
MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Conway, Arkansas
Tuesday 6:30 pm
October 25, 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, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Isby. Also, present and acting: Mayor Townsell, City Clerk Michael Garrett, and City Attorney Chuck Clawson. Alderman Grimes and Alderman Pruitt were not in attendance.

Call to Order: Mayor Tab Townsell

Roll Call: Michael O. Garrett

Minutes: October 11, 2016 City Council Meeting

Alderwoman Smith motioned to approve the October 11, 2016 minutes as submitted. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

Mayor Townsell stated we have removed item 1-A5, regarding speed limits, from the agenda. Alderwoman Smith motioned to hold item 1-A5 in committee. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

Employee Service Awards

5 Years

Joshua Alexander - Sanitation Dept.
Jeremy Sullivan - Fire Dept.

15 Years

Clint Harper - Fire Dept.
James King - Fire Dept.

Proclamation: Conway High School Girls Tennis - 7A Central Conference Champions

Mayor Townsell read a proclamation for the Conway High School Girls Tennis team who won the 7A Central Conference Championship.

Approval of the monthly financial report ending September 30, 2016

Mayor Townsell stated we have a slight net revenue above expenses in the General Fund but sales tax continues to be flat with the current revenues being down 2%. Mayor Townsell stated the Street Fund still has a net expense for the year, which included a \$2 million payment for the Dave Ward Drive project. Mayor Townsell stated the Sanitation Fund shows a net revenue for the year and there are several capital outlays. Mayor Townsell stated the Airport Fund shows the main expenditure is fuel for re-sale verses Airport fuel sales and there is a net revenue for this fund as well. Mayor Townsell stated the Major Project Funds balances are as follows:

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- Parks and Rec A&P - \$2,401,024.00
- Pay as you go sales tax - \$3,413,791.00
- Street Impact Fees - \$577,932.00
- Parks Impact Fees - \$338,851.00

Alderwoman Smith motioned to approve the September 2016 financials. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

1. Report of Standing Committees:

A. Community Development Committee (Airport, Planning & Development, Street & Engineering, Permits & Inspections, Code Enforcement, & Community Development)

1. Consideration to approve the FY2015 audit presented by BKD for the City of Conway.

Andy Richards, BKD, stated overall you have great results, there are clean opinions on the financial statements as well as compliance on federal grants; there were no significant internal control deficiencies, or anything we would categorize as material weaknesses. Mr. Richards stated 2015 was a significant year for all cities as this was the year the government adopted the GASB 68 accounting standards for net pension liabilities, and we are now required to place the full net pension liabilities on the books. Mr. Richards stated the city has four defined benefit pension plans, three are related to Police and Fire and also the Non-Uniform defined benefit pension plan; the statement of activity will show an adjustment made to the beginning net position, of \$35 million at the beginning of the year. Mr. Richards stated at the end of the year the liability was \$48 million for the governmental activities and approximately \$7 million for business type activities; this is a large number to add to the financial statements, but everyone is seeing this type of impact to the financial statements. Mr. Richards stated you will not see this in the General Fund, these liabilities will be seen in the full accrual financial statements which captures all the liabilities. Mr. Richards stated the activities of the Airport fund financial report was being run through the General Fund and also through some of the capital projects funds in the past, but this was the first year it actually was placed in service; this activity was transferred over to the Enterprise Fund which was approximately \$27 million transfer of net assets from the governmental funds to the business type activity. Mr. Richards stated another thing you will see is a \$26 million bond issue for the streets program; these 3 items are the largest highlights of the 2015 financial report. Mr. Richards stated not only do we look at the financial statements, we also look at compliance specific state laws and federal grant requirements; the Airport improvement fund was another major program in 2015 and the city was issued a clean opinion on this. Mayor Townsell stated the net pension liability that we are now seeing on the full books has been there, but it has always been hanging off books for some time but the GASB 68 ruling requires us to place these liabilities on the books and explained the city will soon be looking at ways to address and limit future liability in that fund, as it is a defined benefit plan that is underfunded and there are changes that will have to be made at some point, to help limit the liability. Alderwoman Smith motioned to approve the FY 2015 Audit. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

2. Resolution requesting the Faulkner County Tax Collector place a certified lien on property located at 34 Azalea Loop as a result of incurred expenses by the City.

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R-16-53

Alderman Hawkins stated the cost of cleanup was \$205.98 (\$159.99 + Penalty \$15.99 + filing fee \$30.00). There was no one present to speak to this issue. Alderwoman Isby motioned to adopt the resolution. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 6-0.

- 3. Resolution requesting the Faulkner County Tax Collector place a certified lien on property located at 211 Griffith Street as a result of incurred expenses by the City.**

Mayor Townsell stated this was paid today. Alderwoman Smith motioned to remove this item from the agenda. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

- 4. Consideration to remove fixed assets inventory from the Airport Department.**

Josh Zylks, Airport Manager, explained this tractor is used as a tug to move airplanes and recent mechanical issues has caused us to address replacing this tractor sooner than we had wanted. Mr. Zylks explained this tractor is listed as a trade-in on a state contract bid and explained we have budget money for the purchase and asked council to approve removing this tractor from inventory. Alderman Jones motioned to approve removing the tractor from inventory. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 6-0. The tractor to be removed from inventory is listed below:

- 2008 Kubota B2920HSD Tug - Serial # 51027

- 5. Ordinance resolving the appropriate speed limits within the City for business, residential, & school districts.**

Item held in committee.

- 6. Ordinance accepting and appropriating donation funds for the Historic District Commission.**

O-16-117

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Isby seconded the motion. The motion passed 6-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby seconded the motion. The city received \$2,628.36 from the Arkansas Historic Preservation Program to be used for Commissioner training, building restoration, and other expenses. There was no discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Isby. The motion passed 6-0.

- 7. Ordinance to rezone property located at 1310 East Dave Ward Drive from I-3 to C-2.**

O-16-118

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Alderman Isby motioned to waive the readings of the ordinance. Alderman Smith seconded the motion. The motion passed 6-0. Alderman Smith motioned to adopt the ordinance. Alderman Isby seconded the motion. Bryan Patrick, Planning Director, explained at the Planning Commission meeting the original request was for C-3 but they decided it should be backed down to C-2, which he is in agreement with because we should taper down as we edge toward the city limit line. Mr. Patrick stated they did not have a particular project in mind and there is a 5 year lease on the property that will continue to be used for mobile home sales, and when that lease is up he is preparing it for the future to become more shopping opportunities or a hotel etc., and a C-2 fits that description. Mayor Townsell stated this seems to be the proper zoning for this property and realizes the opportunity that arrives with any new traffic improvements that the city makes. Mayor Townsell reminded council that there are parcels of land in west Conway that were rezoned for the same reason, that are still sitting vacant and stated we tend to over zone areas beyond what the market would say they need to be, and asked Mr. Patrick if he feels comfortable that our master planning is solid in this area, or do we need to be updated. Mr. Patrick stated no, our comprehensive plan in place now is from 2004 and one of his priorities has been to attack our master street plan, but to do this correctly it needs to be context sensitive and we need to consider what is taking place on each side of the road. Mr. Patrick stated the comprehensive plan for this area is Industrial and we know this is now changing and he does not feel that this is our desired use for that area, and feels we need to update the master comprehensive plan and the master street plan. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Mehl, Alderman Ledbetter, Alderman Smith, Alderman Jones, and Alderman Isby. The motion passed 6-0.

8. Ordinance to rezone property located at 1182 Lollie Road from A-1 to I-1.

O-16-119

Alderman Isby motioned to waive the readings of the ordinance. Alderman Smith seconded the motion. The motion passed 6-0. Alderman Smith motioned to adopt the ordinance. Alderman Isby seconded the motion. Mayor Townsell stated this area is somewhat residential and asked if this was discussed at the Planning Commission meeting. Bryan Patrick, Planning Director, stated no, this use is a "grandfathered use" and functions as a cabinet shop and they were brought into the city involuntarily through an island annexation. Mr. Patrick stated they have been there many years and the zone is basically catching up with the actual use and no one in the area has opposed the rezoning. Mayor Townsell asked if they were expanding. Mr. Patrick stated yes, the request came about because they want to expand their shop. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderman Mehl, Alderman Ledbetter, Alderman Smith, Alderman Jones, and Alderman Isby. The motion passed 6-0.

9. Consideration to amend conditional use permit #1353 which allowed the operation of a private mental health practice at 1312 Donaghey Ave.

Alderman Hawkins motioned to approve the conditional use as amended as amended. Alderman Smith seconded the motion. The revised conditions are listed below with the changes in *italics*.

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- Hours of operation will be limited to 8:00 am to 8:00 pm, Monday through Saturday.
- The total number of employees may not exceed six (6).
- The conditional use permit is limited to Ayisha Canant and/or Jon Priest/Christian Perspective Counseling.
- The existing structure shall be used for restricted office. The character of the structure shall remain residential.
- Parking is limited to the existing driveway and the rear of the structure.
- Signage shall be a post and arm sign OR two-pole sign limited to 4 feet high and no larger than 16 square feet in area AND meets Old Conway Design Overlay District guidelines pursuant to freestanding signs. No additional signage is allowed.

Mayor Townsell inquired about the signage and stated the recommendation is 4ft. high and 16 sq. ft. which is one-half a piece of plywood and if this is replicated with every property in the area, would this be the signage standard we want. Bryan Patrick, Planning Director, explained this is the current Old Conway standard and one has to go to the Historic Commission Board if you want a larger sign; this is for commercial use and a residential use would not get that sign, so this is different than an average house in the area. Mr. Patrick stated a church/business in the Old Conway Overlay District is allowed to put up a sign if it meets the Historic District Commission guidelines of 4 ft. by 4 of total space. Mr. Patrick stated in this case, the applicant is looking at a two pole sign or a post and arm sign. Mayor Townsell stated his issue is with scale. Mr. Patrick stated he would not want anything larger, but feels the size is good especially if it is a two pole sign, and explained we measure from dirt to top, and side to side and there would be two poles or a post and arm and it would be required to fit within that 4 ft. space. Mayor Townsell asked if the free space underneath counts. Mr. Patrick stated everything counts and explained the sign has to fit within the 4 ft. box whether there is free space at the bottom or not. Mr. Patrick stated this is where the Old Conway regulations come in and one is not allowed to have a metal frame with a plastic box that is backlit, which is the typical suburban style. There was no further discussion. The motion passed 6-0.

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

1. Ordinance appropriating funds for travel and reimbursement for overtime for District Court.

O-16-120

Susan Weaver, District Court Judge was present to answer questions. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Isby seconded the motion. The motion passed 6-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Isby seconded the motion. The amount appropriated is \$3,000.00. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Isby. The motion passed 6-0.

2. Ordinance appropriating funds to enter into a contract agreement with Beth Thomas to provide support and training for District Court.

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O-16-121 Failed

Susan Weaver, District Court Judge, explained we are requesting assistance from Beth Thomas but not for the day to day functions, it is for tasks that Ms. Thomas performed that she did not have time to train her replacement on; these include grant funding, budgeting etc., which are tasks that were solely performed by Ms. Thomas. Brittani Burnette, Chief Deputy Court Clerk, stated the duties that Ms. Thomas assists with are sporadic and her assistance will help with the transition. Alderwoman Smith stated at some point you will need to perform those duties and she has an issue paying someone money who lives out of state and feels we would be setting a precedence. Alderwoman Isby stated the emails that come to Ms. Thomas could automatically be forwarded to Ms. Burnette. Ms. Weaver stated that is not so much of an issue than the chance we may need to make reference to emails from the previous 4 years, and explained there are so many little things that arise, we just are not catching them all. Ms. Weaver stated her biggest concern is the grant paperwork Ms. Thomas compiled as these have deadlines and if we do not meet the deadlines we could lose funding, and we have approximately \$50,000.00 in grant funds that she has been able to get since she has been in office. Ms. Weaver stated we also are required to keep certain data on expenditures used for the grants for the sobriety court and Ms. Burnette needs to be trained on what type of data, how it is compiled etc. Ms. Weaver stated she does not have a problem if council would like to shorten the time frame to 3 months and explained with all the changes we have implemented and the 9 budgets going on at the same time to mention a few, she needs someone to help Ms. Burnette when she has questions, when she herself is unavailable. Mayor Townsell stated no one is indispensable but there is a real cost when we lose an employee and duties have to be learned in their absence. Mayor Townsell explained contract is up to \$3,000.00 to be spread over 6 months, and stated this is not much money and we can waste that much money very quickly, not knowing how to do certain things, and does not feel this is not a bad expense. Mayor Townsell stated Ms. Thomas does not have to help us, especially if she has another job and stated we do not have to do this, but there will be a learning curve that we will pay for, one way or the other. Alderwoman Smith stated she is sympathetic to the situation but what happens if another department head asks for the same thing and she does not feel it is a good practice. Ms. Weaver stated we tried to keep Ms. Thomas on as an hourly part-time basis but after some discussions, we felt like a contract would be best. Ms. Weaver stated if approved we would take the funds out of the part-time budget. Mayor Townsell stated this will not increase their budget. Alderwoman Smith stated employees need to be cross-training. Alderwoman Isby stated the biggest issue for her is setting the precedence. After some discussion Alderwoman Isby motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 6-0. After some discussion Alderman Hawkins motioned to adopt the ordinance. Alderwoman Mehl seconded the motion. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderwoman Mehl, and Alderman Jones. The motion failed 3-3. Alderman Ledbetter, Alderwoman Smith, and Alderwoman Isby voted in opposition.

C. Personnel

- 1. Consideration to approve the renewal of voluntary benefits from Benefit Partners/FlexCo for the FY2017.**

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Lisa Williams, HR Director, recommended that the city continue on with Benefit Partners/FlexCo for FY2017 and stated there will be no rate increases and we have a rate hold on our vision insurance and gap plans. Ms. Williams stated the other voluntary benefits are based on age so these premiums will vary and FlexCo will continue to administer our Section 125 Cafeteria Plan free of charge; there is also a rate hold on Legal Shield. Ms. Williams explained FlexCo has provided our voluntary supplements since before she came to the city. Alderwoman Isby motioned to approve renewing FlexCo for FY2017. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 6-0.

2. Consideration to approve the renewal of life insurance benefits from USABLE for the FY2017.

Lisa Williams, HR Director, stated in 2014 we received and accepted a two year rate guarantee on the USABLE Life quote of \$1.80 per employee per month and they have renewed this again for FY2017-2018, with no increase. Ms. Williams stated in previous years they did have to pay several claims and recommended continuing this benefit. Alderwoman Smith motioned to approve this renewal. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

3. Consideration to approve the renewal of dental benefits from Blue Cross Blue Shield for the FY2017.

Lisa Williams, HR Director, stated Blue Cross Blue Shield has provided dental benefits to the City since 2006, we offer a dual option dental benefit plan which is well received by the employees and there is an option of carrying the benefits over, if all the benefits are not used in one year. Ms. Williams stated they have submitted a proposal to renew our current dental benefits for 2017 with a zero rate increase and recommended continuing with Blue Cross Blue Shield. Alderman Hawkins motioned to approve this renewal. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 6-0.

Mayor Townsell stated our next council meeting is scheduled for November 8, 2016 which is election-day and asked if council would like to reschedule this meeting. Alderman Hawkins recommended keeping it on November 8th. Alderwoman Smith concurred. It was decided to keep the council meeting on November 8, 2016.

Adjournment

PASSED this 25th day of October 2016

APPROVED:

Mayor Tab Townsell

City Clerk Michael O. Garrett