
MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Conway, Arkansas
Tuesday 6:30 pm
December 22, 2015

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 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: December 8, 2015 City Council Meeting

Alderwoman Whitmore motioned to adopt the December 8, 2015 minutes as submitted. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0.

Employee Service Awards

5 Years

James Burroughs - Police Dept.
Stephen Johnson - Police Dept.

10 Years

William Fasko - Police Dept.
Amy Springer - Fire Dept.
Wes Craiglow - Planning & Development Dept.
Clint Smith - Fire Dept.

20 Years

Vickie Wright

Approval of Monthly Financial Report ending November 30, 2015

Tyler Winningham, CFO, stated this is the first month in several that the general fund saw a decline of 3.8% in sales tax revenues, which is up 3.5% for the year. Mr. Winningham stated today we received December sales tax numbers and they were up by 3.5%, which is up by 3.67% for 2015. Mayor Townsell stated this is the most we have had in 3-4 years. Mr. Winningham stated the Ad Valorem tax has seen growth this year, and explained in 2016 we will see the full benefit of the 3.0 mil that the general funds collects. Mr. Winningham stated the expenditures as a whole shows 23 pay periods recorded, with 3 pay periods to go by years end, and with our bottom line at approximately \$2.4 million, this leaves us in great shape. Mr. Winningham stated if you compare the total revenues to the expenditures in the percentages column, you will see there is quite a difference between what is coming in verses what we are spending, as our departments continue to keep a firm grip on their expenses. Mr. Winningham stated all of our other funds are in a good position and asked if anyone had questions regarding the Street Fund, Sanitation Fund, or the Airport Fund. Mayor Townsell stated if you look back 4-5 years you will see that

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the cash operating for the General Fund has been built back up to a safe level through great budgeting and control due to our Finance office, city council, and other departments. Mayor Townsell stated this is even before you consider the reserve account that we set aside 4 years ago; the final contribution will be made to the reserve fund this year, which will take it up to \$2 million and stated we are in a much stronger financial position than we were and we hope to never touch this and stated we should operate in current revenues and expenses and keep the reserve and general fund to ensure the safe financial position of the city moving forward. Mayor Townsell stated this is again due to our department heads and Finance office. Alderwoman Smith motioned to approve the November 2015 financial report. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

Mayor Townsell stated the payroll problem eluded to by Mr. Winningham last month is not next year, it is this year and asked Mr. Winningham to explain further. Mr. Winningham stated in a typical year there are 26 pay periods and on occasion there will be a year where there are 27 pay periods and stated there are 2 ways to look at this, one is when do you pay the money out, and the other aspect is which budget does it come out of. Mr. Winningham stated 2016 is the actual year in which you have the 27 paydays, but since the first payday is on Friday New Year's Day and the banks will be closed we do not want our employees to go a weekend without their paycheck, so we will issue paychecks Thursday December 31, 2015. Mr. Winningham stated in essence 2015 is the year that the 27 pay periods will hit because our first payroll day is January 2nd and the last one is December 31st; in first thought you think you have a lot of extra money to come up with but once Mr. Winningham looked at this issue further he determined every year has more than 26 pay periods and you hardly ever have your final payday on the 31st so there will be some number of days of a pay period that will overlap years. Mr. Winningham stated the last time we had 27 pay periods it went virtually unnoticed because of the fact that every year you have a little over 26 pay periods, and if you ever do hit the 27th it is not as big of a deal as you think it is. Mr. Winningham stated there was some discussion doing a semi-monthly payroll but in his opinion since most of our employees are hourly instead of salaried, there would be a lot of questions to be answered before we made that decision. Mr. Winningham stated first of all it will not help the current situation but it could benefit us the next time a 27 pay period came around, but right now there is not much we can do and we are going to be okay as you can see from the financial statements that we will be able to absorb that. Mr. Winningham stated when you get into doing a payroll twice a month, and most of your employees are hourly and not every pay period will have the same number of days, there is over-time to consider and what constitutes over-time verses regular time, and suggested to the Mayor to keep payroll as is and he believes we will be fine. Mayor Townsell stated the trick is the hourly employee, because every single pay period has a chance to be slightly different and you would have to manually affect whether that hour is considered over-time or regular time, which would require more manual touches by staff and believes it is easier to absorb this. Mr. Winningham stated our payroll is tricky enough as it is because our firemen do not work a standard 40 hours per week, nor do our police officers so we have variance there that we already have policies in place to take care of. Alderman Grimes stated we are talking about time issues here, no one is getting any more money or less money than they should. Council agreed to leave payroll as is and there was no further discussion.

1. Report of Standing Committees:

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

- 1. Consideration to enter into agreement for transportation services for Independent Living Services, Boys & Girls Club of Faulkner County & Faulkner County Council on Aging.**

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Alderman Hawkins stated Independent Living Services has requested \$30,000.00, Boys & Girls Club of Faulkner County requested \$65,000.00, and Faulkner County Council on Aging requested \$69,000.00 for transportation services for FY2016. Alderman Hawkins stated these are the same amounts requested in 2015 and motioned to approve these requests for the same amounts. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

2. Consideration to accept annual nominations for the Planning Commission and the newly formed Public Art Board.

Alderman Hawkins stated the Planning Commission has selected Dalencia Hervey and Brooks Freeman to serve 5 year terms on the Planning Commission. Alderman Hawkins motioned to accept these 2 nominations. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0.

Mayor Townsell stated the Public Art Committee is a 7 person committee in which 3 positions must have expertise in the field of Art, and 4 positions are community members at large. Mayor Townsell explained this is a funded committee which will receive money from the A&P funds, which will contribute approximately \$30,000.00 per year, and the voluntary property tax for Parks is being dedicated to Public Art and public spaces, and this will contribute approximately \$25,000.00 each year, but they are taking the balance of that which will make it approximately a \$55,000.00 annual appropriation for Public Art. Mayor Townsell stated this first year because of the previous balance the total will be approximately \$180,000.00. Mayor Townsell stated the nominations are listed below. Alderwoman Smith motioned to approve these nominations. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

- Ruthann Curry Browne – Art Field position
- Melissa Kordsmeier – Art Field position
- Beth Wilson Norwood – Art Field position
- Scott Anderson
- Joanna Nabholz
- Kelley Erstine
- Maret Cahill-Weeks

3. Consideration to accept annual bids on materials and services utilized by the departments for the City of Conway.

Ronnie Hall, Street Dept., outlined the low bids received and recommended awarding these bids to the low bidders. Mr. Hall explained that Webco and Rogers Group tied for crushed stone delivered and recommended that we split this bid by dividing the year into 6 months for each bidder by alternating months. Mr. Hall stated bids were taken on pavement marking but they included a minimum invoice amount that is probably in excess of what our small projects would run and recommends not awarding the pavement marking contract and to just use those bids as quotes, and the basis for negotiating with these vendors. Alderwoman Smith motioned to approve the low bids as outlined by Mr. Hall. Alderwoman Whitmore seconded the motion. Alderman Grimes stated in regards to the bidders tied for crushed stone he stated we often hear from Conway businesses encouraging us to support Conway businesses so he would recommend selecting Rogers Group, a local

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company, for the crushed stone delivered. Alderman Ledbetter stated in regards to the gasoline, is the posted price not the same for all the companies. Mr. Hall stated it should be, but we have always been confused about that, and apparently they are as well. Alderman Ledbetter stated so you are saying that Satterfield is a penny a gallon higher than Coulson Oil Company and Satterfield is a local Conway business, and as far as he knows they have had the city's fuel business for a long time and we have never had any problems with them. Mr. Hall stated neither quarries are in Conway, one is located in Greenbrier and the other in El Paso. Alderman Grimes stated he believes the county gets a severance tax turn back on the Greenbrier quarry and stated he would like to shop local if possible as we encourage others to do the same. Mayor Townsell stated he does not disagree with Alderman Grimes, it is just that definition we could argue either way. Alderman Grimes asked where the bill is mailed. Mayor Townsell stated we are not talking about the business office location. Mr. Hall stated there is no sales tax on the material. Alderman Hawkins stated he does not disagree with Alderman Grimes, but at some point down the road it is possible that someone will know that no one else is going to come in from outside, and they will jack their price up and if they are the only bidder, then we could be stuck with that bid. Alderman Grimes stated we also have the right to reject any bid. Alderman Ledbetter stated he would like to see us keep Satterfield for fuel. Mayor Townsell stated we have a motion to accept the recommendations summarized by Mr. Hall and the main motion would need amended if council wishes to make a change. Alderman Ledbetter motioned to amend the motion to award the gasoline and diesel to Satterfield. Alderman Grimes seconded the motion. Mr. Hall stated Satterfield takes care of the city, they bring us fuel before we run out, and he is not sure what if companies would do the same. Alderman Pruitt asked how many gallons on average are used annually. Mr. Hall stated approximately 10-20 thousand gallons per product. There was no further discussion on the amendment to award the fuel bid to Satterfield. The motion passed 6-2. Alderman Pruitt and Alderwoman Mehl voted in opposition. Alderman Grimes motioned to amend the bid for "crushed stone delivered" be awarded solely to Rogers Group. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0. Alderman Hawkins motioned to adopt the amended motion. Alderman Grimes seconded the motion. There was no discussion. The motion passed 8-0. The bids awarded are as follows:

<u>MATERIALS OR SERVICE</u>	<u>CONTRACTOR</u>	<u>PRICE</u>
<i>Gravel:</i>		
Crushed Stone FOB El Paso	Webco	\$7.56/Ton
Crushed Stone delivered	Rogers Group	\$13.10/Ton
Ballast Stone delivered	Rogers Group	\$13.64/Ton
Stone Backfill delivered	Webco	\$12.99/Ton
Riprap delivered	Webco	\$18.62/Ton
 Concrete (Ready-Mix Delivered):		
Concrete Class A	Mallard	\$92.55/CY
Concrete Class S	Mallard	\$99.05/CY
Added Cost for 1% Calcium added	Mallard	\$4.00/CY
 Reinforced Concrete Pipe:		
12"	Scurlock	\$8.30/Ft.
15"	Scurlock	\$11.00/Ft.
18"	Scurlock	\$11.50/Ft.

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24"	Scurlock	\$18.75/Ft.
30"	Scurlock	\$27.00/Ft.
36"	Scurlock	\$37.80/Ft.
42"	Scurlock	\$53.90/Ft.
48"	Scurlock	\$61.50/Ft.
15" Arch	Forterra	\$23.50/Ft.
18" Arch	Scurlock	\$18.00/Ft.
24" Arch	Scurlock	\$27.00/Ft.
30" Arch	Scurlock	\$39.00/Ft.
36" Arch	Scurlock	\$56.50/Ft.

Reinforced Concrete Pipe (continued):

42" Arch	Scurlock	\$73.60/Ft.
48" Arch	Scurlock	\$90.50/Ft.

Concrete Blocks:

Standard Weight Concrete Blocks	Conway Block Company	\$1.45/Ea.
Retaining Wall Blocks (6"x16"x12")	Conway Block Company	\$5.36/Ea.
Retaining Wall Blocks (8"x18"x12")	Conway Block Company	\$5.50/Ea.

Concrete Work:

4" x 2' Curb & Gutter	WK Contractors	\$4.95/L.F.
6" x 1.5' Curb & Gutter	WK Contractors	\$4.95/L.F.
6" x 2' Curb & Gutter	WK Contractors	\$4.95/L.F.
Sidewalk	Lasker Brothers	\$1.25/S.F.
Concrete Pavement Repair	WK Contractors	\$10.00/S.Y.
Removal of Unsuitable Subgrade	WK Contractors	\$6.00/C.Y.
Place and Shape Stone Backfill	WK Contractors	\$6.50/C.Y.

Gasoline & Diesel - Cost of Deliver, Handling, Service and Profit (Less fuel cost and taxes)

Regular Unleaded Gasoline (No Ethanol)	M.M. Satterfield	\$0.1150
Regular Unleaded Gasoline (10% Max Ethanol)	M.M. Satterfield	\$0.1150
Diesel (Max 5% BioDiesel)	M.M. Satterfield	\$0.1150

4. **Ordinance to appropriate grant funds for the Spencer Street Brownfield Cleanup project for the Planning and Development Department.**

O-15-148

Mayor Townsell stated the grant funds received were in the amount of \$7,275.75 for this project. Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderman Jones 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, Alderman Jones, and Alderwoman Whitmore.

5. **Consideration to terminate the lease between NUCOR Corporation, a Delaware Corporation, and the City of Conway, Pursuant to section 11.1 of the lease agreement.**

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Mayor Townsell stated this relates to Arkansas ACT 9 Bonds that is one of the few things we can offer for economic development for companies coming into the City that is allowed by the State of Arkansas. Mayor Townsell stated this is an ACT 9 Bond transaction that we are wrapping up; companies basically fund the payoff of bonds which allows them to build their facilities and outfit it with equipment. Mayor Townsell stated but to issue the bonds that are public bonds, which are never an obligation to the city, they have to deed/lease us their plant and or equipment and we lease it back to the company so they can run their operations. Mayor Townsell stated because it is public property no property taxes are due, but to make up for that they pay back property taxes as payment in lieu of taxes "PILOT" and stated once the bonds are paid off there is the option for the company to retain ownership of the property. Mayor Townsell explained the bonds have been paid off and this is the termination of lease agreement and they will own the property again on the full property tax rolls and hopefully this means they are ready to sell the property. Alderman Hawkins motioned to approve the lease termination agreement. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 8-0.

6. Resolution to seek condemnation by eminent domain proceeding of certain properties related to the 6th Street/I-40 Overpass and Amity/Elsinger intersection project.

R-15-74

Ronnie Hall, Street Dept., stated this is one of two outstanding parcels that is needed and believes City Attorney Chuck Clawson has been in contact the property owner's attorney and feels this is the only way to acquire this parcel. Mr. Clawson stated that is correct and explained he spoke with Lawrence Jackson, Attorney at Law, and he suggested the city proceed with condemnation. Mr. Clawson stated we have given them options and have not heard back from them and this is the only way to proceed to stay on schedule. Alderman Hawkins motioned to adopt the resolution. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0.

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

1. Ordinance appropriating funds for the purchase of a CCTV system for the McGee Center & Don Owens Sports Center.

O-15-149

Mayor Townsell state this needed to help alleviate a growing public concern that we have at the facilities. Steve Ibbotson, Parks Director, explained over the last 3 months the number of break-ins have increased and we have also had vehicles stolen. Mr. Ibbotson stated we have looked at this type of system for a long time for these reasons and stated our Information Technology Dept. did an RFQ for this service and stated Alarmtec is the company that was chosen; the total cost is \$30,900.00. 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. Alderwoman Mehl seconded the motion. Alderman Hawkins asked why these are not wireless cameras and stated you can purchase camera setups with a much higher mega pixels for a lot less money than this for. Mr. Hawkins stated this is a large number for 10 cameras. Mr. Ibbotson stated there are 16

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cameras at each location. Alderwoman Smith stated this would be 32 cameras. Mr. Ibbotson stated there is more to it than cameras, there are servers, switches, and storage. Mr. Hawkins stated this just seems like a lot of money. Chuck Clawson, City Attorney, stated we need to make sure that this is used in a format that can be used in court and something that can be downloaded and accessed easily. Mr. Clawson stated we need to know how long these will be kept, and make sure that times/dates on each camera and recordings match up with one another so if we need to view something we have a sequential timeframes we can do that so it can be presented in court. Mr. Ibbotson stated he believes the storage is two weeks. Mr. Clawson stated that is not long enough. Mr. Grimes stated is more storage needed. Mr. Ibbotson stated we asked for two weeks based on if there is an issue the Police Dept. can come to us the next day. Mr. Clawson stated two weeks may be fine if it can be turned around that quickly, or if it can be flagged and set aside and not deleted after two weeks. Mayor Townsell stated the question is can we download the relevant timeframe and set it aside. Lloyd Hartzell, IT Director, stated yes. Mr. Clawson stated the issue here is if there is a delay between the time a report is made, and the time it is brought to his office at which point we would determine if charges can be filed and Mr. Clawson stated he would want to see the video, and stated two weeks is a short period of time. Mr. Clawson stated if the Police Dept. is involved from the beginning then there is not usually an issue, but many times he does not have that luxury. Mayor Townsell asked if this is a matter of storage. Mr. Hartzell stated this system is the same system that is being used at District Court, the Police Dept., the Airport, and the Sanitation Dept., so they are able to adjust the amount of retention time that a video is kept; if it is something that is important then it would automatically go to an archive and it will do all the things you have mentioned. Mr. Hartzell stated the only question is regarding storage as to how much is stored and for how long. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderman Grimes, Alderman Pruitt, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. The motion passed 7-1. Alderman Hawkins voted in opposition.

C. Finance

- 1. Ordinance appropriating funds and waiving bids for the purchase of additional financial software and maintenance for the City of Conway.**

O-15-150

Mayor Townsell stated this is an exciting possibility for us as we move into a software package that would allow us to more easily manipulate and analyze our very robust and very good financial software package. Mayor Townsell stated this will allow us to more quickly tie it together for reporting and presentations, and it will allow us to show it graphically to our departments, city council, and the public; it will also show history that will allow us to track trends and see how things have changed over the years. Mayor Townsell stated this is a cloud based system and explained we are waiving bids because it is over \$20,000.00, but the annual cost of this is actually much less than the bid amount. Mayor Townsell stated he has seen this software and we have gone through demonstrations and checked with other cities who are using this product, and it works very well with our existing Springbrook Financial software; this company will upload that financial information to the cloud and they will be able to generate a variety of graphical reports, and stated this will give us a lot of possibilities for transparency, and will be accessible at a

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glance by city council. Mayor Townsell stated you can also compare and benchmark with other cities across their network and feels there is a host of benefits for this. Mayor Townsell stated the cost is \$8,000.00 per year in this particular 3 year/36 month contract with a setup fee of approximately \$2,800.00 and recommended council approve this purchase. Mayor Townsell stated he feels like this is something the public will be very excited about and there will be a portal available on our website where the public can look at the documents as well. Alderwoman Smith motioned to waive the readings of the ordinance. Alderman Whitmore seconded the motion. The motion passed 8-0. Alderwoman Whitmore motioned to adopt the ordinance and the emergency clause. Alderwoman Smith seconded the motion. The motion passed 8-0. Alderwoman Mehl stated she did get to see this software and feels it really will allow people to look at our financial information in a way that is meaningful to them instead of just an audit report. Alderwoman Mehl stated she believes we will have to give Tyler Winningham, CFO, and his staff time to enter the pre-Springbrook data because it does feed from Springbrook but you have to actually pull it out. There was no further discussion. Mr. Winningham stated if approved this would be a two phased process as we can upload our Springbrook data to the website, and they have assured us that our data from the previous software can be extracted and included in the same website. Alderman Pruitt asked if this software is sold through any other partners since we are waiving bids. Mayor Townsell stated he does not believe so and stated the bidding is just precautionary on our part because if it's not over \$20,000.00 in a calendar budget year, we do not even have to bid it. Mr. Hartzell stated this company interfaces with Springbrook. 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, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0.

2. Ordinance adopting the FY2016 Budget for the City of Conway.

O-15-151

Tyler Winningham, CFO, stated all the items listed on the ordinance you have received when the budget was sent out a few weeks ago and the only thing that you have not seen is the next to the last line which reads "Bonded Debt Service" and handed out a summary to council. Mr. Winningham stated each bond issue has a dedicated funding source to make the payments and as a matter of being completely transparent and keeping everyone in the loop as far as every dollar that goes out, he has added that line item to the budget ordinance. Mr. Winningham stated you will notice we have 2 new issues, a 2015 sales tax issue and the 2015 franchise fee issue. Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderman Smith seconded the motion. The motion passed 8-0. Alderwoman Whitmore motioned to adopt the ordinance and the emergency clause. Alderwoman Smith seconded the motion. The motion passed 8-0. 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, Alderman Jones, and Alderwoman Whitmore. The motion passed 8-0. The FY2016 budget is as follows:

	<u>Revenue</u>	<u>Expenditures</u>
General	\$31,199,500	\$30,695,385
Street	\$ 5,564,520	\$ 5,564,520
Sanitation	\$ 9,430,000	\$ 9,380,089

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Airport	\$ 916,750	\$ 899,300
Parks and Rec Ad Val	\$ 23,300	\$ -0-
Animal Welfare Ad Val	\$ 11,750	\$ -0-
Spay & Neuter Program	\$ 45,000	\$ 40,000
Court Automation	\$ 92,500	\$ 40,000
Conway Corp Franchise Fee	\$ 600,000	\$ 540,000
A&P Parks & Rec	\$ 2,807,500	\$ 140,000
Pay as You Go Sales Tax (Street & Police)	\$ 3,207,000	\$ 3,207,000
Street Impact	\$ 303,000	\$ -0-
Parks Impact	\$ 151,400	\$ -0-
Bonded Debt Service	\$ 3,378,051	\$ 3,378,051
Non Uniform Pension	<u>\$ 2,093,400</u>	<u>\$ 1,548,600</u>
Total Budget	\$59,823,671	\$55,451,445

Adjournment

PASSED this 22nd day of December 2015

APPROVED:

Mayor Tab Townsell

City Clerk Michael O. Garrett