

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING**

**TUESDAY ~ AUGUST 18, 2015 ~ 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 Director Don Hutchings, 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, Tracy Pennartz, Kevin Settle and Don Hutchings. 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 August 4, 2015 regular meeting and August 11, 2015 special meeting were 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.

Mayor Sanders announced this was the time and place set for a public hearing to consider abandonment of an alley right-of-way located in Block 19 of South Fort Smith Addition. Notice of the public hearing had been duly published as required by law. Following the public hearing, consideration of an ordinance authorizing same would be given (Item No. 1).

Director of Development Services Wally Bailey briefed the Board on the item advising such is per the application of Stuart Leonard, agent for Robert Steel of RJ&M Properties, LLC. The subject property is located on the southwest corner of the intersection of Tulsa Street and South 28<sup>th</sup> Street. The purpose of the proposed alleyway abandonment

***August 18, 2015 Regular Meeting***

is to allow the subject lot to be combined with an adjoining lot and utilized as a driveway for future duplexes. Staff contacted all franchise utilities, appropriate City departments and property owners within three-hundred (300) feet of the subject area. The City of Fort Smith Utility Department requested the alley be retained as a twenty (20) feet sanitary sewer easement to accommodate an existing sanitary sewer line. The owner has agreed to the condition and will submit a plat delineating the alley proposed for closure as a sanitary sewer easement. The franchise utilities conveyed no objection to the proposed abandonment. In keeping with the Board's policy, the applicant has executed a memorandum of understanding that stipulates the applicant or its assigns will not make any claim for compensation in the event the City exercises its power of eminent domain to reclaim the abandoned right-of-way.

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

Hutchings, 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 reading and the members all voting affirmatively, the Mayor declared the motion carried. Settle, seconded by Catsavis, moved adoption of Section 3 the emergency clause. The members all voting affirmatively, the Mayor declared the motion carried and the ordinance and emergency clause were adopted and the ordinance was given Ordinance No. 55-15.

**August 18, 2015 Regular Meeting**

Item No. 2 consisted of the following items regarding amendments to the 2015 Budget ~ Pennartz/Lau placed on agenda at the August 11, 2015 study sessions ~ :

- A. Ordinance amending the 2015 Budget (*budget reductions - August 2015*)
- B. Ordinance revising the 2015 Budget county sales tax revenue estimate (*increase 2015 revenue projections*)

Deputy Finance Director Jennifer Walker briefed the Board on the items as discussed at the August 11, 2015 study session. Item No. 2A amends the General Fund expense budget; however, one (1) change has been made since the aforementioned study session. The Transit Program is one-hundred percent (100%) funded by the General Fund; however, fifty percent (50%) of personnel and operations are funded through a federal grant reimbursement program and cannot be assigned to other funding needs. Due to such, the allocation to the General Fund has been adjusted by \$63,100 accordingly. Upon approval, the budget expense reductions of \$770,473 will be transferred to the Police and Fire Pension Fund (LOPFI).

Item No. 2B amends the General Fund budgeted revenue. The County Sales Tax received from January 1 to June 30, 2015 is approximately \$315,000 higher than the budgeted revenue, which was compared to the same time period last year. Due to unusual July 2015 sales tax figures, the Finance Department does not recommend adjusting the July to December budgeted revenues at this time. Upon approval, the estimated revenues from January to June 2015 will denote actual revenue received, which is an increase of \$314,538. The proposed ordinance contains language that the increased revenue will be transferred to LOPFI; however, staff has prepared and presented a revised ordinance for

***August 18, 2015 Regular Meeting***

consideration if the Board so chooses to retain the increased revenue in the General Fund. If the Board would like to transfer a portion of the increased revenue, a motion to amend the ordinance should be offered and approved accordingly.

Regarding Item No. 2B, Director Pennartz spoke in favor of adopting the revised ordinance to retain the increased revenue in the General Fund citing there's no rush to transfer the funds to LOPFI. If revenues go down, such would effect the year end reserve balance.

Lorenz, seconded by Lau, moved adoption of Item No. 2A. The members all voting affirmatively, the Mayor declared the motion carried and the ordinance was adopted and given Ordinance No. 56-15.

Pennartz, seconded by Lau, moved adoption of Item No. 2B as revised to remove language that the increased revenues will be transferred to LOPFI. Prior to the vote, Director Catsavis requested clarification that the excess revenues will not be transferred to LOPFI whereby Mayor Sanders responded affirmatively.

Director Good questioned if the increased revenue can be transferred to LOPFI later in the year and further inquired if a negative impact would result from a transfer now.

Mrs. Walker confirmed the increased revenue can be transferred to LOPFI later in the year if the Board so desire. Regarding the negative impact of transferring the funds to LOPFI now, such could create a risk in the event revenues from June to December 2015 are less than anticipated. The money transferred to LOPFI could not be recovered to accommodate the lower revenue received.

Upon adoption of Item No. 2B as revised, Director Settle questioned where the increased revenues will be posted.

**August 18, 2015 Regular Meeting**

Ms. Walker simply stated the excess revenue will be retained solely in the General Fund balance and will not be appropriated for any purpose.

The motion remaining on the floor (adoption of Item No. 2B as revised), the members all voted affirmatively, with the exception of Director Good who voted "no". The Mayor declared the motion carried and the ordinance was adopted and given Ordinance No. 57-15.

The Consent Agenda (Item No. 3) was introduced for consideration, the items being as follows:

- A. Resolution granting a temporary revocable license for the placement of a retaining wall in a public utility easement and authorizing the Mayor to execute agreement (*8600 Highway 71 South / Wal-Mart Neighborhood Market*)
- B. Resolution to accept the bids and authorize a contract for the construction of Water and Sewer Line Improvements serving the Arkansas College of Osteopathic Medicine, Project No. 15-90-A, EDA Award No. 08-79-04996 (*\$749,184.00 / Engineering Department / Budgeted - Water/Sewer Fund*)
- C. Resolution to accept the bids and authorize a contract for the construction of Street Overlays/Reconstruction, Project No. 15-03-C (*\$2,593,548.90 / Engineering Department / Budgeted - Sales Tax Program Fund*)
- D. Resolution naming the basketball courts at Martin Luther King, Jr. Park, The Almer Lee Basketball Courts
- E. Resolution authorizing the execution of a non-residential solid waste collection and disposal permit and agreement with Inland Waste Solutions, LLC
- F. Resolution approving and authorizing execution and of release and abrogation of conditions subsequent agreement with United States of America

**August 18, 2015 Regular Meeting**

- G. Resolution authorizing the execution of a memorandum of understanding for inter-governmental police service assistance between the Arkansas National Guard, Fort Chaffee Maneuver Training Center, Public Safety Division and the City of Fort Smith, Arkansas
- H. Resolution accepting the bid of and authorizing the Mayor to execute a contract with Goodwin & Goodwin, Inc. for the Massard Wastewater Treatment Plant Sewer Repair (\$573,546.00 / Utility Department / Budgeted - 2014 Sales and Use Tax Bonds)
- I. Resolution authorizing the Mayor to execute an agreement and Authorization No. 1 with Morrison Shipley Engineers, Inc. for engineering services associated with the Riverlyn Wastewater Pump Station Improvements (\$90,110.00 / Utility Department / Budgeted - 2014 Sales and Use Tax Bonds) ♦Future Fort Smith
- J. Resolution authorizing the Mayor to execute an agreement for architectural services with MAHG Architecture, Inc. for renovations of the library annex building for use as office space (\$98,980.00 / Utility Department / Budgeted - 2014 Sales and Use Tax Bonds) ♦Future Fort Smith
- K. Resolution adopting the Parks and Recreation 5 Year Capital Improvement Program as recommended by the Parks and Recreation Commission ~ *Settle/Pennartz placed on agenda at the August 13, 2015 special study session* ~
- L. Resolution authorizing an agreement for a zero-interest loan from First National Bank for trails and greenways
- M. Resolution authorizing the Mayor to submit an application for Trails Life Grant Funding to the Arkansas Department of Parks and Tourism for the purpose of a walking trail at the River Valley Sports Complex

Regarding Item No. 3E, Director Pennartz inquired if the company will be hauling materials from northwest Arkansas to the Fort Smith landfill and requested Acting City Administrator Jeff Dingman to inquire and advise.

**August 18, 2015 Regular Meeting**

With regard to Item No. 3I, Director Lau requested a brief explanation of the staff bidding process to ensure the City is receiving the lowest possible price. He further questioned the estimated cost and anticipated completion date of the project.

Director of Utilities Steve Parke provided a synopsis of the bidding process and advised the total cost of the project has not yet been determined because the project is currently the preliminary design phase. Staff must rely on the engineering community to assist in the total project cost estimation, which the preliminary design, past costs for similar projects, and other issues will assist in determining the total project cost. With regard to a completion date, the preliminary design will be completed in 2016; however, the consent decree schedule requires that the project be completed by the end of 2017.

Director Settle conveyed discontent that a total cost has not been determined, at least a "*not to exceed*" amount. He further expressed concern that costs will be overinflated.

Director Pennartz inquired if the City maintains in-house staff that could prepare the preliminary design and if the City negotiated with anyone other than Morrison-Shiple. She further requested staff provide the Board with a list of design firms used in the last two (2) to three (3) years, as well as the authorized amounts paid to each.

Mr. Parke confirmed that the City maintains no in-house staff to prepare the preliminary design. With regard to negotiating with other firms, he confirmed the City adhered to all State law requirements.

Regarding the request for design firms used, Director Lau requested the information also contain the actual and estimated project costs.

### **August 18, 2015 Regular Meeting**

Regarding Items No. 3L and 3M, there were multiple questions submitted by Directors Catsavis, Settle and Pennartz regarding funding whereby Director of Parks and Recreation Doug Reinert provided the requested information.

Director Hutchings extended much appreciation to Mr. Reinert for the “*excellent work*” on the Parks and Recreation Capital Improvement Plan (CIP).

Hutchings, seconded by Lorenz, moved adoption of all consent agenda items. The members voted affirmatively on all items with the exception of Items No. 6E and 6I, whereby Director Pennartz voted “*no*” on Item No. 6E and Director Catsavis voted “*no*” on Item No. 6I. The Mayor declared the motion carried and the resolutions were adopted and numbered R-148-15 through R-160-15 respectively.

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

▶ Mayor Sanders

Re: Announced Governor Asa Hutchinson recently appointed City of Fort Smith Director of Information Technology Russell Gibson to the Arkansas Geographic Information Systems Board and extended congratulations to Mr. Gibson for the prestigious appointment.

▶ Director Pennartz

- Re:
1. Extended appreciation to the Trails and Greenways Committee and the Parks and Recreation Commission for their work on the Parks and Recreation CIP.
  2. Noted the Streets, Bridges and Associated Drainage Capital Improvements Plan (CIP) Advisory Committee will hold its first meeting at 12:00 Noon, Thursday, August 20<sup>th</sup>, River Park Events Building West Room.

**August 18, 2015 Regular Meeting**

The Board entered into executive session at approximately 6:41p.m. and after reconvening, the Mayor announced the following appointment nominations:

**CENTRAL BUSINESS IMPROVEMENT DISTRICT**

Lee Ann Vick  
Richard Griffin (reappointment)  
Rodney Ghan (reappointment)  
Phil White (reappointment)  
Sam T. Sicard (reappointment)  
Terms expire September 30, 2021

Hutchings, seconded by Pennartz, moved acceptance of the above named nominations. The members all voting aye, the Mayor declared the motion carried.

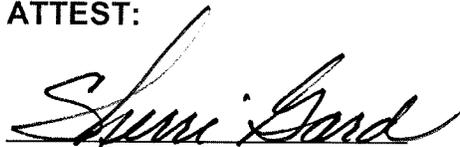
There being no further business to come before the Board, Lau moved that the meeting adjourn. The motion was seconded by Lorenz and the members all voting aye, the Mayor declared the motion carried and the meeting stood adjourned at 6:45 p.m.

**APPROVED:**



MAYOR

**ATTEST:**



CITY CLERK