendation will be made to the Mayor by the professional selection committee. The recommendation will be based upon each applicant's responsiveness to the request for proposals set forth above and the overall perception of the institution's capability to best serve the needs of the City.

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3. OTHER ALTERNATIVE FEES

CITY OF FAYETTEVILLE, ARKANSAS

RESOLUTION NO. ________

AUTHORIZING TCA CABLE PARTNERS TO TEMPORARILY OPERATE THE CABLE COMMUNICATIONS SYSTEM

WHEREAS, the City of Fayetteville, Arkansas ("City") passed and adopted an Ordinance (hereinafter referred to as the "Franchise") granting a non-exclusive franchise; and

WHEREAS, the Franchise is currently held by TCA Cable Partners ("TCA"); and

WHEREAS, pursuant to Section 47 U.S C. § 546(a) TCA provided notification to the City of TCA's intent to seek renewal of the Franchise under 47 U S C § 546(a-g); and

WHEREAS, pursuant to Section 47 U.S.C. § 546(a) the City properly commenced franchise renewal proceedings; and

WHEREAS, the City and TCA have agreed, pursuant to 47 U.S.C. § 546(h), to conduct franchise renewal negotiations informally in an attempt to reach a mutually acceptable franchise agreement; and

WHEREAS, the City and TCA are interested in continuing informal discussions and negotiations regarding franchise renewal; and

WHEREAS, both the City and TCA desire to expressly reserve all of their respective rights under state and federal law.

NOW, THEREFORE, be it resolved by the City Council of the City of Fayetteville, Arkansas that:

1. The City hereby authorizes TCA to operate the cable television system in the City of Fayetteville, in full compliance with all of the terms and conditions of the Franchise, for a period commencing on November 1, 2000 and continuing through either the date on which TCA's Franchise is either renewed or until December 31, 2000 whichever shall first occur.

368287/1

2. This Resolution shall become effective upon the occurrence of both of the following conditions. (1) The Resolution being passed and adopted by the City Council of the City of Fayetteville; and (2) TCA's acceptance of this Resolution and the Franchise for the term specified in paragraph (1) above, provided TCA accepts and agrees to each and every term of this Resolution and the Franchise within fourteen (14) days from the date this Resolution is passed and adopted.

Adopted by the City Council of Fayetteville, Arkansas this _______ day of ____________, 2000

CITY OF FAYETTEVILLE, ARKANSAS

By ______________________________

Its______________________________

ATTEST:

____

CERTIFICATION

I, _________, City _________ of the City of Fayetteville, Arkansas the custodian of its records, do hereby certify the above is a true and exact copy of a Resolution passed, adopted, and approved by the City Council of said City on ____________, 2000.

Dated: _________________, 2000

By:______________________________

Its:______________________________

ACCEPTANCE

TCA Cable Partners, hereby acknowledges the City of Fayetteville, Arkansas Resolution No. _______ ("Resolution") and Ordinance No. ________, attached hereto and referenced in the Resolution ("Franchise") and hereby accepts each and every term, provision and recital of the Resolution and agrees to be bound by the terms and provisions of the Franchise in accordance with the Resolution

Dated _________________, 2000

TCA CABLE PARTNERS

By: ______________________________

Its: ______________________________

SWORN TO BEFORE ME this
_____ day of _________________, 2000

____
NOTARY PUBLIC

MOSS & BARNETT
A Professional Association

4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-4129
Telephone 612.347.0300
Facsimile 612.339.6686
www.moss-barnett.com

BRIAN T. GROGAN
612.347.0340
GroganB@moss-barnett.com

RECEIVED
OCT 16 2000
CITY ATTORNEY'S OFFICE

VIA FACSIMILE AND U.S. MAIL

October 11, 2000

Jerry Rose, Esq.
City Attorney
113 West Mountain, Room 302
Fayetteville, AR 72701

Re: City of Fayetteville, Arkansas

Dear Jerry:

Pursuant to our telephone conversation you asked that I provide you with a brief overview of the work I have done on behalf of the City of Fayetteville, Arkansas ("City") regarding both the cable television and telecommunications matters.

With respect to the cable television project, the work began with a meeting at the Fayetteville City Hall with representatives of Cox Communications ("Cox"). In preparation for that meeting I reviewed the needs assessment information which the City had previously documented as well as the draft franchise agreement prepared by your office. Following the face-to-face meeting with Cox representatives I began a series of telephone conferences with Cox's legal counsel, Mr. Gary Lutzger. Mr. Lutzger is a very competent attorney from Washington, D.C. and the negotiation process has required a line-by-line review of the City's draft document. As you and I discussed, I intentionally volunteered to take responsibility for all redrafts of the franchise document to ensure that the City retained control of authorship.

I have prepared one revised draft and have since gone back through those revisions with Mr. Lutzger to ensure that he and I are in agreement. This document will shortly be forwarded to your attention and to Cox representatives for review and consideration. I anticipate that only a handful of major issues will remain including the institutional network, PEG access funding and franchise term.

With respect to the institutional network, this issue has presented the greatest challenge during the negotiation process. The City and Cox have exchanged information regarding the institutional network and it appears the costs associated with meeting the City's needs may be extensive. We are continuing to explore a number of options with Cox to address the City's needs although this process has proven to be quite time consuming and has resulted in numerous delays. I anticipate that resolution of the institutional network will be the most difficult term to address in completing the cable television renewal negotiations with Cox.

With respect to the telecommunications matter, this process began with me first reviewing all of the existing licenses, agreements and related documentation which the City has in place with its

existing telecommunications providers. I have also reviewed questions and information with the Telecommunications Commission and have participated in telephone conferences with that group to address additional issues. Thereafter I worked closely with your office to develop a draft telecommunications ordinance which will assist the City in responding to the requests it has received from new telecommunications providers seeking access to the City's rights-of-way.

After the telecommunications ordinance was prepared, we circulated it to all interested parties. I have worked with legal counsel from Adelphia Communications to address concerns which Adelphia had with respect to the ordinance. In particular we reviewed issues relating to the level of compensation Adelphia would be required to remit for access to the rights-of-way. As you may recall, I traveled to the City to be present for the City Council's consideration of the telecommunications ordinance and at that time we learned of a number of concerns from Southwestern Bell. Unfortunately, these concerns had not been relayed to us earlier and therefore it was not possible for the council to take final action on the ordinance at that time.

Since then I have worked with Southwestern Bell's attorney, Mr. Ron Young, to address a number of his client's concerns and anticipate that a revised draft of the ordinance will be forwarded to your office in the next several days. I recommend that this document again be circulated to all interested parties so that when it is placed before the City Council all of the providers will have had an opportunity to have input.

A great deal of the work on both the cable television and telecommunications matters has now been accomplished and I am optimistic that both documents will soon be in a form to present to your council. As described above, the institutional network, however, remains somewhat of a wild card. Depending upon the desires of the City I anticipate at least one more visit to the City to address the cable television franchise before the council, should you so desire. It may be necessary for additional visits to conclude the cable television and telecommunications matters, but only to the extent you deem necessary and appropriate.

I hope this letter helps to summarize the work which has been performed on behalf of the City with respect to the above-described matters. If you should have any questions or if I can provide any additional information or detail, please feel free to contact me.

Very truly yours,

Brian T. Grogan

Brian T. Grogan

BTG/tlh
369456/1

Cox Communications, Inc.
1400 Lake Hearn Drive, NE
Atlanta, Georgia 30319
(404) 843-5000

October 16, 2000

COX COMMUNICATIONS

VIA FACSIMILE AND U.S. MAIL

Jerry E. Rose, Esq.
City Attorney
City of Fayetteville
113 West Mountain
Fayetteville, Arkansas 72701

Re: Cox Cable Television Franchise

Dear Jerry:

As you know, Gary Lutzker, on Cox's behalf, and Brian Grogan, on the City's behalf, have been diligently negotiating the renewal of Cox's cable television franchise since we all convened in Fayetteville earlier this year. I understand from Gary that they have made significant progress on the renewal but that a number of issues remain outstanding. Included among the open issues are the terms and conditions under which institutional network services would be provided to the City. We are currently preparing cost estimates based on the information we recently have received from the City regarding the level of services desired and the locations to which the services would be provided, and we hope to forward this information to you and Brian within the next several weeks. I also believe that Brian is in the process of preparing a revised draft of the franchise agreement to reflect the progress he and Gary have made, which he expects to distribute sometime this week.

We are pleased with the amount of progress that has been made to date, but we also are concerned that the parties will not have resolved all of the open issues, in particular those surrounding the institutional network services, prior to the expiration of our current franchise on November 1, 2000. Accordingly, we are respectfully requesting that the City grant a short-term extension of the franchise through March 31, 2001 in order to permit Cox and the City to complete their negotiations. Although we hope to complete the negotiations in advance of that date and will work diligently to accomplish that goal, we believe that extending it through March would avoid the need to request yet another extension from the City Council in the event the negotiations take longer than expected.

On a related note, the City has asked Cox to consider upgrading its cable television system to 862 MHz, rather than to 750 MHz as previously planned by Cox. As we indicated earlier, Cox was willing to accede to the City's request, in return for the City's commitment to grant a 15-year franchise. You responded that you were not in a position to make that commitment, as it is a decision that must be made by the City Council. Even though we were disappointed in that response, we certainly appreciated and understood it. As a result, we proceeded with our upgrade to the extent possible, but we have now reached a point in our construction activities that we must either suspend the upgrade pending final determination by the Council or move forward with either the 862 MHz or 750 MHz platform.

We feel strongly that it is in both the City's and Cox's best interests to proceed with the upgrade without delay, so we have rejected the former option. We have elected instead to press ahead with the City's requested 862 MHz upgrade. Cox understands that we have no guarantee that the City will reciprocate with a 15-year franchise term, but we are optimistic that the goodwill we have shown by this decision, and the benefit that will be reaped by the City as a result, will be duly noted by the Council. We also hope that you will encourage the Council, if you feel it appropriate, to grant our request for the 15-year term.

As a result of our upgrade decision, Cox hopes to begin turning on the first of the newly upgraded fiber nodes by the end of this year. We are excited about that prospect and trust that the City will be as well.

We look forward to receiving Brian's forthcoming draft of the franchise and to continued progress on the negotiations. In the meantime, we would appreciate hearing from you or Brian in response to our request for the extension. Please feel free to contact me directly at 404.269.6780, or Gary Lutzker at 202.776.2107.

Very truly yours,

Debbie Reichle

Deborah L. Reichle
Director of Government Affairs

cc: Mr. Russell Rogers (via facsimile)
Mr. Dennis Yocum (via facsimile)
Gary Lutzker, Esq. (via facsimile)
Brian Grogan, Esq. (via facsimile)

Northwest Arkansas TIMES B3

Monday,
October 23, 2000

SPECIAL AGENDA
CITY COUNCIL
OCTOBER 24, 2000

A special meeting of the Fayetteville City Council meeting will be held on Tuesday, October 24, 2000 at 4:30pm in Room 326 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

1. **TCA CABLE:** A resolution authorizing the TCA Cable Partners to temporarily operate the Cable Communications System.
2. **TRUSTEE/PAYING AGENT:** A resolution to appoint Bank of Oklahoma as Trustee/Paying agent for the Variable Rate Demand Bonds.