

**Emergency Meeting of the City Council
City of Rockport
1472 Military Road, Rockport, Arkansas
Monday, Oct. 16, 2023**

Call to Order

Council member Brenda Womble called the meeting to order

Roll call

Council members present: Mayor Kevin Baker, Melinda Baker, Brenda Womble, Darrell Hughes, Jimmy Shuffield

Other city personnel present: Shira Kelley

Others present: James E. Smith and Scott M. Strauss, Barber Law Firm

Emergency business

Smith and Strauss are present to discuss possibly representing the City of Rockport in a Title 9 bankruptcy filing, pertaining to the city's sewer system. Extensive discussion of subordinating trust indenture, underwriters, bond trustee and distribution agent.

Attorneys emphasize that bondholder's rights cannot be impaired. Collateral of this case includes all city property: buildings, vehicles, etc. Chapter 9 is reorganization of debt. May end up here anyway, but other options include annexation or receivership.

If the city files Chapter 9 bankruptcy, no creditor can take any steps to affect an asset without the court's permission.

Smith requests authorization to approach the bond representative at Crews & Associates with an initial settlement request and report back to the council.

K. Baker thinks the sewer system's value is about 1/3 of face value of bonds due to bond company's waste. Smith says this may give city leverage in settlement.

- Womble motion to authorize Smith to contact Crews & Associations and other parties deemed necessary in conjunction with the 2020 sewer bond issue as an exploratory act.
- Baker second
- Womble: Y; Baker: Y; Hughes: Y; Shuffield: Y

- Womble motion to postpone October regular meeting until the attorneys call with an update, to discuss further action as needed at that time.
- Hughes second
- Womble: Y; Hughes: Y; Shuffield: Y; M. Baker: Y

- Shuffield motion to adjourn
- Hughes second
- Shuffield: Y; Hughes: Y; Baker: Y; Womble: Y

Attest: _____
Shira Kelley, Secretary

Approved: _____
Kevin Baker, Mayor