
MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Conway, Arkansas
Tuesday 6:30 pm
May 24, 2016

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, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Isby. Also, present and acting: Mayor Tab Townsell, City Clerk Michael Garrett, and Attorney Chuck Clawson.

Call to Order: Mayor Tab Townsell

Roll Call: Michael O. Garrett

Minutes: May 10, 2016 City Council Meeting

Alderwoman Smith motioned to approve the May 10, 2016 minutes as submitted. Alderwoman Mehl seconded the motion. There was no discussion. The motion passed 8-0.

Employee Service Awards

5 Years

Jessica Sutterfield - CEOC/Police

10 Years

Randall Green - Fire Dept.

15 Years

Casey Dunn - Police Dept.

Elgin Thomas - Street Dept.

Monthly financial report ending April 30, 2016

Tyler Winningham, CFO, stated the General Fund sales tax is up 6% over April 2015 and year to date we are up approximately 2.25%; revenues and expenditures are in check. Mayor Townsell stated our historical sales tax revenue, dating back to 1981, shows how long it takes to increase from \$1 million to the next \$1 million and stated the longest time we have ever spent in any one given range was when we were growing early on from \$2 million to \$3 million, which is a 50% increase which took us 4 years of collections to grow from \$2 million to \$3 million. Mayor Townsell stated we had 5 consecutive years where one-cent sales tax revenues were in the \$12 million range, which shows how consistently flat we were for 5 years. Mayor Townsell stated sales tax counts for 60% of our budget and if building permits and other revenues are down we have no flexibility year to year to hire or give raises etc.; this is driven by sales tax revenues being the lion's share of our general fund budget, which is where most of our personnel salaries are paid. Mr. Winningham moved onto the Street Fund explaining the largest revenue source here is state turn back which has 2 components; normal turn back and the temporary one-half cent highway sales tax and the one-half cent tax continues to be steady and it is projected to bring in \$1.1 million this year. Mr. Winningham stated the expenditures the capital outlay is a large number due to the large payment to the AHTD in February for the Dave Ward Drive project; we show a net expense but

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

we were able to absorb that by way of positive numbers for the last 3-4 years. Mr. Winningham moved onto the Sanitation Fund and stated it has looked good for a long time primarily due to little or no capital spending but this report is showing 1 extra month of revenue in the sanitation fees, which will adjusted out. Mr. Winningham stated we will still be sitting at approximately \$1.5 million net revenue for the year. Mr. Winningham moved onto the Airport Fund and explained we have more revenue on ground leases and miscellaneous than what was budgeted and there is a budget ordinance on the agenda tonight, fuel sales are shy of our budget number as are the fuel for resale, and we show a positive bottom line as the Airport Fund continues to grow as far as operating cash. Mr. Winningham stated the A&P project fund is at \$1,867,324.00, pay as you go sales tax is at \$2,067,591.00, Street Impact fees are at \$431,230.00, and Park Impact fees are at \$273,703.00. Alderwoman Smith motioned to approve the April 2016 financials. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 8-0.

1. Report of Standing Committees:

A. Public Hearing regarding a proposed water rate change for Conway Corporation

Mayor Townsell opened the public hearing. Brett Carroll, Conway Corp CFO, stated we started discussions with our board approximately 4-5 years ago as a financial situation in the water department began to deteriorate. Mr. Carroll stated page 4 (Conway Corp. Water Rate Study) shows global rate setting principals we use whether it is electric, water, or wastewater and stated rates should be cost based, equitable, and should meet the full revenue requirements of the utility; these are operations and maintenance, capital, debt service, and also reserve. Mr. Carroll stated these should be easy to understand and administer and should be established using general accepted rate setting techniques, and they have been, and they should be stable to provide active remedies to meet financial and regulatory requirements. Mr. Carroll stated on page 5 shows an overview of the rate setting process analysis and Mr. Carroll gave a brief synopsis of this. Mr. Carroll stated some of the factors driving this are shown on page 7. Mayor Townsell stated for the record this is slide 7, not page 7. Mr. Carroll concurred and stated the first bullet is increased capex related to infrastructure relocation and street projects (\$1.5 MM over the past 5 years) and stated this is somewhat new for us over the past 5-10 years that has changed; when he started at Conway Corp. 18 years ago our water budget was approximately \$300,000.00 per year, which was primarily to replace trucks or equipment but things have changed and we have had increases in our capital expenditures i.e. Prince Street cost \$144,000.00, Sixth Street and I-40 cost \$436,000.00, the airport water main cost \$633,000.00, and Donaghey Ave. cost \$232,000.00. Mr. Carroll stated we came to council for a water rate increase in 2008 and immediately after that the EPA mandated stage 1 & 2 Disinfection Byproduct rules, which really affected the change in the way we treat water which required significant capital expenditures costing \$2 million. Mr. Carroll stated in addition to that we had to start treating with Chlorine Dioxide which added approximately \$90,000.00 a year to our operating expense. Mr. Carroll stated the third bullet talks about financial planning and the water department has no cash reserves to take care of issues that arise and when we have a rating call with S&P or Moody's for bond issues they always want to know cash on hand and cash reserve policies and up to this point and time we have not been able to tell them we have any, and this affects the interest rate on bonds, which affects debt service, which effects the rates to our customers. Mr. Carroll stated bullet 4 shows the O&M expenses increased well above consumer price index over the past 5 years. Mr. Carroll stated line 1 on slide 9 shows our sources of revenues from our rate payers (ranging from \$8.3 - \$8.5 million) over the planning horizon that we use we looked at 5 years and you can see the revenue projections. Mr. Carroll stated if you look at the O&M expenses these range from \$5.6 - \$6.4 million and stated we need to rebuild a pump at the

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

lake which will cost \$135,000.00, build a water master plan which will cost \$100,000.00, paint the industrial tank which will cost \$300,000.00, and we will be taking down the tank at the old Fairgrounds which will cost \$50,000.00. Mr. Carroll stated on the capital side of things our capital expenditures are increasing by \$2 million per year; the budget is \$558,000.00 which we cut to the bone and we know if we have to move our infrastructure or something breaks, we will bust that budget. Mr. Carroll stated we need to replace filter media at our plant which will cost \$756,000.00, replace vat truck, which the water department will pay half, costing us \$180,000.00, make improvements at our treatment plant costing \$419,000.00, replace alum tank costing \$300,000.00; being in the water business is not cheap. Mr. Carroll stated we have equipment and trucks that need replaced as they are at the end of their useful life which will cost \$645,000.00 and stated at this rate the cash deficit that will occur over the years range from \$1.9 - \$2.7 million. Mr. Carroll stated our bond covenants require that we meet debt service coverage which is \$1.3 million and as you can see from 2017 - 2020 without any kind of rate increase we will not meet the debt service coverage and explained we do not like asking for rate increases, but it is a necessity at this point and time. Mr. Carroll stated slide 11 shows rate design objectives, in setting rates are revenue stability and sufficiency, continuity in rate philosophy, fairness and equity, cost-based, ability of our customers to pay, simplicity, and rates that are legally defensible. Mr. Carroll stated slide 12 shows key assumptions for the proposed rate design and they are: no proposed changes to the classes of service with a 15% increase in July 2016, 10% rate increase in 2017 and 10% rate increase in 2018, all components of the rate structure (customer and consumption charge) will receive equal percentage adjustments, establish minimum charge to include 1,000 gallons in all customer classes, reduce residential tiers from 3 to 2 (first 20K gallons, all over 20K gallons), reduce institutional tiers from 4 to 1, and suspend "indexing" until 2109. Mr. Carroll stated slide 14 shows what the present rates are and what the rates are that were approved by our board:

Residential Rate Design

Customer Charge - \$ per month	Present Rate	Approved Rates		
		Year 1	Year 2	Year 3
5/8" or 3/4" Meter	\$4.46	\$5.13	\$5.64	\$6.20
1" Meter	\$10.06	\$11.57	\$12.73	\$14.00
1 1/2" Meter	\$19.17	\$22.05	\$24.26	\$26.69
2" Meter	\$29.60	\$34.04	\$37.44	\$41.18
 Consumption Charge -\$ per 1,000 gal.				
First 20,000 gallons	\$2.57	\$2.96	\$3.26	\$3.59
All over 20,000 gallons	\$2.40	\$2.76	\$3.04	\$3.34
All over 50,000 gallons	\$2.07			

Mr. Carroll stated slide 15 shows a graph, with Conway being in the middle and cities to the left are often cities we are often compared to because we they have similar growth characteristics and the cities to the right are cities in very close to Conway's proximity. Mr. Carroll stated currently for 7,000 gallons (typical customer usage) you pay \$22.45 and in July 2016 it will increase to \$25.85, in January 2017 it will increase to \$28.46, and in January 2018 it will increase to \$31.33 which is an \$8.88 increase per month over 2.5 years. Mr. Carroll stated you can see how we compare to the other cities: Bentonville \$31.52, Fayetteville \$26.61, Rogers \$23.34, Benton \$27.93, Springdale \$22.05, Bryant \$39.08, and Cabot \$37.90. Mr. Carroll stated slide 17

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

shows the Commercial and Industrial Rate Design and the present rate and the percentage of increases in the perspective years. Mr. Carroll stated slide 19 shows the Institutional Design; we simplified this from a billing perspective and stated most of the water usage here is over 100,000 gallons per month. Mr. Carroll explained slide 21 shows the Multi-Family Rate Design with no real change in the rate design, just percentage increases in 2016, 2017, and 2018. Mr. Carroll explained slide 23 shows Fire Protection Systems and water taken from hydrants in the city have no rate design change but percentage increases. Mr. Carroll stated slide 24 concludes that rates are designed to meet the financial, operating and capital needs of the Corporation, rates are needed to fund increased O&M, capex and minimum reserve requirements, rates are needed to provide required debt service coverage to meet bond covenants, rates have attempted to minimize the impacts to customers, and rates compare favorably to communities in close proximity and with similar growth patterns.

Larry Rathjen, 70 Kensington, stated the price of water is like the price of gas you just pay it and move on, but the issue here is the taste and smell we get from the lake certain times of the year and asked if we have reached out to our universities to see if they can help us get rid of these issues. Chad Wilson, 6 W Rockwood, stated he keeps hearing there has been no rate increase since 2008 but there was a wastewater rate increase in 2012 that just recently finished and asked when they increased the wastewater rate at the conclusion of the upgrade of the facilities, if this would fall off. Mr. Wilson stated he was told most likely and suggested transferring the wastewater increase into the water increase now, as this makes more sense and whether it is water or wastewater the price of water has increased for 9 straight years and feels like we could budget our money better. Mayor Townsell closed he public hearing. Alderman Grimes asked if Mr. Carroll could address Mr. Wilson's question and asked if the wastewater rates are set to expire or decrease at some point. Mr. Carroll stated no, when we look at rates we do a cost of service study by department so the rates that we develop for wastewater were specifically designed to deal with costs, expenses, and debt for the wastewater department; these are two completely unrelated matters. Mr. Carroll stated we will operate all 4 departments like 4 separate companies, we have 4 different audits and separate debt service calculations on the departments that have debt. Alderman Grimes stated the rates are not going down at some point. Mr. Carroll stated no, the wastewater rates are not going down. Mr. Wilson stated he was told at the meeting in March 2012 that at the conclusion of the upgrade it would no longer be a necessary increase. Mr. Carroll stated he does not remember that. Mr. Wilson stated he specifically asked that question. Bill Bethea, Conway Corp., stated it would be after the completion of the bond issue, which is 20 years out.

a. Ordinance fixing the rates to be charged for the services of the municipal waterworks system.

O-16-46

Alderman Hawkins motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderman Hawkins motioned to adopt the ordinance. Alderwoman Smith seconded the motion. Alderman Grimes encouraged Conway Corp. to utilize our resources we have from different institutional professionals to help them if needed. Alderman Hawkins asked if anything had transpired regarding the moving of the water line, in the Central Landing area, to the north side of Sixth Street. Mayor Townsell stated not yet, but we are still discussing it and reviewing options now. There was no further discussion. The clerk called the roll

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Isby. The motion passed 8-0.

B. Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, & Conway Housing Authority)

- 1. Ordinance authorizing the City to enter into an agreement with FTN & Associates for the professional service proposal for engineering design & bid of Conway Scrap Metals Brownfield Cleanup.**

O-16-54

Scott Grummer, Planning Dept., stated this is the continuation of the cleanup of the Conway Scrap Metal site on Markham Street; we completed the cleanup plan and have been working with FTN on a project by project basis until we get to the point to where we can get a good estimate of what the total cleanup cost will be. Mr. Grummer stated the cleanup plan has been approved by ADEQ and the EPA and we are ready for the cleanup. The cost for professional engineering and design is \$18,500.00 which will be paid by the EPA Brownfield Grant. Alderwoman Smith motioned to waive the readings of the ordinance. Alderman Hawkins seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0. Alderman Jones exited the meeting prior to the vote.

- 2. Ordinance authorizing a change in staffing levels for the Permits & Code Enforcement Department.**

O-16-55

Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Isby motioned to adopt the ordinance and the emergency clause. Alderman 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 Alderwoman Isby. The motion passed 7-0.

- 3. Consideration to approve a change order (#1) for the 2014 AIP grant to submit closeout paperwork to the FAA for the Conway Municipal Airport.**

Josh Zylks, Airport Manager, explained all the work is complete on the 2014 grant and it will soon be closed out and we have to do a final reconciliation of claim quantities verses what was actually in place. Mr. Zylks stated when you look at what was put in the ground, which is a difference of \$12,933.44 which can be reimbursed 90% under the FAA grant; the cities 10% share will be picked up by the state match grant, which we will apply for receive once the grant is closed. Alderwoman Smith motioned to approve the change order. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 7-0.

4. Ordinance amending the 2016 fiscal year revenue budget for the Airport Enterprise Fund.

O-16-56

Josh Zylks, Airport Manager, stated when you look at the revenue side of the Airport budget you will see the ground lease and miscellaneous revenue line items are tracking well above the projected amount for the year and explained this will adjust those numbers accordingly. Mr. Zylks stated we do not have any corresponding expenses to adjust we are not asking for more money, we are just recognizing the revenue that is coming in. Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0.

5. Consideration to accept the interest rate quote and financial institution for the purchase of park land located off South German Lane.

Alderman Hawkins stated Centennial Bank had the lowest rate at 2.52% and motioned to accept the quote from Centennial Bank. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0.

6. Ordinance authorizing the issuance of a promissory note for short term financing for the purchase of land along South German Lane.

O-16-57

Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance and the emergency clause. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0.

7. Resolution entering into a lease-purchase agreement with TCF Equipment Finance for a vibratory compactor for the Street & Engineering Department.

Finley Vinson, City Engineer, recommended tabling this item as there are several issues with the contract that our city attorney and CFO are working on, with the lender. Alderwoman Smith motioned to hold this item in committee. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 7-0.

8. Consideration to approve the bid for the purchase of a bucket truck for the Street & Engineering Department.

Finley Vinson, City Engineer, recommended Stamm Manufacturing in the amount of \$119,900.00, which was the only bid received and stated they are adding several

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

specialization they are adding at no additional cost. Alderwoman Smith motioned to approve the bid. Alderman Hawkins seconded the motion. There was no discussion. The motion passed 7-0.

9. Consideration to approve the purchase of a service bed truck with crane body for the Street & Engineering Department.

Finley Vinson, City Engineer, explained this is a service bed that goes on the back of a truck and explained no bids were received for this piece of equipment and after soliciting quotes and recommends purchasing the service bed with crane body from Ram Truck Equipment in the amount of \$26,350.00, which is the price with options. Alderwoman Smith motioned to approve the purchase of the service bed truck. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 7-0.

10. Ordinance authorizing the reclassification and levels of certificate pay for positions located within the Street & Engineering Department.

O-16-58

Finley Vinson, City Engineer, stated this ordinance formalizes everything discussed at the last council meeting and Mayor Townsell stated we voted in principal to do this. Alderman Hawkins motioned to waive the readings of the ordinance. Alderwoman Isby seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance and the emergency clause. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0.

11. Ordinance authorizing retroactive certificate pay for the traffic signal technician position at the Street & Engineering Department.

O-16-59

Finley Vinson, City Engineer, stated this is in relation to the ordinance council just passed. Alderwoman Isby motioned to waive the readings of the ordinance and the emergency clause. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0.

12. Consideration of a conditional use permit request to allow an adult day care facility located at 2850 Prince Street Suites 18 & 19 in a C-3 zoning district.

Alderman Hawkins motioned to approve the conditional use permit request with 1 condition which is limited to the applicants only. Alderwoman Smith seconded the motion. Alderman Hawkins motioned to approve this conditional use request. Alderwoman Isby seconded the motion. Alderman Pruitt asked why the one planning commissioner voted in opposition. Bryan Patrick, Planning & Development Director, stated he felt that the

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

shopping center was not a good fit for individuals staying overnight. Mr. Patrick stated that C-3 would allow a hotel. Mayor Townsell stated since they will have individuals staying overnight they would have to have all the life safety standards required of the building code and fire code. Mr. Patrick stated yes, they will have to adhere to all the building codes as well as state licensure that is required. There was no further discussion. The motion passed 7-0.

13. Ordinance to rezone property located at 1718 College Avenue from R-2A to R-2.

O-16-60

Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby seconded the motion. Mayor Townsell asked why this request has in a sense moved backward in regards to the required lot size for duplexes. Bryan Patrick, Planning & Development Director, stated the vast majority of the Old Conway is zoned R-2A which was done to limit the number of duplexes; at the time they were popping up quickly and so the mechanism devised was to create the R-2A zone, as opposed to R-2 that requires at least 100 ft. wide lot and 100 ft. of street frontage in order to construct a duplex, that in itself takes a lot of the possibility of duplexes in the Old Conway area away because a lot of the lots are only 40-60 ft. wide. Mr. Patrick explained in this case the lot is approximately 13,000 sq. ft. and 10,000 sq. ft. is needed for an R-2A zone and in order to have a duplex you need 2 things, 10,000 sq. ft. plus 100 ft. lot frontage; this lot exceeds the area size and is shy 7 ft. of the 100 ft., and this is why the Planning Commission felt it appropriate to zone it R-2 and stated only 1 duplex will be constructed. Mayor Townsell stated since the 1990's we have also put in the Old Conway Design Standards which creates a better product than we could rely on generally being built in those days. Alderman Grimes stated he will vote in opposition because it is putting a duplex in an area where we determined years ago we did not want them, and it is on College Ave., not a side street. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, and Alderwoman Isby. The motion passed 6-1. Alderman Grimes voted in opposition.

14. Ordinance to rezone property located at 1301 Sturgis Road from A-1 to I-3.

O-16-61

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Isby seconded the motion. The motion passed 7-0. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0.

15. Consideration of a conditional use permit request to allow an automotive paint & vehicle repair shop at 1301 Sturgis Road.

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Alderwoman Isby motioned to approve this conditional use request. Alderwoman Smith seconded the motion. There are no conditions attached to this request. There was no discussion. The motion passed 7-0.

16. Consideration to approve a temporary commercial enterprise for the temporary "inflatable" water park at the northwest corner of Dave Ward Drive & Country Club Road (just south of New Life Church).

Bryan Patrick, Planning & Development Director, stated Will Atkins, the applicant, approached the city to look at doing a temporary water park with inflatable rides and stated his initial concern was parking and he was going to approach New Life Church about parking in their parking lot, but he does not believe that has worked out. Mr. Patrick stated in our ordinance it is an allowable zone which is O-1 and it does allow commercial/recreational/amusement activities; when you go further into our ordinance it discusses carnival/circuses and other things of a temporary nature and it also specifies that council must approve these types of things and would allow us to move forward with this as the ordinance states a special permit is required by council and the ordinance does not give any further guidance about parameters of this permit but he assumes that it would be along the lines of conditional use permit. Mr. Patrick stated the memo he sent regarding this sets forth some recommendations on some conditions you might want to consider. Mayor Townsell stated we have an obligation to the public health and safety that this request does raise a number of issues. Will Atkins, Arkansas Inflatable Waterpark, LLC, stated the lot he is looking at is in front of New Life Church on the corner of Dave Ward Drive and Country Club Road and is owned by Frank Paladino and is an 8 acre lot. Mr. Atkins stated he purchased 4 inflatables and if you were to rent those for your family the cost would be \$3,500.00 - \$4,000.00 per day; one slide ordered is called the Triple Lindy Slide and it is the biggest slide in Arkansas that he can find and it is 26 ft. tall, 72 ft. long and 3 people can slide down at one time; this slide rents for \$1,500.00 for 4 hours. Mr. Atkins stated the thought with an inflatable water park is instead of an organization having to pay that much money just come to the property and pay approximately a \$20.00 wrist band fee and they can play all day and the wrist band is good for the day; they can leave and return. Mr. Atkins stated on the 3rd page of the handout provided to council there is a drawing of where he would like to place the slides and he will have 2 portable toilets and handwashing stations. Mr. Atkins stated he did not have enough time to meet the guidelines for the Health Department to sell prepared foods, but he wants to do that next year, but he will have Cokes and pre-packaged chips etc. Mr. Atkins stated he has had 2 people contact him about birthday parties and other events at the park. Mr. Atkins with there are strict guidelines and they before you can open you must be inspected by the State of Arkansas. Mr. Atkins stated his proposed hours of operation are Monday - Saturday from 11:00 am - 7:00 pm and Sunday from 1:00 pm - 7:00 pm and stated he has hired several young people from his church. Mr. Atkins stated he has obtained the necessary insurance and it is listed on the last page and explained you must also pass a course to do anything with inflatables. Mr. Atkins stated he feels he will need approximately 50 parking spaces which was a concern because Conway requires businesses to have paved parking but stated you want the inflatables on grass and if by putting down any type of gravel there is a potential for putting a hole in one of the inflatables. Alderman Pruitt asked if only the parking area could be gravel, not the entire area. Mayor Townsell stated no, there is no requirement anywhere except for parking and that is if council requires this. Alderman Pruitt asked if there is enough space for 50 parking spaces. Mr. Atkins stated yes, there are 8 acres total and the

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

inflatables will take up approximately one-half of that area and the rest will be for parking. Mr. Atkins stated there are parts of the property that he will not be using, but if needed he could have it cleaned up and used for parking. Alderwoman Mehl asked if it will be leveled off for parking. Mr. Atkins stated there is a storm shelter out there which is the brown area you are seeing and in that area can hold 22 cars, and the area behind it can hold approximately 30 cars. Alderwoman Mehl asked how many people you anticipate being there at any one time. Mr. Atkins stated he estimates 3-4 people per car, approximately 100-200 people per day; by his understanding it has trended well on Facebook, but he does not have access to those numbers. Alderman Pruitt asked if anyone else is doing this anywhere else. Mr. Atkins stated this will be the first but he has heard of them doing it in larger cities like Dallas or Los Angeles. Alderwoman Mehl asked if 2 portable toilets enough. Mr. Atkins stated he can increase those if needed. Mr. Atkins stated he is encouraging a picnic area and for customers to bring lawn chairs/umbrellas and there is also a tree area, that of course is shaded. Alderwoman Smith stated they rent them for the Middle School for the end of the year party and the 5th - 7th graders love them. Alderman Grimes stated he is concerned that you will not have enough parking. Mr. Atkins stated he spoke with the Church of Christ across the road about renting their parking lot for additional spaces, and they would entertain that. Mayor Townsell stated we would discourage that due to having to cross Dave Ward Drive. Alderman Pruitt asked about the water supply. Mr. Atkins stated there is a fire hydrant on the corner and he can get a portable device from Conway Corp and tie into that. Alderman Pruitt asked if the water used for the slides re-usable. Mr. Atkins stated no, he wished it was. Alderman Pruitt asked if he had factored in the cost of water. Alderwoman Mehl also inquired about the drain off of water, as it can get muddy. Mr. Atkins stated the land is sloped as to where the slides are that it will actually slope off and there is a ditch in front of the property. Alderwoman Smith asked if shoes must be worn. Mr. Atkins stated if they want, they can wear water shoes and stated there will be tarps placed on the ground. Alderman Pruitt asked Mr. Patrick if they considered the water run-off. Mr. Patrick stated we have not looked at the topography as far as where the water will go. Alderwoman Mehl stated when other businesses operate we require them to make sure the drainage is taken care of. Mayor Townsell stated the nature of a temporary business would allow us some flexibility on that, but the length of that may be short lived if the layout is not good. Alderman Ledbetter asked if we could review it in 30 days. Mayor Townsell stated yes we could but once approved he's in, in terms of investment and advertising. Mr. Atkins stated he has already purchased the inflatables and for some advertising. Mayor Townsell stated that is not our consideration, our concern is you will be very busy and we must consider all of our issues that could arise. Alderman Grimes stated it will be self-correcting in that if it is muddy with nowhere to park and not enough portable toilets, you will not have any business, but if you do it right it will be successful. Alderwoman Mehl asked about fencing to keep people from just walking in. Mr. Atkins stated a wristband is required before they could ride and stated at night the blowers will be turned off and locked up. Alderman Pruitt asked if we could lease the newly acquired city property for public business temporarily. Mayor Townsell stated we could, but we have not purchased it yet. Neil Greathouse, New Life Church, stated he feels this is a great idea but feels the location is not ideal explaining we have already had a lot of traffic come through to see what the signs are pointing towards. Mr. Greathouse stated we have daycare Monday - Friday, church services on Saturday and Sunday nights and on Sunday we have an average of 1,200 cars that come in and out, and with a start time of 1:00 pm our services are not over, and with that amount of traffic pouring onto Country Club Road, which is the only entrance to this property, even adding

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

25 vehicles over the course of a day, it will stop everything. Mr. Greathouse stated there has definitely been interest and we have had people come to the church asking about the waterpark and reiterated it is a great idea, but he is not sure it is the safest place with the terrain and the storm shelter etc. Alderman Hawkins asked if this could go in at the Expo Center. Mr. Atkins stated he was told he could do that if he paid \$1,000.00 per day. Steve Ibbotson, Parks Director, suggested the Spirit Homes property. Mr. Atkins stated he has contacted Spirit Homes and the bus plant and they both said no; he would like a better location but at this point he does not have it in Conway. Alderwoman Smith asked about the property by Jump Zone. Mr. Atkins stated even though it is owned by Mr. Hart, he would have to get Walmart's approval to put anything there and he contacted them on 2 occasions, but when he called them back, they had no idea what they were supposed to even be checking on. Alderman Grimes stated if word got out that you were looking for 8 acres to rent, you would be contacted and asked if there would be any fencing between the Triple Lindy slide and Dave Ward Drive to keep children from wandering. Mr. Atkins stated there is a barbed wire fence. Alderman Ledbetter asked where the fire hydrant is located. Mr. Atkins stated it is on the land he is leasing. Mayor Townsell asked Mr. Greathouse if there are no parking opportunities at his church. Mr. Greathouse stated on Mr. Atkins opening week we have a conference that will last 3 days and we expect approximately 1,000 people to be in attendance, and he feels it would be confusing for people who are coming for the waterpark and vice versa. Alderman Grimes stated he feels a better place can be found, and he likes what Mr. Atkins is doing but this corner has lots of problems. Mayor Townsell stated we do not have another council meeting before May 30th which is the opening date and you cannot start without council's approval and we understand what is at stake here. Alderwoman Smith asked about the land next to Back Acres Ranch. Mr. Atkins stated he thinks he may have looked at it and does not think there is a fire hydrant, but he will check into it. Alderwoman Isby stated it is a great idea but the location is not ideal. Alderman Grimes asked if we could dictate to the Mayor's office to move on if the conditions are met. Mayor Townsell stated we could do that if there is a satisfactory location, with council's direction. Council stated they were in agreement and Alderman Grimes would like a 30 day review so if something is not working, we have an out. Mayor Townsell stated there is a degree of allowance we are going to have to give to allow this as a temporary placement, it will not ever be perfect. Mr. Atkins asked if he council would consider the area behind Second Baptist Church. Mayor Townsell stated yes we will look at anything and explained we would need to check with the area neighborhoods. Alderman Grimes motioned to give the Mayor's office the authority to work with Mr. Atkins to find a suitable location and council will review at the second meeting in June. Alderwoman Smith seconded the motion. Mayor Townsell stated this includes following a list of guidelines provided. Council concurred. Mr. Patrick suggested the Hart land in front of the Expo Center as it is zoned C-3. There was no further discussion. The motion passed 7-0.

17. Discussion regarding the review of Phoenix Recovery Center conditional use permit.

Mayor Townsell explained this is an update not an item of action and stated there was concern about where this stood in our processes and we want to provide an update so you know we are working on this, and aspects you need to know. Mayor Townsell stated there are two components to this, one being transitional housing which has all approvals necessary by the city; we are doing is trying to come to agreement on compliance, and the other is a treatment facility that just received a certificate of occupancy last week and explained this really has not operated long enough to review, which was required in the

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

original conditional use approval. Mayor Townsell stated Chuck Clawson, City Attorney, will discuss the elements we are dealing with in the transitional housing and asked council to defer a review on the treatment side so they can operate for a while, so we have something to review. Mr. Clawson stated in September 2013 Phoenix Recovery came to the city requesting modifications to our zoning ordinance to allow transitional housing and Department of Community Corrections (DCC) regulates these facilities for 60 days, and they are looking to extend that to possibly 90 or 120 days. Mr. Clawson stated council allowed Mr. Bell to continue to operate that facility by amending the zoning and right now it is specific to those particular parcels of land that he purchased and he believes since that time, and based on comments of the council he purchased additional properties and has enclosed that area. Mr. Clawson stated with that in mind there was some specific conditions that council mandated one being they could not take in any applicants/residents that had violent or sexual offenses, robbery or firearms convictions in their history. Mr. Clawson stated the thought process as he recalls it was that basically you were looking at the health, welfare, and safety of not only the surrounding neighborhoods, but also the residents at Phoenix Recovery. Mr. Clawson stated obviously if we are going to create a situation in which you have individuals transitioning out of the Arkansas Department of Corrections (ADC) condensed into one particular area, let's not have those people that have shown a potential to hurt others be allowed in this area as well which is why the conditions were placed in the ordinance and Mr. Bell agreed he could abide those conditions. Mr. Clawson stated it has been 3 years since this was initially approved and it has been brought to council's attention that there have been possible violations regarding individuals having violent criminal histories, that we specifically requested not to be allowed in. Mr. Clawson stated he feels council has done a good job at recognizing a need for these particular types of facilities and they are necessary; it helps the ADC not only in providing transitional services, employment opportunities, and transportation that ex-inmates may not normally have those resources available to them. Mr. Clawson stated we have met with Phoenix Recovery officials and the question has been brought up about our zoning ordinance and the conditions specifically on violent offenders, violating some federal or state laws and other guidelines; particularly the American Disabilities Act (ADA), Fair Housing Act, and by way of interpretation Housing and Urban Development (HUD). Mr. Clawson stated he has looked into these issues and he is not convinced that they apply in this instance; for the most part the ADA recognizes a protected class of persons as those with addiction issues. Mr. Clawson stated there is no doubt that could impede significant life functions as it falls under the definition of a disability, as individuals getting out of prison may have had these issues and they come to Phoenix Recovery and have access to those services allowed by our conditional use. Mr. Clawson stated we are not saying that these restrictions will not allow individuals with substance abuse issues to be there, in fact we have said we want these individuals as we created a zoning ordinance and a conditional use that allowed them; we are not saying not saying we do not want individuals with addiction issues, we just do not want violent offenders. Mr. Clawson stated violent individuals are not a protected class under any law that he is aware of and stated the other issue with Fair Housing Act would be that there disparate impact on a particular class of persons, but again he does not necessarily see that. Mr. Clawson stated they have agreed that they cannot have sexual offenders nor do they want them there and he does not see much of a difference with those issues and stated there are several courses of action we can take and stated we have a difference of opinion on how these specific federal statutes apply or if they apply, it is just a question as to if there is a violation and stated we have a meeting with Mr. Bell's legal counsel. Mayor Townsell stated while we believe this and feel we are okay we do have a responsibility to

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

give due diligence to these claims and check them out. Mr. Clawson stated we must be aware of is not only our policies, practices, and restrictions whether they have a discriminatory affect; they could be facially neutral but have the effect when put into practice being discriminatory, so this is one of the things we must look at. Mr. Clawson stated there are provisions in case law that discuss disparate impact and whether or not even neutral policies do have an effect of discriminating against certain protected class; one thing the facility brought to our attention is the different directives that HUD has brought out, which talks about criminal histories and whether or not you can take those into consideration, when determining whether to allow individuals to rent or lease a particular place. Mr. Clawson stated from what he can tell from the literature he has been provided is you cannot automatically exclude/ban anyone with a criminal history and again if you look at our policies and the ordinance as it is written, its applicability to this location it simply does not stand, we actually created a place where we are saying yes, you have a criminal history but Mr. Bell can operate his facility and help transition those individuals back into society. Mr. Clawson stated he feels we are clearly not discriminating against people with criminal histories and on the other side of that, we are not discriminating against people who have addiction issues because we have created a place for them to get treatment. Alderman Grimes stated he know you have spent a lot of time on this and it sounds like more time will be spent but it sounds like you are on top of it and proceeding as need be a this point. Mayor Townsell stated we will have to come back and set a time to come back and review the conditional use request for the treatment side of the facility, but obviously they need time to operate to see how they are doing.

Alderman Hawkins seconded the motion. There was no discussion. The motion passed 7-0.

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

1. Resolution expressing the willingness of the City of Conway to utilize federal aid funds for the relocation of the Springfield/Des Arc Bridge.

R-16-16

Jack Bell, Chief of Staff, stated we have a chance, in cooperation with Faulkner County, to save what we believe is the oldest bowstring bridge in the United States, and at the same time create an iconic feature for Beaverfork Lake. Mr. Bell stated this is the Springfield-Des Arc Bridge which sits over Cadron Creek, just up the road from Beaverfork Lake. Mr. Bell stated we have received a grant to work on this bridge; this was brought to our attention through a historic group, specifically Kim Barnes, UCA; Mr. Barnes applied for a grant (80%/20%) in cooperation with Faulkner County and received \$300,000.00 to move this bridge. Mr. Bell stated we have talked with a non-profit group, out of Iowa called "Working Bridges", and they feel like they can rehabilitate this bridge. Mr. Bell stated we have also talked with the Iron Workers Union and Best Crane & Rigging of Conway, who will volunteer their services and equipment. Mr. Bell stated they believe they can pick the bridge up in one piece, and place it on a house moving truck and stated this resolution advises Metroplan, who gave us the grant, that we will accept the grant proceeds and pay the matching funds of \$60,000.00 and stated the county has agreed to do some work as well. Mayor Townsell stated technically the bridge is property of Faulkner and Conway counties; there is an agreement to be signed to relocate and gift it from Conway County to Faulkner County, and then an inter-local agreement for replacement of this asset of Faulkner County

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

at a city park. Mr. Bell stated both counties are very willing to do this, the concern is that the bridge may not stand much longer; it was built in 1874 and it has been on the National Register for Historic Places since 1988. Mayor Townsell stated in 1874 it was just then connecting Conway County and Faulkner County and stated Faulkner County had just been created a few years prior to this, and it was still a year before the City of Conway was incorporated in 1875. Alderwoman Smith motioned to adopt the resolution. Alderwoman Mehl seconded the motion. Mr. Bell explained we want to place the bridge at the west end of Beaverfork Lake, at the cove north of the swimming area; one of the requirements to stay on the National Register for Historic Places is for it to be placed over a body of water and explained we will have to rebuild the embankments. Mayor Townsell stated what Mr. Bell described to you is, as you drive on Highway 25 around the west end of the lake curving around the levy to where you head north to Wooster and there where the water comes practically up to the highway. Mayor Townsell explained there is not a good way to get from the swimming area west of the park, across that body of water to the fishing pier on the north side; this bridge would provide a way to do that. Mr. Bell explained Metroplan is excited about this because of the pedestrian/bicycle use as Highway 25 is part of the regional bicycle plan, and this will add to that. Mayor Townsell stated this will be A&P Funds. There was no further discussion. The motion passed 7-0.

2. Consideration to approve the general contractor for the completion of the Conway Event Center.

Steve Ibbotson, Parks Director, stated the selection committee interviewed 3 firms and explained after reviewing the proposals the committee recommends Salter Construction be awarded the contract for the completion of the Event Center and asked council to approve this. Alderwoman Smith motioned to approve Salter Construction for construction manager. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 7-0.

3. Consideration to accept bids for the renovation of the Fields at the Don Owens Softball Complex.

Steve Ibbotson, Parks Director, stated at our workshop he provided council a cost of \$656,000.00 for the 3 fields; we looked at doing some cooperative purchasing on this project and were able to get the cost of the material down on the infield, which would allow us to bring in new fencing and backstops on those fields, that needs replaced as explained it will be easier to do this before the turf goes in and will cost us approximately \$56,000.00 more, than what he projected last May. Mr. Ibbotson recommended Field Turf for field renovations in the amount of \$500,678.00 and Bill's Fence for fence replacement in the amount of \$212,847.00, for a total of \$713,525.00. Alderwoman Smith motioned to approve these bids. Alderman Hawkins seconded the motion. There was no discussion. The motion passed 7-0.

4. Ordinance appropriating funds for the renovation and installation of artificial turf & replacement of the fencing at the Don Owens Softball Complex.

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby 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 Alderwoman Isby. The motion passed 7-0.

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

1. Ordinance appropriating funds for a support contract for the Information Technology Department.

O-16-63

Mayor Townsell stated we need to secure institutional knowledge while we have this available to us. Lloyd Hartzell, IT Director, stated this is a support contract with Jeff West who recently left the city and the time allotted before his departure was not enough for us to get all the information together over 9 years; this contract will allow us to call on him to answer questions which he has been doing since he left regarding the network and any issues we may have and when a replacement is hired, they can work with Mr. West. Mayor Townsell stated this helps us run as seamlessly as we can in the interim and it will obviously take some time to replace Mr. West, who is an outstanding Information Technology employee for us and it was inevitable that we would lose his at some point. Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Isby motioned to adopt the ordinance. Alderwoman Smith seconded the motion. Alderman Grimes asked if a replacement has been hired. Mr. Hartzell stated no. Alderman Hawkins asked what timeframe the \$8,000.00 will cover. Mr. Hartzell stated it is \$6,000.00 for 6 months and the other \$2,000.00 is if we actually call him and have him come in and work on an hourly basis to fix a major issue.; we have a couple of projects going on that we will have to contact Mr. West, one being the Harris Group project and the other is possibly some software that the Sanitation Dept. will purchase. Alderman Pruitt asked if there is a job posting for a new Network Administrator. Mr. Hartzell stated yes, we are going to make an offer to an individual this Thursday. Alderman Ledbetter stated he appreciates Mr. West's service to the city, but he has a problem with us letting someone get away from us, and then paying them to do the job. Mayor Townsell stated this is an accurate criticism and much more broadly applied than this particular situation and stated he takes the spirit of what Alderman Ledbetter said it in. Alderwoman Smith stated she would like to have personnel cross trained so not just one person has all this knowledge and no one else really knows it. Alderman Pruitt stated IT seems to be different because there are so many different training classes and it is extremely expensive to get separate training. Alderwoman Smith stated Mr. West is certified. Alderman Pruitt stated it is not just certification, it is more difficult and he understands Alderman Ledbetter's point, but stated IT is a different animal. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderwoman Smith, and Alderwoman Isby. The motion passed 6-1. Alderman Ledbetter voted in opposition.

E. Public Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, & Conway Housing Authority)

1. Discussion of the Arkansas Municipal League Workers Compensation Trust.

Mayor Townsell stated the next 2 items are just to inform council of notifications the city has received from the Municipal League, so as we have to deal with it later you will already be aware of it. Lisa Williams, HR Director, stated this year is the first year that we had to submit actual payroll data for 2015 and stated our premiums have been based on our projected payroll and explained she figures the projected payroll in September of every year based on headcount, hiring projections, budgeted part-time dollars and stated no over-time pay is included in these numbers. Ms. Williams stated she sends that into the league and our premiums would be based on our actual payroll by the different ratings in the departments; there is a different factor for Fire and Police than for non-uniformed positions. Ms. Williams stated this is the first year that the Arkansas Workers Compensation Commission required us to submit actual payroll dollars which we did in February of this year and we had some shortfalls in some departments. Ms. Williams stated because of this the claims commission hoped to get more premiums too, which was the purpose, we are going to owe an additional \$68,627.00 in premiums this year; this is broken down by the different funds and different departments. Ms. Williams stated we will be required to pay half of this by May 31, 2016 and the other half on September 1, 2016; this is something that will happen every year from now on and stated we can try and estimate our over-time a little closer in the future but if we figure it too high, we will pay too much which would leave us with a credit. Mayor Townsell stated we will bring you a budget ordinance correcting this, in this year's budget. Alderman Ledbetter asked if that would be broken down by departments. Ms. Williams stated it is broken down by funds. Mayor Townsell stated whatever it is, we will have to make it right. Ms. Williams stated we break it down by department.

2. Discussion of the Arkansas Municipal League Health Benefit Fund.

Lisa Williams, HR Director, we have been given notice that our rates will increase July 1, 2016 by 11%; this is based on our loss ratio which was 154% for January - April 2016. Mayor Townsell stated this is how much the league has paid out in claims verses premiums the city has paid and this is unsustainable, and anyone would raise rates at this point. Ms. Williams stated a lot of this is our prescription costs as we have individuals on some very expensive medications that they have to have. Ms. Williams stated she asked the league if a wellness plan would have kept the majority of this loss ratio down, and unfortunately the items factors in the loss ratio, it would not have corrected it but not to say that a wellness plan would not be good for the city. Alderman Hawkins asked who made that statement. Ms. Williams stated Tracy Pew and Don Zimmerman. Alderwoman Smith stated if these are cancer medications that could probably not been prevented. Alderman Hawkins stated this is why we are in position we are in right now and why he has been talking about this for about 6 years, we need to get as wellness plan in place or we will not be able to continue to provide health insurance for our employees; it is expensive enough right now as it is and we have to make a move and do something. Alderman Grimes stated before we think that self-funded is the answer, we would be the one paying 157% on the dollar. Alderman Hawkins stated he is not proposing that. Alderman Grimes stated it can work, but that is the downside of it. Mayor Townsell stated he is not disagreeing with Alderman Hawkins that a

MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

wellness program could lower costs for those individuals who are healthy because it could make them healthier, but when an unavoidable large expense occurs, there is not much you can do which is driving a lot of these costs right now. Alderman Hawkins stated it takes 2 years to get a wellness program implemented and if we started today, it will be 2 years before we see any effects; you have to gather data for 12-18 months before you can determine what the next course of action is and stated these people spend as much time denying claims as they do paying them, if any of you have heard any stories as that he hears. Mayor Townsell stated the point of this discussion is that we have an 11% increase coming July 1, 2016 and we need to deal with it in some fashion; we will look at the numbers and show you what the impact is going to be in a variety of ways. Alderman Hawkins asked what the cost will be. Ms. Williams stated Tyler Wunningham, CFO, is running the numbers for her. Mr. Wunningham stated it will be approximately \$236,000.00 on an annual basis. Alderman Hawkins asked if we are paying less than \$3 million now. Mr. Wunningham stated yes, we are paying \$2.3 million; this year if everything stayed the same the contributions for each class of employee would be approximately \$118,000.00 extra on the 2016 budget. Alderman Ledbetter asked how often this is reviewed. Mayor Townsell stated every 3 months. Ms. Williams stated and every 6 months they have an option to increase as they have what they consider an open enrollment period every 6 months. Ms. Williams stated another factor is all the health care reform as we had dependents on the insurance until they are 27, we allow our employees to have their spouses on their insurance even if their spouse has insurance available elsewhere; many state agencies have stopped allowing this.

Adjournment

PASSED this 24th day of May 2016

APPROVED:

Mayor Tab Townsell

City Clerk Michael O. Garrett