

CITY OF TONTITOWN, WASHINGTON COUNTY, ARKANSAS

RESOLUTION NO. 2026-_____

A RESOLUTION DIRECTING REVIEW OF THE CITY’S RELATIONSHIP WITH THE TONTITOWN COMMUNITY FOUNDATION; REQUESTING AN ACCOUNTING OF FUNDS AND ASSETS ASSOCIATED WITH CITY PURPOSES; AND ESTABLISHING INTERIM CONTROLS ON CITY SUPPORT.

WHEREAS, the Tontitown Community Foundation (“Foundation”) is a legal entity separate from the City of Tontitown (“City”); and

WHEREAS, the Foundation has used the City Hall address in connection with its organization or operations, and City funds were used to pay for legal work associated with its incorporation; and

WHEREAS, questions remain concerning the authority for that expenditure and for the Foundation’s use of the City Hall address and other City resources; and

WHEREAS, the Tontitown City Council seeks to determine the facts, account for funds held or administered for City-related purposes, and give the Foundation an opportunity to provide its records and explanation; and

WHEREAS, the Tontitown City Council understands that the Foundation has solicited or received funds or other assets for purposes associated with the City and has previously represented that it would provide an accounting of those funds or assets; and

WHEREAS, the Tontitown City Council seeks to determine what City resources have been provided to the Foundation, what funds or assets the Foundation has received or held for City-related purposes, what restrictions apply to those funds or assets, and whether a continuing relationship should be formally authorized and documented; and

WHEREAS, this Resolution does not determine that the Foundation’s assets belong to the City, direct the Foundation’s internal affairs, or make a finding that any person has misused funds.

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

Section 1. City Records and Prior Authority. The Mayor, with appropriate City staff, shall preserve and assemble City-held records concerning: (a) the use of the City Hall address or other City property, personnel, or resources by the Foundation; (b) City payments, transfers, or other support associated with the Foundation, including the payment for legal work associated with its incorporation; (c) any ordinance, resolution, agreement, approval, or other asserted authority for those activities; and (d) any City records reflecting funds or assets solicited, received, held, spent, or transferred by the Foundation for a City-related purpose, including any accounting the Foundation previously agreed or offered to provide. Within 30 days after adoption, the Mayor shall provide the Council with an inventory of the records located, identify material records that have not been located, and summarize any authority found. The City Attorney shall advise the City concerning the handling of any City records subject to a claim of privilege or other legal restriction.

Section 2. Request to the Foundation. The City Council requests that the Foundation provide, within 30 days after receiving this resolution, a written accounting of funds and assets it solicited, received, held, spent, or transferred for City projects or purposes. The requested accounting should identify the source and amount of funds received, the purpose represented to donors or the public, any applicable donor restrictions, expenditures and transfers, with their dates and purposes, and the current balance and location of funds or assets held for those purposes. The City Council also requests copies of any agreement or written commitment concerning the Foundation's relationship with the City, its use of City resources, including Tontitown City Hall, or its obligation to provide an accounting. The Foundation may identify information it believes should be treated as confidential and explain its position in its response. The Council invites Foundation leadership to present and explain its response at a Council meeting.

Section 3. Nature of Request. Section 2 is a request to a separate legal entity. This resolution does not, by itself, compel the Foundation to produce records, determine ownership of its assets, or alter any donor restriction. The City reserves any rights it may have under an agreement, applicable law, or other legal process. The City Attorney represents and advises the City alone in this matter, and the Foundation is responsible for obtaining its own legal advice.

Section 4. Interim City Support and Use of Address. Pending City Council review, the Mayor shall authorize no new discretionary City payment, transfer, or in-kind support to the Foundation without Council approval. The Mayor shall identify any existing obligation or operational need before changing an ongoing arrangement and seek Council direction as appropriate. The Mayor shall notify the Foundation that the Council is reviewing its use of the City Hall address, request the basis on which the Foundation uses that address, and ask the Foundation to propose a correction or transition if no continuing authorization is identified. This section does not itself approve or terminate any existing agreement.

Section 5. Report and Council Action. After the Foundation's response period, the Mayor and appropriate City staff shall reconcile the City's records with any accounting or records the Foundation provides and report the results to the Council. The report shall identify amounts that can be reconciled, material unanswered questions, any asserted authority for the use of City funds or resources and recommended next steps. After considering that report and giving the Foundation an opportunity to respond, the Council shall decide by subsequent formal action whether to authorize and document a continuing relationship, change that relationship, or end it. The City Attorney shall advise the City concerning the legal requirements for any proposed agreement or disposition of City property.

Section 6. Effective Date. This resolution is effective upon adoption. The Mayor and City Attorney are authorized to take administrative steps consistent with this resolution and applicable law.

PASSED AND APPROVED on this _____ day of _____, 2026.

ATTEST:

APPROVED:

Rhonda Ardemagni
City Clerk-Treasurer

Angela Russell
Mayor

(SEAL)

SPONSORSHIP AND LEGISLATIVE HISTORY

Sponsor (Initiated By): _____

Motion to Introduce Made By: _____

Seconded By: _____

Adopted/Passed: _____

Vote: Ayes: _____ Nays: _____ Abstain: _____ Absent: _____