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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Conway, Arkansas  
Tuesday 6:30 pm  
December 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, Alderwoman Smith, Alderman Ledbetter, Alderman Jones, and Alderwoman Whitmore. Also, present and acting: Mayor Tab Townsell, City Clerk Michael Garrett, and City Attorney Chuck Clawson.

**Call to Order: Mayor Tab Townsell**  
**Roll Call: Michael O. Garrett**

**Minutes Approval: December 9, 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:**

Matthew Hugen - Police Dept.  
Randy Sanders - Sanitation Dept.  
Finley Vinson - Street Dept.

**10 Years:**

Chris Harris - Police Dept.  
David Vondron - Street Dept.

**20 Years:**

Larry Piggee - Sanitation Dept.

**1. Report of Standing Committees:**

**A. Economic Development Committee (Airport, Conway Corporation, Conway Development, Chamber of Commerce)**

**1. Consideration to approve bids for the construction of 12 bay enclosed T-hangars at Cantrell Field**

Josh Zylks, Airport Manager, recommended the low bidder Jane Construction in the amount of \$509,850.00. Mr. Zylks also recommended approving an application for an 80%/20% grant by the Arkansas Department of Aeronautics (ADA) of which the city is eligible for \$400,000.00; the remaining amount would come from the proceeds from the sale of the old airport. Mayor Townsell reminded council that these hangars are an annual revenue generator for the new airport, and if airport revenue does go down, it will not have to lean on the general fund as much. Alderwoman Smith motioned to award the bid to the low bidder. Alderwoman Whitmore seconded the motion. Alderman Hawkins asked Mr. Zylks if he knows anything about Jane Construction Co. Blake Robertson, Garver Engineers, explained they do a lot of hangars, and it is also his first time dealing

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with Jane Construction explaining, he contacted Jane Construction and asked if they were comfortable with their bid. Mr. Robertson stated after considering the numbers they were comfortable with their numbers and wanted the job. Mr. Robertson explained the superintendent for this company has experience building hangars at the North Little Rock Airport and stated they will have a performance and payment bond. There was no further discussion. The motion passed 8-0.

**2. Consideration to enter into a contract with Garver for professional services associated with the 12 bay T-hangar located at Cantrell Field.**

Josh Zylks, Airport Manager, explained as the Mayor stated this goes hand in hand with the contract for construction of the T-hangars; this contract is for \$36,500.00 and will also be reimbursed by Arkansas Department of Aeronautics (ADA) contingent on their approval of an 80%/20% match grant at their January 2015 meeting; the contract includes design, bidding services, and construction services. Mr. Zylks stated if the ADA were to decline to award the grant, the city would be responsible for design/bid services that have already been rendered which would be paid for from the proceeds from the sale of the old airport. Alderwoman Smith motioned to enter into this contract. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

**3. Consideration to amend the Garver Contract for additional services associated with the 2014 AIP Grant for Cantrell Field.**

Josh Zylks, Airport Manager, explained this item amends the Garver engineering contract for services for the 2014 AIP Grant; the maximum additional cost is \$148,500.00. Mr. Zylks explained these expenses were incurred due to the project running behind the original schedule, which was primarily caused by excessively wet weather during construction season, and contractor delays. Mr. Zylks stated it is easier to amend one contract with the FAA and these funds are FAA Grant eligible and this can also be submitted to the FAA to be added to our 2014 Grant, but until the final amount is given to them, they will not promise us pay for it, however, they did tell us on a project of this scope seeing an amended contract for additional engineering services is something that is somewhat anticipated. Mr. Zylks stated in this case the federal split is 90% and the state share is 10%. Alderwoman Smith motioned to approve the amended contract. Alderwoman Whitmore seconded the motion. Alderwoman Mehl stated from what she sees on the amount could be more than \$148,500, as that fee is a fixed fee, but it will all still be reimbursable. Mr. Zylks stated that is correct, our intention is to not exceed this amount. There was no further discussion. The motion passed 8-0.

**4. Consideration to approve the settlement for Conway Aviation Services.**

Mayor Townsell explained there was a buyout of the lease with Conway Aviation Services which also included lease hold improvements, which one expects a lease holder to make over time that they need to get credit for since the term of the lease was cut short. Mayor Townsell stated Josh Zylks, Airport Manager, and Jack Bell, Chief of Staff, met with Bill Cope and agreed upon a total buyout amount of \$201,712.75 (leasehold improvements - \$26,712.75/ lease buyout - \$175,000.00). Mayor Townsell stated this will be paid for by the proceeds from the sale of the old airport. Alderwoman Smith motioned to approve the buyout agreement. Alderwoman Whitmore seconded the motion. Alderman Hawkins asked if this list does not include items paid for by the city. Mr. Zylks stated no, we went over receipts and went over item by item to verify these expenses. There was no further

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discussion. The motion passed 8-0.

**B. Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, & 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-14-51**

Alderman Hawkins stated the property address is 2132 Hickory; the cost of cleanup was \$182.84 (\$138.95 + Penalty \$17.95+ 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.

**R-14-52**

Alderman Hawkins stated the property address is 24 Rolling Hills; the cost of cleanup was \$203.51 (\$157.74 + Penalty \$15.77 + 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.

- 2. Consideration to approve the bids for the 2015 annual materials and services utilized by the Street Department.**

Finley Vinson, City Engineer, explained this is an annual bid and recommended awarding the bids (listed below). Mr. Vinson pointed out that page 2 shows appropriate prices, but the memo does not reflect M.M. Satterfield Oil is not reflected on the memo. Alderman Hawkins motioned to approve the recommended bids. Alderwoman Smith seconded the motion. Alderman Hawkins asked if the gas and diesel bids were awarded to M.M. Satterfield Oil. Mr. Vinson stated yes, that is correct. There was no further discussion. The motion passed 8-0.

<u>MATERIALS OR SERVICE</u>	<u>CONTRACTOR</u>	<u>PRICE</u>
Aggregate Base Course FOB El Paso	Webco	\$8.05/Ton
Aggregate Base Course Delivered	Roger's Group	\$12.57/Ton
Ballast Stone Delivered	Webco	\$13.75/Ton
Stone Backfill delivered	Webco	\$12.99/Ton
Riprap delivered	Webco	\$18.62/Ton
Concrete Class A	Argos	\$84.83/CY
Concrete Class S	Argos	\$87.00/CY
Added Cost for 1% Calcium added	Argos	\$4.00/CY
<b><u>Reinforced Concrete Pipe:</u></b>		
12"	Hanson	\$7.91/FT
15"	Hanson	\$11.03/FT
18"	Scurlock	\$11.95/FT
24"	Scurlock	\$19.00/FT
30"	Scurlock	\$27.33/FT
36"	Scurlock	\$38.00/FT

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42"	Hanson	\$53.89/FT
48"	Scurlock	\$61.71/FT

**Concrete Blocks:**

Standard Weight Concrete Blocks	Conway Block	\$1.57/EA
Interlocking Retaining Wall Blocks	Conway Block	\$5.84/EA

**Concrete Work:**

4" Curb & Gutter	River City Const.	\$4.45/L.F.
6" Curb & Gutter	River City Const.	\$4.95/L.F.
Sidewalk	River City Const.	\$1.00/S.F.
Conway Pavement Repair	Lasker	\$1.00/S.Y.

**Gasoline & Diesel: COST OF DELIVERY (NO TAX INCLUDED IN THIS AMOUNT)**

Reg Unleaded - No Ethanol	M.M. Satterfield Oil	\$0.0625/GAL
Reg Unleaded - (w/10% Max)	M.M. Satterfield Oil	\$0.0625/GAL
Diesel	M.M. Satterfield Oil	\$0.0650/GAL

**3. Ordinance adopting the Energy Code 2014 for the Permits & Inspection Department.**

**O-14-109**

Bart Castleberry, Director Permits & Inspections, explained the Arkansas Energy Code is required by the State of Arkansas and it must be adopted by January 1<sup>st</sup>. Mr. Castleberry explained a letter was mailed to all contractors in early November to make them aware of the change; we have had a few questions and the biggest concern is the requirement of a Home Energy Rating System Test (HERS) on the heating and air system and on the structure itself which requires pressurizing the structure and checking for leaks; this will would have added \$1,000.00 to each new structure, but this requirement was removed by the State. Mr. Castleberry stated temporary use structures and manufactured homes will not fall under this; most of the builders are already doing this and this is a housekeeping measure. Alderwoman Smith asked if this is strictly for residential. Mr. Castleberry stated yes it is, this does not apply to commercial. Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderwoman Smith motioned to adopt the ordinance and the emergency clause. Alderwoman Whitmore seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**4. Consideration to approve the nomination for the newly created Robinson Cemetery Board.**

Alderman Hawkins explained six members were approved at our last meeting and Korry Garrett of Sandstone Real Estate is willing to serve and will be the seventh and final member of this board; terms will be decided at their first meeting. Alderman Hawkins motioned to approve the nomination of Korry Garrett. Alderman Grimes seconded the motion. There was no discussion. The motion passed 8-0.

**5. Consideration to approve a conditional use request for a pet lodge for property located**

**at 1300 Old Military Road.**

Alderman Hawkins motioned to approve the conditional use permit request with the following conditions. Alderwoman Whitmore seconded the motion. Mayor Townsell clarified all the language in the conditional use application has been narrowed down to the 3 conditions which is what we can enforce. Bryan Patrick, Planning Director, stated yes that is correct. Alderwoman Smith motioned to approve the conditional use permit request. Alderman Hawkins seconded the motion. Lacey Vance, Co-owner of "The Hounds Hideaway", was present to answer questions. Alderman Ledbetter asked if memberships are required. Ms. Vance stated only for the dog park, the facility itself will be pay per use. Alderman Hawkins asked what costs are involved with long term boarding. Ms. Vance stated it will be a little more than what it would cost you to board at the veterinarian's office but probably less than it would cost you to take your pet with you to pet friendly hotel. Ms. Vance stated the day care rates will be \$15.00 per day and overnight rates will start at approximately \$29.00 per night, which includes daycare. Ms. Vance stated cats will only be kept overnight, night in daycare. There was no further discussion. The motion passed 8-0.

- Hours of operation: Public hours are 6:00 am to 6:30 pm Monday - Friday; 8:00 am to 5:00 pm on weekends. Staff hours are 6:00 am to 10:00 pm 7 days per week.
- Noise abatement curtains shall be installed in exterior play area fencing per submitted conditional use permit application.
- No dogs shall remain outside the building after 10:00 pm.

**6. Ordinance to rezone property located at 915 E. Oak Street from C-3 to PUD.**

**O-14-110**

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. Alderman Hawkins motioned to adopt the ordinance. Alderwoman Smith seconded the motion. Ryan McNeill, speaking on behalf of Veritas Development - 915 East Oak Street LLC, was present to answer questions. Bryan Patrick, Planning & Development Director, explained there are many listed requirements for this PUD which is what the developer requested due to wanting a more dense PUD. Mr. Patrick stated there is no access from Oak Street and also no parking on Oak Street and feels there are many good things going on with this development. Mr. Patrick stated this will become the final development plan that will regulate the property in the future. Alderman Grimes asked about the vacant lot and if the back area is the dedicated green space. Mr. Patrick stated yes and no, if someone were to become interested in that lot, it would be developed; the entire area meets the 20% requirement and it currently has 23% and many details need to be worked out during the development review process. There was no further discussion. Mayor Townsell reminded everyone that when you rezone a set zone, the rules come with the zoning; on a PUD there is an opportunity for customization of the design. The entire listing of PUD requirements may be obtained from the City of Conway Planning & Development Dept. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**C. Public Services Committee (Sanitation, Parks, & Recreation, & Physical Plant.**

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**1. Consideration to approve annual bid for universal refuse roll carts & recycling carts for the Sanitation Department.**

Mayor Townsell stated the only bid received was from Toter Incorporated in the amount of \$7.83 per cart for 96 Gallon Universal Refuse and Recycling Roll Carts. Mayor Townsell stated we have used Toter containers for some time. Alderwoman Smith motioned to accept the bid from Toter Incorporated. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

**D. Public Safety Committee (Police, Fire, District Court, CEOC, Information Technology, City Attorney, & Animal Welfare)**

**1. Ordinance appropriating funds for the purchase of additional software for the alert system for the CFD.**

**O-14-111**

Mayor Townsell stated this is coming out of the last funding from our 2012 bond issue. Mike Winter, Fire Chief, explained this is for Red Alert which is our operating, reporting, tracking system; we wish to purchase a few additional modules i.e. mobile inspections for our Fire Marshalls. The request is to appropriate \$20,000.00 for this software. 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 and the emergency clause. Alderman Jones seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**2. Ordinance appropriating funds and waiving bids for the purchase of a heavy duty rescue from Pierce Manufacturing for the CFD.**

**O-14-112**

Mike Winter, Fire Chief, explained this will also be funded from the 2012 bond issue proceeds and stated this will be out about 1 year as it is a custom built rescue and would like to maintain the consistency to the department. Chief Winter stated a custom built unit allows for a 4 person crew, whereas only 2 people can occupy a factory model. The sole source vendor is Pierce Manufacturing in the amount of \$564,116.00. Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderwoman Smith motioned to adopt the ordinance and the emergency clause. Alderwoman Whitmore seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**3. Ordinance accepting donated funds cover pet expenses for the Animal Welfare Shelter.**

**O-14-113**

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A.J. Gary, Chief of Police, was present to answer questions. Alderman Hawkins motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Whitmore seconded the motion. The amount of donated funds reimbursed to the city is \$1,203.70. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**4. Ordinance accepting assets obtained through court order for the CPD.**

**O-14-114**

A.J. Gary, Chief of Police, explained these items were seized or found and have been forfeited to the City via court order (items listed below). Chief Gary stated we have been unable to find the original owners; items will be used if possible, if not it will be sold on an online auction. 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, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

- Tool Box with numerous tools
- Toshiba Laptop - Serial # 3D128502Q

**5. Ordinance appropriating asset forfeiture funds for an online reporting system for the CPD.**

**O-14-115**

A.J. Gary, Chief of Police, explained we are requesting to appropriate \$18,500.00 from our asset forfeiture account to purchase an online reporting system which will be used for instance reports which are informational reports that citizens need that we cannot help them in any way. Chief Gary stated citizens will be able to go online and fill out the report which will eliminate them coming to the Police Station or sending an officer out. Chief Gary stated we are still researching the various soft wares before finalizing our purchase and will update council at a later date. 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, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**6. Ordinance appropriating reimbursement funds from various entities to CPD.**

**O-14-116**

A.J. Gary, Chief of Police, was present to answer questions and explained the total amount

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of reimbursements is \$32,126.50 from various entities. 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, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

### E. Finance

#### 1. Consideration to approve the monthly financial report ending November 30, 2014.

Tyler Winningham, CFO, explained the general fund revenue starting with the Ad Valorem tax is up 14% over what we received last November; the bad news is he does not feel we are going to make the budget projected for this item and feels we will be approximately \$400,000.00 short; we have projected more conservatively for the 2015 budget on this line item. Mr. Winningham stated in regards to sales tax, this was likely our best month of the year, up by 8%, but still running flat. Mr. Winningham stated the sales tax numbers we received today are flat, down approximately \$2,000.00 on the one cent portion but feels we will make the budget number projected. Mr. Winningham stated the expenditures are in line and feels things will be tight but is hopeful that we do not have to tap into fund balance; the reserve fund is still at \$1 million; any money used for payroll is always moved back as soon as we get sales tax revenues and the 2014 contribution will also be made when we receive the sales tax revenues this month. Mr. Winningham stated our current out of pocket on all FAA projects, which is the main reason for our cash crunch, is up to \$2.9 million; it is not reflected here because we record all airport expenditures in another fund. Mr. Winningham stated if you take the \$4,223,262.00 shown in cash on the balance sheet and back out \$2.9 million, this leaves us with \$1,323,000.00 which at the end of the month is basically our sales tax revenue. Mr. Winningham stated the loan we took out to front us the money before the sale of old Cantrell Field has been a life saver for the city; as you can see we have drawn \$4 million in loan proceeds and we have had that same amount of expense and there is no way the general fund could have paid \$4 million dollars in expenses without that money. Mayor Townsell stated if you look at the balance sheet going back to 2010/2011 the cash operating amount was approximately \$1.2 million on a monthly basis, which showed the problems we having at that level. Mayor Townsell stated now this shows \$4.2 million, which makes cash flow more manageable, were it not for the airport loan. Mr. Winningham reiterated once all the airport grants are closed out we will not see that full \$2.9 million because, in each year's grant, is the cost of the additional thickness of the runway; this we will not be reimbursed. Mr. Winningham moved forward with the street fund explaining Ad Valorem tax revenues were up 10% over November 2014 and stated as discussed in the committee meeting the \$900,000.00 we will get from the state can be shown, but we will not use, so the bottom line of \$895,691.00 is pretty much it; at years end it could be approximately \$1.1 million. Mr. Winningham stated the sanitation fund shows year to date we are \$8,011,327.00 million on sanitation fees and if we have another month in December, like November, it would put us at \$8,750,000.00 million which is what was projected for December 2015 and stated the sanitation fund is showing a very healthy bottom line. Mr. Winningham state the airport fund stated the fuel sales and purchases were about even explaining we have a positive bottom line which is about as good as we can expect as we are in unknown territory. Josh Zylks, Airport Manager, spoke briefly on the timeframe of being moved into the new airport. Mr. Winningham stated the last page reflects the cash balances of the four major project funds



that is utilized for capital purchases etc. Alderwoman Smith motioned to approve the November 2014 financials. Alderwoman Whitmore seconded the motion.

**2. Ordinance approving the FY2015 Budget**

**O-14-117**

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. Tyler Wunningham, CFO, stated he emailed amendments to the general fund budget out on Friday as well as the fully revised street department budget. Mr. Wunningham explained he adjusted the LOPFI/Fire Department was revised as it was higher than it should have been which brought that cost down to \$24,000.00. Mr. Wunningham stated it was also determined that the IT Department needs to replace the back-up generator for the radio system and added it to the 2015 budget. Mr. Wunningham stated the current surplus being shown for the general fund is \$47,501.00; the other funds bottom line surpluses did not change. Mr. Wunningham stated the street fund revisions are line item "5461", which is used to project revenues for street department to start discussions on the various street projects for the year. Mayor Townsell asked Mr. Wunningham to explain what is included, and what is not included with this budget generally. Mr. Wunningham stated from the general fund we were able to restore both travel, conferences and education for all departments; these two combined were just shy of \$160,000.00, and we were also able to restore accountable equipment/small equipment which combined were \$183,000.00. Mr. Wunningham stated outside these mentioned items, it was a standard budget with very little change from 2014 with the exclusion of Police and Fire; the Police Department has their overtime budget at a level which can fund the restoration of the 4 hour overtime pay structure. Mr. Wunningham stated both the Police and Fire Departments include funding for step and certificate pay increases in a staggered manner; some will take effect January 1, 2015, and the 2015 step/certificate pay increases will become effective July 1, 2015. Alderwoman Mehl asked the total cost in the budget for 4 hours of overtime, and the step and the staggered step. Mr. Wunningham stated the 4 hours of overtime is a total cost of \$320,000.00 that is \$245,000.00 plus the related payroll taxes and the LOPFI cost on top of that. Mr. Wunningham stated it will cost \$105,000.00 to implement the Police Department step and certificate pay increases and \$290,000.00 to implement Fire Department step and certificate pay increases. Mayor Townsell added that is broken down by department, it is not broken down by full year verses partial year. Alderwoman Mehl stated it is for one step for a whole year and one step for one-half year for both departments. Mayor Townsell stated yes. Mr. Wunningham stated to both steps January 1, 2015 would cost another \$140,000.00. Alderman Hawkins asked for Mr. Wunningham to go over the numbers again. Mr. Wunningham stated the Police Department is \$105,000.00 and the Fire Department is \$290,000.00 which will implement the January 1, 2015 and the July 1, 2015 increases. Alderwoman Mehl stated so what is in the budget now is \$715,000.00, and to do all of it (2 steps for a full year) would be how much. Mr. Wunningham stated an additional \$141,000.00, for a total of \$856,000.00. Alderwoman Mehl stated that is just under what you have added in terms of revenue for the two franchises. Mr. Wunningham stated yes, that is correct. Mayor Townsell stated there is little difference from this budget verses pervious budgets; we already factored into the expenditures of this budget, the savings from the change in health insurance. Mr. Wunningham stated yes, that was approximately \$375,000.00. Mayor Townsell stated that is a savings based on 2014, which is considerably more than that based on the projected rates for 2015, but is a true savings based on what we paid in 2014. Alderwoman Mehl stated if we take the franchise fees to

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first cover 4 hours of overtime and the needed step increases, of which we are only doing a partial of the step increases. Mayor Townsell stated he disagrees with that to some extent, timing is not the full year, it is a partial year, but is a complete increase. Alderwoman Mehl stated that is right, but she is looking at \$880,000.00 in the budget for revenue for those franchise fees. Mayor Townsell stated yes. Alderwoman Mehl stated she is subtracting out the \$715,000.00, which leaves a significant remainder that could have gone to the remainder of the step increases. Mayor Townsell stated yes it could have. Alderwoman Mehl stated she is just trying to walk through this that way. Alderwoman Mehl asked where it went. Mayor Townsell stated you have heard, of course all revenues go in and all expenses come out, there was a savings of \$300,000.00, operational increases, restoration of education, training, and travel, as well as restoration of small capital equipment all of which was cut out in 2014, which is obviously where part of it went. Mr. Winningham stated we also have the capital budget in the IT Department which is approximately \$87,000.00, where last year we had zero budgeted for capital, so part of that went to capital and as for replacement of the weather sirens and the back-up generator that we just discussed. Alderman Jones stated we have restored travel and training, and put the steps on hold and asked, why we could not put the travel and training on hold, and implement the steps. Mayor Townsell stated you can do that, but he feels you have to do one or the other because to be honest with you, in his opinion, we do not need to raise revenue, taxes, or fees and still deficit spend in our approved budget; whatever we raise, we should make it a point of living with those bounds. Mayor Townsell stated we have \$47,000.00 to play with, or we are now in deficit spending situation if we agree to spend more than that; we would have to take something out to fit that \$140,000.00 back in; you could trade that off. Mayor Townsell reiterated we have put them on hold for 6 months; we are honoring them, we are going to give that raise which without that franchise fee money we would not be able to give at all. Mayor Townsell stated we have done that with cost of living raises in years past so we could afford it. Alderman Jones asked if we are giving the raise at mid-year. Mayor Townsell stated we are giving the 2015 step/certificate raises at mid-year; 2014 step/certificate raises will be effective January 1, 2015. Alderman Jones asked why we cannot give them in January and restore travel at mid-year. Mayor Townsell stated you put the step/certificate raise in you will cost the general fund another \$141,000.00, which means for the full year, you would have to take another \$141,000.00 out, to be whole; which would leave approximately \$20,000.00 which means you cannot put it in at mid-year, you can put \$20,000.00 in for all general fund city departments for the entire year, and that would be it. Alderwoman Smith asked when we raised the franchise fee, did we say it would be used for step raises, and restore 4 hours of overtime. Mayor Townsell stated we want to emphasize that, we feel like in the 2015 budget we are doing that with different timing, but we feel we are doing that; we also said we were not creating a separate line item, we are only going to put money in for certain category in that line item and expend it in a certain category, we are not saying this money can only be used for these raises. Alderwoman Smith stated she has said along she was under the impression we did the franchise fee and that was exactly what we were going to use it for; we did not talk about education or small capital. Mayor Townsell stated we talked about how that was needed the whole time, this is your budget, you can do what you want to with it, but he is encouraging you if you are going to add anything to the budget, you should take something else out on a one to one basis. Mr. Winningham stated the training and travel together are \$159,000.00, to do all raises January 1, 2015 would essentially wipe out travel and training. Alderman Hawkins asked what the \$87,000.00 figure is for the IT Department. Mr. Winningham stated it is capital, for replacement weather sirens, related software, and the back-up generator. Alderwoman Smith asked if they are definitely going to purchase those items. Mayor Townsell stated we definitely need to purchase all those

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items. Lloyd Hartzell, IT Director, explained if the radio system were to go down, it would be down until someone physically starts the generator. Alderman Ledbetter asked what the generator is going to cost. Mr. Hartzell stated total for generator with installation is \$40,000.00; when we build a new RF site, this generator can be taken to the new site. Mayor Townsell stated as you talk about possibly trading out, these step raises were an absolute gift to a certain degree for those categories, they were a huge raise and we eliminated one category of firefighter and moved them up without promoting or testing to another category of firefighter and we absorbed the cost ourselves, that is why the Fire component, of that annual portion of the raise is so much larger than the Police component. The Police component only is those very first few years of officers, the Fire includes the beginning firefighter plus the cost of migrating all the Lieutenants pay up, without a promotion, but a reassignment to Captain status, and the pay adjustment up to Captain which is included in this. Mayor Townsell stated he believes we are honoring that, we are doing what we are telling you we are doing, but those beneficiaries are a very narrow sliver of the city employees, that none of which are getting a cost of living raise in 2015 and none of which who received a cost of living raise in 2014. Alderwoman Smith stated and several did not get a raise 2 years ago. Mayor Townsell stated everybody who is going to get a raise, more than likely for step and certificate received a raise back in 2013; what you do have is you are compromising now for another year in a row if you get rid of travel, training, and education, compromising professional education for all departments, primarily Police and Fire broadly, not the very narrow categories that this applies to, the step/certificate raise, but broadly Police and Fire training and education and the travel associated with that. Alderwoman Smith asked how much is the Police and Fire training. Mr. Winningham stated Police travel is \$15,000.00, and conferences and education is \$35,000.00 for a total of \$50,000.00. Mr. Winningham stated Fire travel is approximately \$22,000.00, and conferences and education is approximately \$37,000.00. Mayor Townsell stated remember your other professional training is planners, city attorney, district court, aviation, finance, etc.; remember the tradeoff costs money as well and costs the ability of us to continue to serve the citizens in the best fashion. Mayor Townsell stated we submitted this to you recognizing that we would have loved to have paid that 2014 step/certificate raise in January 2014, but we did not have the money. Mayor Townsell stated we would love to give the 2015 step/certificate raise as of January 1<sup>st</sup> as well, but there are other things we think have priority; a second year without small capital equipment is a long time to go for those departments that have specific needs; same way with putting professional development off for 2 years by doing away with travel and training. Mayor Townsell stated we bring you this frequently on the recommendation of our department heads. Alderman Jones stated first of all he does not feel it is a gift, he feels these people earned it and hopes he is alive when we finally honor the agreement that we said we were going to do. Mayor Townsell stated pass this budget and in 6 months, we will honor it. Alderman Hawkins asked if anything else changed other than what we have discussed. Mr. Winningham stated no. Mayor Townsell stated there are always minor fluctuate, but the major items we have mentioned. Alderman Ledbetter stated it should be noted that it was said that when we were voting on raising the fees, that we would fulfill those step increases, and it was said that it should, and it would, but we might have to make some cuts somewhere else; that was the exact phrase. Alderman Pruitt stated he feels training is extremely important and is all for it 100%, however us giving extra training to the current workforce is not going to affect their paycheck, regardless if they have training or not, however 6 months of extra income for Police and Fire will affect their paycheck; we can look back and say it is just 6 months, but 6 months could make or break a family in one case. Mayor Townsell stated this is not Police and Fire, this is a narrow sliver of their employees; we are not looking at increasing their pay, we are looking at increasing their

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ability to deliver services to the citizens. Alderman Pruitt concurred stating training is important, but us taking care of our employees is important too. Alderwoman Smith concurred. Mayor Townsell stated we cannot touch any of them for a while. Mr. Winningham stated in response to Alderman Ledbetter's comments, our first look at the budget, after meeting with the departments, we were looking at a deficit of approximately \$725,000.00; once we increased the franchise revenues it bumped it up \$860,000.00, which left us with \$100,000.00 to work with, so to get to that \$715,000.00, the overtime was already in there so to get to the almost \$400,000.00, cuts were made to get to that point. Alderman Hawkins motioned to adopt the ordinance as presented. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Nay": Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion failed 0-7-1. Alderman Hawkins voted "here". Alderwoman Mehl suggested placing the \$141,000.00 for both step increases to begin January 1, 2015, which leaves \$24,000.00 plus \$40,000.00 as the surplus that is projected which is \$64,000.00; Alderwoman Mehl stated she is subtracting this from travel and education. Mr. Winningham stated so you want zero in travel and education. Alderwoman Mehl stated you can subtract the \$141,000.00 from it which leaves a little bit there, add to that the \$24,000.00 extra revenue. Mayor Townsell asked what extra \$24,000.00 in revenue. Alderwoman Mehl stated if you look at the \$320,000.00 plus the \$560,000.00 that is \$880,000.00 and subtract out what all that costs leaves you \$24,000.00. Mayor Townsell stated we should start the budget at zero. Alderman Grimes stated the \$24,000.00 has already been spent somewhere else. Mayor Townsell stated add \$141,000.00 to it then start deducting back down to zero. Alderwoman Mehl stated zero travel out. Mayor Townsell asked how much. Mr. Winningham stated \$159,000.00 which is two line items. Mayor Townsell stated you have \$112,000.00 to play with. Mr. Winningham stated there is \$66,000.00 in travel and \$93,000.00 from conference and education. Mayor Townsell stated \$159,000.00 plus \$47,000.00 which is \$206,000.00. Alderwoman Mehl stated she needs to start over. Mayor Townsell stated you have \$206,000.00 to the good. Alderwoman Mehl asked what happened to the \$159,000.00. Mayor Townsell stated you already had \$47,000.00 positive. Alderwoman Mehl suggested taking \$141,000.00 out of that, add the surplus back in or leave the surplus for training and travel and let the department heads divide it up between the equipment, travel, and education in such a way the most urgent things are addressed first. Alderman Grimes asked if \$65,000.00 is left for that. Alderwoman Mehl stated you still have equipment which she did not touch; those are the three categories of things you presented to us that you think are important that need to be added back in. Alderwoman Mehl asked how would you prioritize those items to give me a different pot of money. Mayor Townsell stated they are in right now. Alderwoman Mehl asked if the travel and education is the most urgent thing and has to happen. Mayor Townsell stated no, what we are saying is what you just gave us we are taking the travel out and putting \$141,000.00 back in which takes us down to \$65,000.00. Alderman Grimes stated so you want to take the \$65,000.00 plus the \$183,000.00 for small capital and have that total to decide between the small equipment and travel and education by what the needs are. Alderwoman Mehl stated yes, that is correct. Mayor Townsell stated you know will have to see that budget again. Alderman Grimes stated unless we pick some numbers. Mayor Townsell stated unless you want to defer it to Police and Fire and we can remove travel, training, and education out of the mix. Alderman Jones stated other departments could possibly need travel and training and feels we should open that up. Alderwoman Smith stated whatever is left over could be used for the others. Mayor Townsell stated your suggestion is going to throw in small capital and to reallocate all of that. Alderwoman Mehl stated yes that is a possibility and stated she is trying to give the department heads more flexibility. Alderwoman Smith asked what

includes small capital. Mayor Townsell stated it is computers etc. Mr. Winningham stated whatever small equipment our parks department would use i.e. hand tools, weed eaters etc. Alderwoman Smith stated there was nothing they actually needed. Mayor Townsell stated the do have definite items they would purchase, it is just not itemized. Alderman Grimes stated you would want to budget for unknowns that you would anticipate happening throughout the year. Mr. Winningham stated instead of \$342,000.00 going towards small equipment and travel, Alderwoman Mehl's proposal would be \$248,000.00. Mayor Townsell asked if that included the additional \$40,000.00 which is a net surplus. Mr. Winningham stated yes. Alderwoman Smith stated she was under the impression we already had some allocated for small equipment. Mr. Winningham stated yes. Mayor Townsell stated there was approximately \$180,000.00 allocated for small equipment in the original budget. Mayor Townsell stated right now, to approve this budget, we can bring it all back to you to sign off on some kind of spending plan, but to approve this budget that will have to be unallocated; you would have to cut it all out and leave it as a surplus of revenue over expenses. Mr. Winningham stated travel and training and small equipment would be at zero and then we would come back, if this ordinance was passed like that, we would have to come back with appropriation ordinances after the first of the year to get those line items sorted out. Alderwoman Mehl motioned to zero out travel, education, equipment budget amounts in the general fund. Mr. Winningham stated there are a total of 5 line items accountable equipment, small equipment tools, small computer equipment, travel, and conferences and education. Alderwoman Mehl motioned to zero out the 5 line items and add back in, for a total of \$141,000.00, the 2015 step increase to start January 1, 2015 and that administration will come back to council in early 2015 to reallocate the remaining surplus. Mr. Winningham stated yes, that is correct. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 7-0-1. Alderman Hawkins voted "here".

## **F. Old Business**

### **1. Ordinance to establish a wrecker franchise service for the City of Conway.**

#### **O-14-118**

Mayor Townsell stated Major Taylor, Chief of staff Jack Bell, and City Attorney Chuck Clawson, have 2 versions of the franchise ordinance. Mayor Townsell explained after the discussion about this ordinance from the last council meeting, there were changes made that had been requested. Mayor Townsell proposed for the council to consider a suggestion requested at the last council meeting in regards to having one rotation, or two with one being light, requiring less for the equipment, and the other being a medium to heavy rotation; leaving this suggestion to council. Major Taylor explained the service is the same as before expect for the method of the rotation, any wrecker service that meets the requirements could apply and then begin the rotation. Major Taylor explained the two rotations with an example, an owner with 2 small trucks could apply to the light rotation, and also the monthly rotation; an owner with 2 large trucks could apply for the heavy rotation, and an owner of 2 small trucks, a medium truck, and a large truck, would then bid for both rotations. Alderman Pruitt asked if the first rotation prevents companies who only acquire small trucks from using this rotation. Major Taylor replied yes, the all in one would, because the company would have to acquire 2 small trucks and a heavy. Alderman Pruitt stated the same option gives more companies the ability to bid. Major Taylor replied

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yes, but it is not so much bidding as it is participation. Alderwoman Smith asked will there be a light duty rotation and a heavy duty rotation each month, or are they the same company. Major Taylor replied yes. Major Taylor stated the ordinances provided in your packet and the email I sent today will help bring the franchise situation together. Major Taylor stated either option you choose it is going to allow these separate entities to apply every year, or reapply, and the Police Dept. can then take those applications, have the drawing, set the rotations, etc. and council would not have to be involved in any further. Major Taylor explained the rotation is not on an annual basis, do not think of it in terms of 12 months, it will be determined by the number of providers that are in the rotation. Major Taylor explained the application period is annual and will allow an opportunity for qualifying providers to be a part of the random drawing which will determine the initial list. Major Taylor stated the application period will be set 3 weeks after adoption, and each year after that it will be a period between October and November. Major Taylor stated the current providers can reapply if they are in compliance, and any new providers who qualify would be placed at the end of the current rotation. Major Taylor explained a provider must own or lease their own equipment. Alderman Jones asked if anyone will be allowed to come in at mid- year. Major Taylor stated they have to wait until November. Alderwoman Smith asked is this has been advertised to the smaller companies to allow them to be a part of this rotation. Major Taylor replied we are waiting on the council to approve the rotation first. Alderwoman Smith asked so once approved you will put it out there for others with light trucks etc. to apply. Major Taylor replied yes. Alderman Hawkins asked if there is clause with consequences that would hold them to this. Major Taylor stated yes you can be removed from the current rotation and any subsequent rotations. Alderman Hawkins asked who will determine the punishment. Mr. Clawson stated there will be a Police Dept. designee to make that decision; if the provider is displeased with the decision, they can request a review from Chief A.J. Gary and his decision will be final. Alderman Hawkins asked Chief Gary if most of these requests originate in your department. Chief Gary recommended one rotation, as it will be easier to manage, the dispatchers will not have 2 lists to keep up with. Chief Gary stated he was speaking with Major Taylor, who works with a lot of accidents as well, and if a large truck hits a small car, you will not have to concern yourself with 2 different towing companies being there. Alderman Ledbetter asked is there some kind of oversight mechanism for suits of overcharging. Major Taylor replied citizens can contact the Police Dept. or the state tow board with their complaints. Mr. Clawson stated inspections will be performed by the designee of the Police Dept. who will have access to all towing company documents such as tow receipts and other related documents, not only during the application process, but throughout the year to be in compliance. Mayor Townsell opened the floor up to public discussion. Alderman Grimes asked if we should set parameters to limit discussion. Mayor Townsell stated yes. Alderman Grimes motioned to limit public discussion to 5 minutes per person. Alderwoman Smith seconded the motion. Alderwoman Whitmore asked if discussion was limited to options 1 or 2. Mayor Townsell stated it is anything regarding the ordinances as well as rates, revisions, etc. The motion passed 8-0. Mike Ross, Pro Auto, recommended staying with the single list due to the fact that in the provision of splitting the 2 lists, the requirement for being on the light list is 2 - 1 ton light duty wreckers; we have an average of 125 accidents, or police tows that occur in a month's period and a light duty wrecker cannot tow an all-wheel drive vehicle. Mr. Ross stated to provide a tow for an all-wheel drive vehicle, or vehicle whose drive wheels have been damaged, you need a rollback truck; there is no provision in the light duty contract to have a rollback, there is in the combined one, you have to have a heavy duty rollback. Mr. Ross stated it has been this way for a number of years and has worked really well, particularly towing in Conway, it is impossible to perform this rotation with 2 wreckers; if you have 2

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light duty wreckers, you cannot perform this rotation, it will cause traffic to back up and delays in response time. Bill Helton, Helton's Wrecker Service, stated it would be best to stay with the 1 rotation. Alderwoman Whitmore motioned to go with 1 rotation. Alderman Pruitt asked if we can discuss this first. Alderwoman Smith seconded the motion. Mayor Townsell stated this is a preliminary motion to accepting which ordinance we will waive the readings on, it will not pass an ordinance. Alderman Grimes stated whichever way we go, we could always change our mind in a year or so if what we see is not working. Mayor Townsell stated he thinks that is fair, the way it is set up it will not have to come back before council. Alderman Grimes asked if we select 2 and see that is not working can we change it back or vice versa. Mayor Townsell stated it is not set up to come back, but something could initiate that action. Alderman Ledbetter asked if there is anybody here who has the small wreckers. There was no one present to speak. There was no other discussion. Mayor Townsell stated the motion is to go with 1 rotation. The motion passed 5-3. Alderwoman Whitmore motioned to waive the readings. Alderwoman Smith seconded the motion. The motion passed 8-0. There was no further discussion on the main motion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderwoman Mehl, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 5-3. Alderman Ledbetter, Alderman Grimes, and Alderman Pruitt voted in opposition. Alderwoman Smith motioned to adopt the emergency clause. Alderwoman Whitmore seconded the motion. The clerk called the roll for the emergency clause with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

**G. New Business**

**1. Consideration to recognize the service of the City Clerk/Treasurer in all of his capacity with the City of Conway.**

Mayor Townsell stated City Clerk Michael Garrett worked 2 years in the Conway Planning Dept. and in the City Clerk's office and as provided by state law, previous service does count towards the retirement. Mayor Townsell stated in this case 2 years will be paid from the non-uniform pension fund and the remainder would be paid from the general fund as this is what backs the pensions for City Clerk, Mayor, and City Attorney and requested council approve this request. Alderwoman Whitmore motioned to approve Mr. Garret's request. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0.

*Adjournment*

**PASSED this 23<sup>rd</sup> day of December 2014**

**APPROVED:**

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**Mayor Tab Townsell**

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**City Clerk Michael O. Garrett**