MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ OCTOBER 21, 2014 ~ 6:00 P.M.

FORT SMITH PUBLIC SCHOOLS SERVICE CENTER

The meeting was called to order by Mayor Sandy Sanders, presiding. Invocation was given by Pastor Robert Berry of Bluff Avenue Baptist Church, followed by the Pledge of Allegiance. On roll call the following members of the Board were present: Directors Keith Lau, Andre' Good, Mike Lorenz, George Catsavis, Pam Weber, Kevin Settle and Philip H. Merry, Jr. The Mayor declared a quorum present.

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

The minutes of the October 7, 2014 regular meeting was presented for approval. Settle, seconded by Lorenz, moved approval of the minutes as written. The members all voting aye, the Mayor declared the motion carried.

With regard to the time limit policy for persons wishing to address the Board, the Mayor communicated that five (5) minutes per side would be granted for controversial items with three (3) minutes for rebuttal per side, and two (2) minutes for comments only.

Item No. 1 was a resolution authorizing the Mayor to execute a consulting and pre-opening development agreement with American Resort Management, LLC for the aquatics center at Bene Geren Regional Park *($88,000.00 / Parks Department / Budgeted - 1/8% Sales and Use Tax).*

City Administrator Ray Gosack briefed the Board on the item advising the aquatic center at Ben Geren Regional Park is a collaborative project between the City of Fort Smith

and Sebastian County. The project is under construction and currently on schedule for opening Memorial Day weekend in 2015. It was determined the best method of managing the facility is through a management company that is experienced and specializes in aquatic facility operations. A Request for Qualifications (RFQ) was advertised and specifically forwarded to management companies who are members of the World Waterpark Association, as well as other pertinent companies found via an internet search. Three (3) companies responded to the RFQ whereby each were evaluated and interviewed. All were well qualified, have much experience and had good references; however, American Resort Management (ARM) is recommended because of their strength in customer service and emphasis on creating positive employee to guest experience as expected in a well-run theme park or resort hotel. Their staff training is designed to promote this type of positive interaction. The proposed consulting and pre-opening agreement will move the City and County toward approval of the management agreement to operate the facility, expected by the first of the year. The proposed agreement will provide guidance on the organization and operation of the park, i.e. a business plan, sales and marketing plan, operational budget, fee structure, concessions menu and operation, and Standard Operating Procedures for all aspects of the park.

Administrator Gosack introduced the following individual to address the Board:

- Rick Coleman, American Resort Management

  Re: Provided a brief review of the company's experience and conveyed much excitement with the opportunity to provide their expertise in ensuring the aquatic facility is a success.

There were multiple questions conveyed to Mr. Coleman with regard to ARM's experience, anticipated downfall in visitors, the industry standard fee structure for similar-sized waterparks, and special rates and package options.

Mr. Coleman advised ARM has experience with marketing, as well as operating similar waterparks throughout the nation, i.e. Alabama, Pennsylvania and Ohio. The pre-opening process is crucial because the naming of the park, selecting the right management team, etc. are all crucial aspects that will essentially pave the way for success of the facility. Because ARM is a hospitality-based company, their processes ensure staff is properly trained to provide the best customer service possible, i.e. greet and speak to every guest, etc., citing such promotes a very positive experience for those visiting the park.

Typically, new waterparks have a "great first year"; however, it's the sophomore year that a dip may occur. It's then that the marketing engine should be heavily utilized; however, with the large factories, churches and civic organizations in Fort Smith and region, he conveyed much confidence the facility will be a great success.

The industry standard fee for a park of this size is $16 to $21; however, much assurance was conveyed that special rates, reduced fees and packages, and even corporate sponsorships will be established and offered to ensure the waterpark is accessible to all.

Director Weber questioned if other expenses are expected to be incurred during the agreement period.

Administrator Gosack advised the agreement provides for travel expenses; however, the majority of the fee will be utilized to market the facility.

Settle, seconded by Good, moved adoption of the resolution. The members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-145-14.

Mayor Sanders announced this was the time and place set for a public hearing to approve the issuance of Health and Educational Facilities Authority of the State of Missouri Health Facilities Revenue Bonds for Mercy Health. Notice of the public hearing had been duly published as required by law. Following the public hearing, consideration of a resolution authorizing same would be given (Item No. 2).

Administrator Gosack briefed the Board on the item advising Mercy Health would like to finance some of its Fort Smith projects with proceeds from the issuance of tax-exempt bonds. The Internal Revenue Service (IRS) requires that Mercy Health conduct a public hearing and obtain approval prior to using bond proceeds to finance projects located in Fort Smith. The purpose of the hearing is to give the public an opportunity to comment on Mercy's Fort Smith projects that will benefit from the issuance of the tax-exempt bonds, which include the orthopedic hospital on South 79th Street, two (2) primary care clinics, and existing medical office buildings. The city is not the issuer of the bonds; therefore, is in no way liable for repayment of the bonds. The Missouri Health and Educational Facilities Authority is the issuer and Mercy Health is the borrower.

There being no individual present to address the Board, Mayor Sanders closed the public hearing.

Merry, seconded by Lorenz, moved adoption of the resolution. The members all voted affirmatively with the exception of Director Catsavis, who voted "no". The Mayor

declared the motion carried and resolution was adopted and given Resolution No. R-146-14.

Item No. 3 was an ordinance ordering the owners of certain dilapidated and substandard structures to demolish same, authorizing the City Administrator to cause the demolition of such structure to occur, and for other purposes *(2400 North 29th Street).*

Administrator Gosack briefed the Board on the item advising the structure has been determined to be unsafe and detrimental to the health, safety and welfare of the residents of Fort Smith. Upon approval, the property owners will have approximately thirty (30) days to accomplish the demolition. If such does not occur in said time-frame, the City will initiate the bidding process to obtain a contractor to demolish the structure.

Weber, seconded by Settle, 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 all voting affirmatively, the Mayor declared the motion carried. Lorenz, seconded by Settle, moved adoption of Section 5 the emergency clause. The members all voting affirmatively, the Mayor declared the motion carried and the resolution and emergency clause were adopted and given Ordinance No. 59-14.

The Consent Agenda (Item No. 4) was introduced for consideration, the items being as follows:

A. Resolution granting a temporary revocable license for the placement of a monument sign within a water line easement and authorizing the Mayor to execute agreement *(St. Edward Mercy Health System, Inc. - 3501 W.E. Knight Drive)*

B. Resolution authorizing a time extension for the construction of Drainage Improvements, Project No. 12-06-A *(151 days)*

C. Resolution accepting completion of and authorizing final payment for the construction of Drainage Improvements, Project No. 12-06-A *($6,449.27 / Engineering Department / Budgeted - Sales Tax Program)*

D. Resolution authorizing Change Order No. 1 with Goodwin & Goodwin, Inc. for the Massard Interceptor Access Improvements *($6,692.50 / Utility Department / Budgeted - 2012 Sales Tax and Use Tax Bonds)*

Lorenz, seconded by Settle, moved adoption of all consent agenda items. The members all voting affirmatively the Mayor declared the motion carried and the resolutions were adopted and given Resolutions No. R-147-14 through R-150-14 respectively.

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

- Mayor Sanders

  Re: Reminded all of the upcoming Ward 4 Neighborhood Meeting scheduled for 6:00 p.m., Thursday, October 23rd at Woods Elementary School Cafeteria, 3201 Massard Road.

- Director Settle

  Re: Announced the University of Arkansas Fort Smith homecoming is scheduled for Saturday, November 1 and invited all to attend the following festivities:
  10:00 a.m. Homecoming parade (Kinkead to Waldron)
  12:00 p.m. Last volleyball game of the year

The Board entered into executive session at approximately 6:17 p.m. and after reconvening, the Mayor announced the following appointment nominations:

INTERNAL AUDITOR
Tracey Shockley

MECHANICAL BOARD OF ADJUSTMENTS AND APPEALS
Thomas Franklin
Term expires July 31, 2019

PARKS AND RECREATION COMMISSION
Chris Raible
Term expires August 31, 2019

Lorenz, seconded by Catsavis, moved acceptance of the above named nominations and adoption of Item No. 5, a resolution confirming the appointment of an internal auditor for the City of Fort Smith with an employment date of December 8, 2014 and an annual salary of $74,600. The members all voting affirmatively, the Mayor declared the motion carried, and the aforementioned resolution was adopted and given Resolution No. R-151-14.

There being no further business to come before the Board, Lau moved that the meeting adjourn. The motion was seconded by Lorenz, and the members all voting aye, the Mayor declared the motion carried and the meeting stood adjourned at 6:39 p.m.

APPROVED:

Sandy Sanders
MAYOR

ATTEST:

Sherri Gard
CITY CLERK