

MINUTES OF BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ JUNE 15, 2010 ~ 6:00 P.M.

FORT SMITH PUBLIC SCHOOLS SERVICE CENTER

The meeting was called to order by Mayor Ray Baker, presiding. Invocation was given by Director Cole Goodman, followed by the Pledge of Allegiance. On roll call the following members of the Board were present: Directors Steve Tyler, Andre' Good, Don Hutchings, Bill Maddox, Kevin Settle, and Cole Goodman; absent - Director Gary Campbell. A quorum was declared present.

Mayor Baker inquired if any Board member had an item of business to present that was not already on the agenda. There was none presented.

The minutes of the June 1, 2010 regular meeting were presented for approval. Hutchings, seconded by Maddox, moved approval of the minutes as written. The members present all voting aye, the Mayor declared the motion carried.

With regard to the time limit policy for persons wishing to address the Board, Mayor Baker communicated that five (5) minutes per side would be extended on controversial items with three (3) minutes for rebuttal per side.

Item No. 1 consisted of the following:

- A. Resolution authorizing the execution of a local incentive definitive agreement regarding an economic development project at Chaffee Crossing
- B. Resolution designating a recovery zone pursuant to the American Recovery and Reinvestment Tax Act of 2009 for the purpose of issuing recovery zone economic development bonds and recovery zone facility bonds
- C. Resolution authorizing the entry into an agreement to issue bonds for the purpose of assisting in the financing of industrial facilities within or near the city of Fort Smith, Arkansas, to be

leased to Mitsubishi Power Systems Americas, Inc., pursuant to the authority of the laws of the State of Arkansas, including particularly Amendment No. 65 to the Arkansas Constitution and the municipalities and counties industrial development revenue bond law

- D. Resolution authorizing street and drainage improvements and engineering services agreement for the Chad Colley Boulevard Extension, Project No. 10-00-A (\$148,500.00)

Administrator Kelly spoke to the importance of the items and acknowledged all who were instrumental in making the Chaffee Crossing location attractive for Mitsubishi. He also introduced Mitsubishi officials who were in attendance.

Deputy Administrator Gosack briefed the members on the items. Last year, Mitsubishi Power Systems Americas, Inc. announced its decision to construct its first U.S. wind energy manufacturing plant in Fort Smith. Mitsubishi considered several other locations before choosing Fort Smith and Chaffee Crossing. The wind energy manufacturer will construct the nacelle component of windmills in Fort Smith in a 200,000 square foot facility. The investment in the Fort Smith project is estimated to be \$100 million. Mitsubishi expects to employ 335 persons. Mr. Gosack outlined the city's commitments to the project that include items A-D, roadway construction including extension of Chad Colley Blvd., extension of public water/sewer utilities, waiver of building permit fees and water/sewer connection fees (est. \$93,000), and refund of local sales taxes on the purchases of construction materials and manufacturing equipment.

The following individuals were present to address the items:

- ◆ John Alan Lewis
Mitchell Williams Law Firm ~ Bond counsel

Expressed appreciation to the City of Fort Smith for its

involvement in the project, and advised that he was prepared to respond to any questions.

- ◆ Sonya Williams
Mitsubishi Power Systems Americas, Inc.
Extended appreciation on behalf of Mitsubishi Power Systems Americas, Inc. and announced that the company is moving forward with its multi-million state of the art facility in Fort Smith that will contribute to this country's energy independence.

- ◆ Louis Vincent
28 Courtland Street

Questioned if Mitsubishi will hire local residents/workers.

Mr. Lewis responded that Mitsubishi will be working with UA Fort Smith to make sure there's training for local people. While some of the management will be from out of town, they have every intention of hiring people in Fort Smith and the surrounding area.

- ◆ Eric Arthur
815 North B Street

Expressed concern about a pending patent litigation and how such might affect the Mitsubishi project.

Ms. Williams responded that Mitsubishi plans to move forward with its Fort Smith project.

Settle, seconded by Tyler, moved adoption of item 1A. The members present all voting affirmatively, the Mayor declared the motion carried, and the resolution was adopted and numbered R-108-10.

Goodman, seconded by Good, moved adoption of item 1B. The members present all voting affirmatively, the Mayor declared the motion carried, and the resolution was adopted and numbered R-109-10.

Hutchings, seconded by Maddox, moved adoption of item 1C. The members

present all voting affirmatively, the Mayor declared the motion carried, and the resolution was adopted and numbered R-110-10.

Settle, seconded by Hutchings, moved adoption of item 1D. The members present all voting affirmatively, the Mayor declared the motion carried, and the resolution was adopted and numbered R-111-10.

Item No. 2 was consideration of Mayor's veto of Resolution No. R-106-10 supporting the Fort Smith Housing Authority and its efforts to use New Market Tax Credits to stimulate development and redevelopment in low-to-moderate income areas of Fort Smith. ~ *the resolution was adopted at the June 1, 2010 regular meeting and vetoed by Mayor Baker on June 4, 2010 ~*

Administrator Kelly addressed the item and advised that to override the veto requires the affirmative vote of five (5) or more members of the Board. Mr. Kelly also referenced his email sent to the Board on June 14th in response to the Mayor's veto statement.

The following individuals were present to address the item:

- ◆ Ken Pyle, Executive Director
Fort Smith Housing Authority

He extended appreciation to the Board for approving the resolution at the June 1st meeting, and restated the goal of the housing authority (in partnership with the City) to use the New Market Tax Credits for redevelopment of areas in the city. He reminded that the housing authority withdrew its previous request for power of eminent domain and will leave such power to the City of Fort Smith. Mr Pyle requested that the veto be overridden.

- ◆ Eric Arthur
815 North B Street

He expressed concern for the power the housing authority will have through the tax credit program.

Mr. Pyle responded to several questions from the Board, and following discussion, Settle moved to override the Mayor's veto. The motion was seconded by Good, and the members present voted as follows: ayes - Good, Hutchings, Maddox, Settle, and Goodman; nays - Tyler. The Mayor declared the motion carried, and the veto, therefore, was overridden.

Item No. 3 was an ordinance amending Chapter 2 of the Fort Smith Code of Ordinances to add a provision regarding removal of an appointed member of a board, commission or committee.

Deputy Administrator Gosack briefed the members on the item. The ordinance was inadvertently repealed when Chapter 2 of the municipal code (board meeting procedures) was revised and adopted at the May 18, 2010 regular meeting. In order to make the ordinance effective, it will need to be re-adopted.

Hutchings, seconded by Goodman, moved adoption of the ordinance. The motion included suspending the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date. The City Clerk read the ordinance for its readings, and the members present all voting affirmatively, the Mayor declared the motion carried. Settle, seconded by Good, moved adoption of Section 2, the emergency clause. The members present all voting affirmatively, the Mayor declared the motion carried, and the ordinance and emergency clause was adopted and given No. 28-10.

Item No. 4 was a resolution thanking the Convention Center Ad-Hoc Committee and accepting its final report.

The following individual was present to address the item:

- ◆ Eric Arthur
815 North B Street

He spoke in support of reallocating a portion of the one cent street tax for convention center operations, and also suggested that the convention center be sold to a private operator.

Director Settle questioned what the next step by the Board should be once the ad-hoc committee report is accepted.

Administrator Kelly recommended that the Board continue its discussion of the convention center funding at the June 29 study session.

In reference to the comments by Eric Arthur, Director Maddox reminded that to reallocate any portion of the street sales tax would take a vote of the citizens.

Mayor Baker called attention to the third paragraph of the resolution and noted that the correct date is June 8, 2010, rather May 8 as shown.

Maddox, seconded by Goodman, moved adoption of the resolution. The members present all voting affirmatively, the Mayor declared the motion carried, and the resolution was adopted and numbered R-112-10.

The Consent Agenda (Item No. 5) was introduced for consideration, the items being as follows:

- A. Resolution authorizing a time extension for the construction of 2009 Sidewalk Program, Project No. 09-20-A
- B. Resolution accepting completion of and authorizing final payment for the construction of 2009 Sidewalk Program, Project No. 09-20-A (\$7,234.00)

- C. Resolution authorizing a time extension for the construction of Texas Road Improvements, Project No. 05-00-B
- D. Resolution accepting completion of and authorizing final payment for the construction of Texas Road Improvements, Project No. 05-00-B (\$74,117.98)
- E. Resolution to accept the bids and authorize contracts for the construction of Street Overlays/Reconstruction, Project No. 10-03-A (\$1,725,676.87)
- F. Resolution to accept the bids and authorize contracts for the construction of Street Overlays/Reconstruction, Project No. 10-03-B (\$1,349,853.45)
- G. Resolution accepting bid for the purchase of foam trailers (\$130,184.00)
- H. Resolution authorizing the Mayor to execute an agreement and Authorization No One for engineering services with McGuire Engineering, Inc., for the Neighborhood Sewer Improvements ~ Zero Street Basin (\$121,220.00)
- I. Resolution authorizing partial payment to Branco Enterprises, Inc., for construction of the Phase II "P" Street Wastewater Treatment Plant Wet Weather Improvements ~ Schedule 2 (\$866,762.04)
- J. Resolution accepting the bid of and authorizing the Mayor to execute a contract with Utility Service Company for Fianna Hills elevated storage tank painting (\$214,600.00)
- K. Resolution authorizing the Mayor to execute easements with Oklahoma Gas & Electric Company and Century Link for services in connection with lake Fort Smith State Park
- L. Resolution authorizing the City Administrator to accept an offer made by property owner for the acquisition of real property interests for the Highway 45 and Zero Street Water and Sewer Line Relocation Project (\$21,377.20)
- M. Resolution authorizing partial payment to Crossland Heavy Contractors, Inc., for construction of the Lake Fort Smith Water Treatment Plant ~ Contract 3 (\$3,463,428.45)

- N. Resolution accepting the project as complete and authorizing final payment to KAJACS Contractors, Inc., for the construction of Neighborhood Water Systems Improvements (\$98,902.65)
- O. Resolution authorizing an amendment to the agreement with Mickle Wagner Coleman Engineers, Inc., for engineering services associated with the Zero Street Outfall Sewer Improvements Phase I (\$35,000.00)
- P. Resolution accepting the project as complete and authorizing final payment to Insituform Technologies, Inc., for the Walnut Street 30-inch Sewer Rehabilitation (\$116,146.80)
- Q. Resolution accepting the construction of the Lake Shepherd Springs recreational area paving and parking lots as complete
- R. Resolution accepting the project as complete and authorizing final payment to Goodwin & Goodwin, Inc., for the Sunnymede Relief Sanitary Sewer Line Improvements (\$156,470.35)

There were brief questions regarding items A, B, E, and F.

The following was present to ask questions regarding items A and B:

- ◆ Eric Arthur
815 North B Street

Requested clarification for reason of the change orders. Mr. Kelly responded that both were due to weather delays during the projects.

Director Maddox addressed items E and F, and asked how many of the streets included in each project had not been previously resurfaced.

Director of Engineering Stan Snodgrass responded. Regarding item E, 45% of the streets have not been resurfaced; 55% were resurfaced in the first years of the sales tax (1987/1988). Regarding item F, 7% have not been resurfaced; 93% were resurfaced

during years 1990/1991. Notably, those resurfaced 20+ years ago are now needing maintenance.

Maddox, seconded by Hutchings, moved adoption of the Consent Agenda. The members all voting affirmatively, the Mayor declared the motion carried, and the resolutions were adopted and numbered R-113-10 thru R-130-10 respectively.

Mayor Baker opened the Officials Forum with the following comments offered:

- ◆ Director Settle called attention to the many events scheduled in the city and downtown area, noting the success of the Juneteenth Celebration held this past weekend at the river front. The Fort Smith Classic, Blues Festival, and Mayor's 4th of July Celebration are the upcoming events over the next several weekends.

An executive session was held and after reconvening, the Mayor announced the following appointment nominations:

CIVIL SERVICE COMMISSION

Sam Chip Sexton
term expires March 31, 2015

CONVENTION CENTER COMMISSION

Jim Kolettis
term expire August 31, 2012
(completing term of Leon Bormaster who resigned May 1, 2010)

HISTORIC DISTRICT COMMISSION

Joan Mawn -reappointment
term expires July 31, 2013

PORT AUTHORITY

Stephanie Harper Easterling
term expires July 31, 2015

PROPERTY OWNERS APPEAL BOARD

Karen Lewis - reappointment
Megan Raynor
terms expire July 14, 2015

Hutchings, seconded by Maddox, moved acceptance of the appointment nominations. The members present all voting aye, the Mayor declared the motion carried.

With regard to the time limit policy for persons wishing to address the Board, Mayor Baker communicated that two (2) minutes will be allotted for those participating in the Citizens Forum.

Mayor Baker opened the Citizens Forum with the following individuals present to address the Board:

- ◆ Louis Vincent
28 Courtland Street

Commented regarding budget shortfalls and suggested less spending by city officials

- ◆ Tammy Trouillon
8000 Holly Avenue

Spoke in support of an ordinance requiring fencing for dogs

- ◆ Paul Speer
27910 Hwy. 22
Charleston AR

Suggested that by adoption of a resolution, the Board can transfer monies from the street sales tax fund to other city funds.

- ◆ Eric Arthur
815 North B Street

Stated that under the city administrator form of government, the directors should set policy, not micro manage.

There being no further business to come before the Board, Maddox moved that the

meeting adjourn. The motion was seconded by Tyler, and the members present all voting aye, the Mayor declared the motion carried, and the meeting stood adjourned.

APPROVED:



MAYOR

ATTEST:



CITY CLERK