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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Conway, Arkansas  
Tuesday 6:30 pm  
September 23, 2014

On this date the City Council of the City of Conway, Arkansas met in regular session. The following members being a quorum were present and acting: Alderman Hawkins, Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. Also, present and acting: Mayor Tab Townsell, City Attorney Chuck Clawson, and City Clerk Michael Garrett.

**Call to Order: Mayor Tab Townsell**

**Roll Call: City Clerk/ Michael O. Garrett**

**Minutes Approval: September 9, 2014 and Special City Council Meeting September 16, 2014.**

Alderwoman Whitmore motioned to approve the minutes as submitted. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0.

**Employee Service Awards:**

**5 Years**

Ty Ledbetter - Fire Dept.

Briton Ramoly - Fire Dept.

Travis Howell - Sanitation Dept.

**10 Years**

Karen Terry - Police Dept.

Alvarez Araceli - Sanitation Dept.

Chad Wilson - Police Dept.

**20 Years**

Brian Clendenin - Fire Dept.

Randy Crowell - Fire Dept.

Larry Daves - Fires Dept.

Damon Reed - Fire Dept.

**30 Years**

Gary Fason - Street Dept.

**1. Public Hearing**

- A. Public Hearing/Ordinance setting a public hearing to discuss the closing of a 15 foot utility easement located along the south side of Lots 1-4 in Fulmer Subdivision.**

**O-14-84**

Mayor Townsell opened the public hearing. There was no one present to speak to the issue. Mayor Townsell closed the public hearing. Alderwoman Smith motioned to waive the readings

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of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**2. Report of Standing Committees:**

**A. Economic Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, and Conway Housing Authority)**

**1. Resolutions requesting the Faulkner County Tax Collector place a certified lien on certain properties as a result of incurred expenses by the City.**

**R-14-34**

Alderman Hawkins stated the property address is 2303 Lee Ave; the cost of cleanup was \$197.56 (\$152.33 + Penalty \$15.23 + filing fee \$30.00). There was no one present to speak to this issue. Alderwoman Smith motioned to adopt the resolution. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

Property owner of 4 Water Oak requested council table this issue until which time his attorney can be present. Alderman Grimes motioned to hold this item in committee. Alderman Hawkins seconded the motion. There was no discussion. The motion passed 8-0.

**2. Resolution setting a public hearing to discuss the closing of a 20 foot sewer and utility easement located in Lot 1, Coulson-RoadRunner Addition.**

**R-14-35**

Alderwoman Whitmore motioned to adopt the resolution. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0. The public hearing will be held Tuesday October 14, 2014 at 6:30 pm.

**3. Consideration to approve a change order request (#3) for the Airport Stage 1B Grading and Drainage for Cantrell Field.**

Josh Zylks, Airport Manager, explained this change order is for the FY 2011 grant (Job 1B) explaining we removed some of the original control matting in exchange for sod, and added drainage pipe to fight erosion; the cost of this change order is included in the 1B 2011 Federal Grant which is close to being closed. Alderwoman Smith motioned to approve change order #3 (Airport Stage 1B Grading/Drainage). Alderwoman Whitmore seconded the motion. Mr. Zylks stated the net change amount is \$31,069.20; which 95% of this cost will be paid for by the FAA. There was no further discussion. The motion passed 8-0.

**4. Consideration to enter into an agreement with Enable Gas Transmission for pipeline right of way easement and access road.**

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Rick Racker, representing Enable Gas Transmission, LLC, formerly known as CenterPoint Energy Transmission, explained this natural gas pipeline will run from the meter site (shown on provided plat) to North Little Rock. Mr. Racker stated two (2) pipelines run through Conway, one will stay in service and will be transferred over to our distribution company; the other pipeline (Line B) will be taken out of service when this pipeline is constructed. Mayor Townsell stated the pipeline being replaced is a high volume line, which runs through subdivisions, UCA, and our ball fields, and will go from a high volume transmission line, to a lower pressure distribution line. Mr. Racker stated yes, that is correct. Alderwoman Smith motioned to approve entering into this agreement. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

- 5. Ordinance accepting and appropriating donation funds for the Conway Tree Board to help pay for expenses associated with the Arbor Day celebration.**

**O-14-85**

Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

- 6. Ordinance to approve the annexation of 142 acres known as The Orchard on Round Mountain into Water District #11.**

**O-14-86**

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. Alderwoman Whitmore motioned to adopt the ordinance and the emergency clause. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0. The clerk called the roll for the emergency clause with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The emergency clause passed 8-0.

- 7. Ordinance to rezone property located at the northeast corner of United Drive and Superior Drive from C-4 to C-3.**

**O-14-87**

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Whitmore seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins,

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Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**B. Public Services Committee (Sanitation, Parks & Recreation, and Physical Plant)**

**1. Consideration to approve the bid for the dog fence installation at the Parks & Recreation Department.**

Steve Ibbotson, Parks Director, explained the funding for the park has already been approved and recommended the second lowest bid from Bill's Fence Company in the amount of \$31,924.00. Mr. Ibbotson explained the low bidder was unable to provide a performance bond. Alderwoman Smith motioned to approve the bid from Bill's Fence Company. Alderman Hawkins seconded the motion. There was no discussion. The motion passed 8-0.

**2. Ordinance appropriating funds for the possible turnkey development of a landfill gas to energy project for the Sanitation Department.**

O-14-88

Cheryl Harrington, Sanitation Director, explained this appropriation will provide funding needed for engineering services which will determine how much methane gas is available and weather the project can move forward. Ms. Harrington stated the amount being requested is \$101,545.00, which will allow us to be at a point where ADEQ will require us to be at some point and time. Mayor Townsell stated this will allow us to flare the methane gas, and give us a way to dispose of it, but it is possible to realize other benefits from it. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderwoman Mehl, Alderman Pruitt, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

Alderman Jones left the meeting.

**C. Personnel**

**1. Consideration to approve the Health, Dental and Life Benefits for 2015.**

Lisa Williams, HR Director, explained gave a brief synopsis of the medical insurance increases over the last few years and stated our quote from Health Advantage for 2015 includes a 27.6% increase. Ms. Williams stated this year we have received a quote from the Arkansas Municipal League Insurance Fund and referred to council's packet to show a comparison of 2014 Health Advantage rates, 2015 Municipal League quote, and 2015 Health Advantage quote, which shows a significance difference. Alderman Hawkins asked what the savings to the city would be if we moved the Arkansas Municipal League plan. Mayor Townsell stated through the month of August it would have saved the city \$274,000.00; roughly \$400,000.00 for the year. Alderman Hawkins did not see a need to vote on this tonight, but stated he will be ready to vote next time as he would like more time to look at this more closely. Alderman Hawkins motioned to hold this item in committee. Alderman

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Grimes seconded the motion. Alderman Hawkins stated a fund where there is no insurance company to back it up scares him. Don Zimmerman, Director Arkansas Municipal League (AML), stated in 1984 the League was purchasing re-insurance for some of their programs which cost a lot of money, but we were not filing many claims. Mr. Zimmerman stated at this time we decided to manage our own insurance, and by doing so we were able to cut insurance rates by 60%, and we have been doing it this way ever since. Mr. Zimmerman stated we have not touched it and it has accumulated to an audited amount of approximately \$50 million. Alderman Hawkins stated what he is looking at does not say that, the only \$50 million number is related to membership fees. Mr. Zimmerman stated that number is likely something else, but is a part of the operating budget. Alderman Hawkins stated this is why he has an issue, because he does not see what Mr. Zimmerman is saying. Mr. Zimmerman offered to go over this this council. After looking at the audit provided to council, Mr. Zimmerman stated the audit council is looking at is the Health Fund Audit, pointing out the AML reserve backs up this program as well as the other programs, and stated the reserve is over and above what council is looking at. Mr. Zimmerman stated the reserve audit is within the Leagues general audit which he thought he had provided. Alderman Hawkins stated he does not believe so. Mr. Zimmerman stated he would be glad to provide this to council, and explained the last audit was at \$50 million. Mr. Zimmerman stated last year we made approximately 21% overall on our investments; our investments are basically consist of publicly traded Arkansas companies; we have approximately 60 companies that we invest in, and most of the revenue goes directly back into Arkansas companies if they employ at least 500 people in Arkansas, or doubly weighted if they are headquartered in Arkansas. Mr. Zimmerman stated those programs have exceeded the S&P since 2002 and we have beaten the S&P by 250 points in that period of time; the reserve now is approximately \$62 million. Mr. Zimmerman stated if you could ever exhaust this program, and we have not been able to do so since 1981 and explained we have never had to touch that second layer, which backs you up. Mr. Zimmerman stated this program is very financially sound, probably more so than most insurance companies. Alderman Hawkins asked who the fund answers to. Mr. Zimmerman stated you and 500 other cities in Arkansas. Alderman Hawkins asked if the fund is ACA compliant. Mr. Zimmerman stated yes. Alderman Hawkins asked who owns the claims information for the city of Conway, and asked if the claims are kept by the municipality or kept in the large group. Mr. Zimmerman stated we have a processing office which is owned by the League and the city. Alderman Hawkins stated if we were to decide that we did not want to participate could we get our own claims information for the City. Mr. Zimmerman stated as long as we do not violate any HIPPA regulations. After council looked at the audit on the AML website there was no further discussion. The motion passed 5-2. Alderman Ledbetter and Alderwoman Smith voted in opposition. Council decided to proceed with the dental and life insurance benefit selection for 2015. Alderwoman Whitmore motioned to approve the dental insurance and the life insurance for 2015 with the existing provider. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0.

### **D. Finance**

#### **1. Consideration to approve the monthly financial report ending August 31, 2014.**

Mayor Townsell explained the monthly financials were discussed in the committee meeting tonight. Alderwoman Smith motioned to approve the August 2014 financials. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 7-0.

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**Adjournment**

**PASSED this 23<sup>th</sup> day of September 2014**

**APPROVED:**

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**Mayor Tab Townsell**

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**City Clerk Michael O. Garrett**