

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ MAY 17, 2016 ~ 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, Kevin Settle, Tracy Pennartz and Don Hutchings. The Mayor declared a quorum present.

Mayor Sanders introduced and welcomed new City Administrator Carl Geffken.

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 May 3, 2016 regular meeting were presented for approval. Settle, seconded by Pennartz, moved approval of the minutes as written. The members all voting aye, the Mayor declared the motion carried.

Item No. 1 consisted of the following presentations:

- a. The Mayor presented proclamations for Public Works Week (*May 15 – 21, 2016*) to the following:
 - Kevin Sandy, Deputy Director of Business Administration for Utilities
 - Doug Reinert, Director of Parks and Recreation
 - Greg Riley, Director of Streets and Traffic Control
 - Mark Schlievert, Director of Sanitation
 - Ken Savage, Director of Public Transit
 - Stan Snodgrass, Director of Engineering

Such proclaimed the aforementioned week as "Public Works Week in Fort Smith". This years theme is: "*Public Works Always There*". The special week provides an opportunity to recognize the importance of street, water & sewer, sanitation, stormwater, parks public transit, and capital project management. A public works employee appreciation picnic will be held Wednesday, May 18 at the Riverfront Park from 11:00 a.m. to 1:00 p.m.

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- b. Mayor Sanders recognized Lance McAvoy upon receiving the Water System Manager of the Year by the Arkansas Waterworks and Water Environment Association. The award was presented at a luncheon on May
- c. Mayor Sanders recognized Rhonda Fouts upon receiving the WEF Laboratory Analyst Excellence Award & AWEA Laboratory Analyst of the Year by the Arkansas Waterworks and Water Environment Association
- d. Darby Legacy Project Update ~ *Postponed at the May 3, 2016 regular meeting; Postponed at the May 17, 2016 regular meeting ~*

Mayor Sanders also recognized the following Boy Scouts, who were in attendance to earn the below noted badges:

- J.D. Boyd, Troop 2316 - Communications
- Beck Williams, Troop 3 – Citizenship in the Community
- Timothy Shultz, Troop 3 – Citizenship in the Community
- Anthony Farmer, Troop 3 – Citizenship in the Community
- Parker Knight, Troop 3 – Citizenship in the Community
- Kenneth Clardy, Troop 3 – Citizenship in the Community

The Mayor also noted attendance of Bill Willis, Troop 3 Scout Master; Leroy Farmer, Charter Organization Representative; and Chris Remershed, Senior Patrol Leader.

Mayor Sanders and Administrator Geffken expressed gratitude to Deputy City Administrator Jeff Dingman for his recent service as Acting City Administrator.

Item No. 2 was a resolution authorizing acceptance of a proposal from Burns & McDonnell for staff augmentation services for the Utility Department for an amount not to exceed \$94,376.00; and authorizing the City Administrator to facilitate such arrangement ~
Discussed at the April 28, 2016 study session ~

Deputy City Administrator Jeff Dingman briefed the Board on the item as discussed at the April 26, 2016 study session. The proposal is based on an initial ninety (90) day service period and manpower effort of approximately thirty-two (32) hours per week, plus direct expenses at cost. The scope includes time for Mr. Bob Roddy from Burns & McDonnell to

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serve in an interim capacity as Director of Utilities while the City undertakes its recruitment process to hire a new Director of Utilities. The proposal also includes a small amount of time for the other members of Burns & McDonnell to provide support services as needed. The base fee for these services during the initial ninety (90) day period is proposed at \$68,376.00 plus a not-to-exceed amount of \$10,000 to reimburse direct lodging/travel expenses at cost. The proposal includes a provision of a \$16,000 owner-controlled contingency if the owner desires services beyond the initial project scope.

Hutchings, seconded by Pennartz, moved adoption of Item No. 2. There was no Board comment on the item. The members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-63-16.

Item No. 3 was an ordinance amending the Fiscal Year 2016 Water & Sewer Operating Budget and appropriating funds to establish the Non-Capital Projects Program 5590 to provide Year 2016 Projects associated with consent decree compliance, and water system and sewer system assessment • *Consent Decree item*

Mr. Dingman briefed the Board on the item advising approval of such would allow set up of a new program, i.e. Program 5590 Non-Capital Projects for the Water & Sewer Operating Fund. The Finance Department determined the 2016 Budget included non-capital projects on the same project schedules for capital spending. Since these projects are non-capital projects, addition of the new program is a necessity for tracking non-capital projects. Approval of such will ensure the funds are appropriated each year for these specific projects out of operating balances.

Lorenz, seconded by Hutchings, moved adoption of Item No. 3.

Prior to the vote, Director Settle inquired where the funds are currently being paid from, why such was not already included in the budget, how the reduction in the fund balance

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impacts the bond ratings, and inquired what percentage of the \$3.2 million is related to the Consent Decree.

Director Pennartz expressed dissatisfaction with the deficiency of such a large expenditure being incorporated properly in the 2016 Budget process.

Director of Finance Jennifer Walker advised such funds were currently being paid from the Operating Water & Sewer Fund unappropriated balance. The subject projects were included in the project schedules for capital spending in the 2016 Budget and not with the operating budget as they should have been. In part, the subject projects are non-capital spending projects and thus should be funded by the Water & Sewer Operating Fund. She speculated the deficiency in the appropriation for non-capital spending projects was due to such being a new activity to the Utility Department; therefore, there was some uncertainty in determining how to meet the needs of the Consent Decree the 2016 Budget process. The projects have been incorporated into the Water & Sewer Operations Division since the beginning of the Consent Decree implementation and some of the projects have already received Board approval. Approval of the proposed will affect the bond rating; however, such is anticipated to be less than one-percent (1%).

Administrator Geffken confirmed the \$3.2 million is related to the Consent Decree and the non-inclusion of the projects in the 2016 Budget is an unfortunate oversight. He conveyed much assurance that such is due, in part, to the personnel change of the Director of Finance position so late in the year of 2015 and overall unfamiliarity with the new activity required by the Consent Decree.

The motion remaining on the floor, the members voted as follows: ayes – Lau, Good, Lorenz Catsavis, Pennartz and Hutchings; nays – Settle. The Mayor declared the motion carried and the ordinance was adopted and given Ordinance No. 32-16.

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Item No. 4 was a resolution authorizing the Mayor to execute an agreement and Authorization No. 1 with RJN Group, Inc. for engineering services for the 2015 Sanitary Sewer Assessment Remedial Measures, Phase A, Sub-Basin P007 (*\$501,597.00 / Utility Department / Budgeted – 2015 Revenue Bonds*) ♦ *Future Fort Smith item* • *Consent Decree item*

Deputy Director of Systems Jimmie Johnson briefed the Board on the item advising the Consent Decree requires the City to conduct sanitary sewer system condition assessments to identify sewer mains and appurtenances requiring repair and rehabilitation. Upon approval, the proposed resolution will allow the design of the necessary repairs to Sub-Basin P007. The 2015 Sanitary Sewer Assessment and Remedial Measures Plan prepared by RJN Group Inc. indicate sixty-one percent (61%) of the pipes are deficient, which includes pipe locations of multiple reported overflows.

Settle, seconded by Good, moved adoption of Item No. 4.

Prior to the vote, Director Pennartz conveyed amazement to the fact that sixty-one percent (61%) of pipes are in need of repair.

Mayor Sanders requested clarification the subject pipes are some of the oldest in the city's sewer system.

Mr. Johnson confirmed such citing the age of the pipes was a defining factor as to why the subject pipes were selected to be repaired first.

Director Good requested explanation of "bad pipes" inquiring if they were undersized or merely damaged. He further questioned if the percentage of "bad pipes" is due to the more stringent assessment requirements of the Consent Decree or if the City would've determined the pipes as being deficient anyway.

Mr. Johnson advised RJN Group, Inc. identified the pipes included within the sixty-one percent (61%) maintain structural defects, which has resulted in thirty-one (31) sanitary sewer

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overflows reported in the last year. The difference is the approach and assessment tools utilized by RJN Group, Inc. whereby their determinations were based on more of a preventative maintenance approach whereas the Utility Department, due in part to manpower, has historically maintained only the ability to address issues reactively.

Administrator Geffken noted that inflow and infiltration are an issue in all sewer systems because they lead to extraordinary flows into plants and thus leading to overflows. Considering the subject pipes are some of the oldest in the city, sixty-one percent (61%) of deficiencies is not unreasonable.

The motion remaining on the floor and the members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-64-16.

Item No. 5 was a resolution authorizing the Mayor to execute an agreement and Authorization No. 2 with RJN Group, Inc. for engineering services for the 2015 Sanitary Sewer Assessment Remedial Measures, Phase A, Sub-Basin S008 (*\$281,560.00 / Utility Department / Budgeted – 2015 Revenue Bonds*) ♦ *Future Fort Smith item* • *Consent Decree item*

Mr. Johnson briefed the board on the item advising the Consent Decree requires the City to conduct sanitary sewer system condition assessments to identify sewer mains and appurtenances requiring repair and rehabilitation. Upon approval, the proposed resolution will allow the design of the necessary repairs to Sub-Basin S008. The 2015 Sanitary Sewer Assessment and the Remedial Measures Plan prepared by RJN Group Inc. identified forty-two percent (42%) of the pipes have structural defects, which has resulted in six (6) reports of sanitary sewer overflows in the last year.

Good, seconded by Hutchings, moved adoption of Item No. 5. There was no Board comment on the item. The members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-65-16.

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Item No. 6 was a resolution authorizing the Mayor to execute an agreement and Authorization No. 1 with Morrison-Shibley Engineers, Inc. for engineering services for the 2015 Sanitary Sewer Assessment Remedial Measures, Phase C, Sub-Basin FL01 (\$327,300.00 / Utility Department / Budgeted –2015 Revenue Bonds) ♦ Future Fort Smith item • Consent Decree item

Mr. Johnson briefed the board on the item advising the Consent Decree requires the City to conduct sanitary sewer system condition assessments to identify sewer mains and appurtenances requiring repair and rehabilitation. Upon approval, the proposed resolution will allow the design of the necessary repairs to Sub-Basin FL01. The 2015 Sanitary Sewer Assessment and the Remedial Measures Plan prepared by RJN Group Inc. identified forty-seven percent (47%) of the pipes have structural defects, which has contributed to eleven (11) reports of sanitary sewer overflows in the last year.

Lorenz, seconded by Good, moved adoption of Item No. 6. There was no Board comment on the item. The members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-66-16.

Item No. 7 was a resolution authorizing the Mayor to execute an agreement and Authorization No. 2 with Morrison-Shibley Engineers, Inc. for engineering services for the 2015 Sanitary Sewer Assessment Remedial Measures, Phase C, Sub-Basin S009 (\$308,300.00 / Utility Department / Budgeted –2015 Revenue Bonds) ♦ Future Fort Smith item • Consent Decree item

Mr. Johnson briefed the board on the item advising the Consent Decree requires the City to conduct sanitary sewer system condition assessments to identify sewer mains and appurtenances requiring repair and rehabilitation. Approval of the presented resolution would allow the design of the necessary repairs to Sub-Basin S009. The 2015 Sanitary Sewer

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Assessment and the Remedial Measures Plan prepared by RJN Group Inc. identified sixty-one percent (61%) of the pipes have structural defects, which resulted in fourteen (14) reports of sanitary sewer overflows in the last year.

Hutchings, seconded by Settle, moved adoption of Item No. 7. There was no Board comment on the item. The members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-67-16.

The Consent Agenda (Item No. 8) was introduced for consideration, the items being as follows:

- A. Resolution granting a temporary revocable license for the placement of a storage tank in a public right-of-way and authorizing the Mayor to execute agreement (*Treasure Dairy, Inc. / 400 South "C" Street*)
- B. Resolution granting a temporary revocable license for the placement of a masonry wall in a waterline easement and public utility easement and authorizing the Mayor to execute agreement (*Travis A. and Tiffeny L. Beshears / 4800 Aspen Court*)
- C. Resolution authorizing engineering services agreement for the design of a project in the 2017 Sales Tax Program (*\$195,780.00 / Engineering Department – Sales Tax Program*) ♦ *Future Fort Smith item*
- D. Resolution authorizing partial payment to Forsgren, Inc. for the construction of Jenny Lind Road and Ingersoll Avenue Widening Project, AHTD Job 040471, City of Fort Smith Project No. 07-01-A (*\$778,075.15 / Engineering Department / Budgeted – Sales Tax Program*) ♦ *Future Fort Smith item*
- E. Resolution authoring a time extension 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 (*16 days*) ♦ *Future Fort Smith item*
- F. Resolution accepting completion of and authorizing final payment 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 (*\$14,964.87 / Engineering Department / Budgeted – Water/Sewer Funds Program*) ♦ *Future Fort Smith item*
- G. Resolution authorizing the Mayor to execute an agreement with U.S. Bank for purchasing card services

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- H. Resolution authorizing execution of lease agreement with Webster University for space on the lower level of the convention center annex
- I. Resolution authorizing an agreement between the City of Fort Smith, Arkansas and the Fort Chaffee Redevelopment Authority to jointly design, construct and fund the Trails at Chaffee Crossing ♦ *Future Fort Smith item*
- J. Resolution authorizing the Mayor to execute an agreement for professional services with Mickle Wagner Coleman, Inc. for the design of Segment One and Two of the Trails at Chaffee Crossing (\$79,090,00 / Parks Department / Budgeted – 1/8% Sales and Use Tax) ♦ *Future Fort Smith item*
- K. Resolution authorizing partial payment to S.J. Louis Construction of Texas, LTD for construction of the Lake Fort Smith Water Transmission Line – Phase I (\$826,767.68 / Utility Department / Budgeted – 2012 & 2014 Sales and Use Tax Bonds) ♦ *Future Fort Smith item*
- L. Resolution approving payment authorized by Resolution No. R-25-16 for the purchase of real property interests for the Lake Fort Smith Water Supply Project (\$40,283.61 / Utility Department / Budgeted – Water and Sewer Capital Improvement Fund) ♦ *Future Fort Smith item*
- M. Resolution approving payment authorized by Resolution No. R-25-16 for the purchase of real property interests for the Lake Fort Smith Water Supply Project (\$154,969.27 / Utility Department / Budgeted – Water and Sewer Capital Improvement Fund) ♦ *Future Fort Smith item*

Regarding Item No. 8J, the following individual was present to address the Board:

- David Harris
Fort Smith, AR

Re: Noted only the associated memo indicates the City is to be reimbursed for half of the design cost; therefore, he expressed concern that such verbiage should be included within the resolution.

Hutchings, seconded by Lorenz, moved adoption of all consent agenda items.

Director Catsavis requested Item No. 8G be removed from the consent agenda to allow separate discussion of the item. Director Good noted concurrence with the request.

Mayor Sanders advised removal of the item is not required merely to necessitate discussion of the item; therefore, Item No. 8G remained on the consent agenda.

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Regarding Item No. 8C, Director Settle expressed gratitude to Director of Engineering Stan Snodgrass and the Engineering Department for their proactive response to alleviate the flooding issue at Ramsey Junior High School and the Fort Smith School Service Center.

Regarding item No. 8G, Director Catsavis requested Director of Finance Jennifer Walker address the Board.

Ms. Walker briefed the Board on the item advising the Finance Department solicited Request for Proposals (RFP) for purchasing card services for the City. The objective of the RFP was to contract with a qualified and experienced financial institution to assist the City in implementing and providing a Procurement/Purchasing Card Program (P-Card) that will allow authorized City personnel to purchase necessary items in a simple and timely manner while maintaining a high level of internal control. Use of the P-Card also enables the City to better manage low-dollar purchases and bring many benefits to the City and its vendors. Upon approval, P-Cards will be issued to certain employees to enhance the effectiveness or economy of operations and the liability for payment. Total responsibility and accountability for the P-Card transactions will reside at the department/employee level. The proposals were examined by a cross departmental team and U.S. Bank received the highest scoring by the team.

Director Good inquired if the marginal savings and the rebate is sufficient reason to go with a non-local firm, i.e. Arvest Bank, citing all they do for the community.

Mrs. Walker conveyed understanding with the desire to keep the business local; however, she conveyed it's her fiduciary responsibility to recommend the most a qualified and experienced financial institution.

Director Settle inquired if the program will consolidate all credit cards for the City under one (1) entity and if U.S. Bank has an office in the city of Fort Smith.

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Mrs. Walker confirmed such citing the P-Card will replace all City credit cards regardless of the vendor selected. Such will also significantly enhance Finance Department control of spending. The nearest U.S. Bank is located in Little Rock.

Administrator Geffken conveyed support of utilizing the P-card system for increased controls to enhance the protection of City funds. He requested Director of Information Technology (IT) Russell Gibson to address the Board regarding the technological benefits of utilizing U.S. Bank.

Mr. Gibson advised U.S. Bank system will currently interact with the City's existing system. Considering the upcoming transition to an Enterprise Resource Planning (ERP) system, the IT Department concurs that U.S. Bank maintains a more mature Application Programming Interface (API) system, which essentially allows operating systems to interact and allow real-time data where Arvest's API system is not as mature.

There was brief discussion regarding the interconnectivity of the ERP and API systems and their comparisons to the systems associated with the different financial institutions. Several Board members conveyed their desire to utilize a local financial institution, i.e. Arvest Bank, questioning if the differences were minor in nature. The discussion included possible delay of consideration pending further discussions with Arvest Bank to determine if they plan on upgrading their systems to a more mature level as U.S. Bank; however, however, several Directors spoke in opposition to delaying the matter citing the Board must trust that staff has performed its due diligence in selecting the most suitable entity for the City.

Regarding Item No. 8J, Director Lau inquired if there is legal merit to the concern noted by Mr. Harris regarding the verbiage of the resolution lacking the indication the cost will be shared with Fort Chaffee Redevelopment Authority.

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Administrator Geffkin advised Item No. 8J authorizes an agreement for the design of the project between the City of Fort Smith and Mickle Wagner Coleman, Inc.; however, Item No. 8I authorizes an agreement between the City of Fort Smith and Fort Chaffee Redevelopment Authority, which addresses the cost-share concern conveyed by Mr. Harris.

Regarding Item No. 8K, Director Pennartz inquired if the item authorizes a replacement of pipe or renovation of the existing pipe.

Mr. Johnson advised such authorizes replacement of seven (7) miles of an existing twenty-seven (27) inch steel pipe with a new forty-eight (48) inch pipe.

Mr. Geffken further advised that the new pipe will take a different route to the City of Fort Smith.

Regarding Items No. 8L and 8M, Director Pennartz noted the subject properties maintain a significant difference in cost per acre; therefore, she requested a brief explanation.

Utility Department Deputy Director of Operations Lance McAvoy advised there were various factors that contributed to the price fluctuation such as the seller's requested purchase price, as well as the location and accessibility to the subject properties.

The motion remaining on the floor, the members voted affirmatively on all items with the exception of Item No. 8B whereby Director Pennartz voted "no" and Item No. 8G, which Directors Good, Catsavis, Settle and Hutchings voted "no" and Director Lau abstained. The Mayor declared Item No. 8G defeated and further declared the remaining resolutions adopted and such were given Resolution No. R-68-16 through R-79-16, respectively. The Mayor clarified the Board expects Item No. 8G to be presented for consideration in the near future with an alternative option.

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

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➤ Mayor Sanders

- Re:
1. Invited all to attend the Memorial Day celebration scheduled for 2:00 p.m., Sunday, May 29, 2016 at the National Cemetery.
 2. Reminded all that the Old Fort Days Rodeo begins Monday, May 30, 2016 at Kay Rodgers Park, with nightly performances throughout the week.

➤ Director Pennartz

- Re: Expressed gratitude to Dr. Clardy and the twenty-five (25) doctors that conducted physicals in one (1) day for students at Darby Jr. High School.

➤ Director Hutchings

- Re:
1. Regarding his recent motorcycle accident, he conveyed much appreciation to the Fort Smith Emergency Medical Technicians (EMT), Firefighters, Police Officers and Sparks hospital staff, who provided aid in his time of need.
 2. Noted that National Police Week began Sunday May 15; therefore, he expressed much gratitude to all police officers for their dedicated service.

The Mayor further advised of the Memorial Service for fallen police officers planned for 10:00 a.m. May 18, 2016 in the court yard of the Sebastian County Courts Building and encouraged all to attend.

➤ Director Good

- Re:
1. Invited all to attend the National Day of Play by participating in the Kids to Parks Day set for 1:00 p.m. to 3:00 p.m., Saturday, May 21, 2016 at Creekmore Park. Such is a free event and several local businesses have provided food and drinks for the occasion, as well as blow up bounce around for kids to enjoy. The Cancer Support House will also be performing cancer screening on site.
 2. Announced the Antioch Discovery Garden received a \$20,000 grant from Seeds of Change Grant Program. He congratulated Charlotte Tidwell for leading the

organization. There were over 850 grant applications submitted and the Antioch Discovery Garden was one (1) of twenty-four (24) organizations across the county to receive a grant for the community garden. The gardens mission includes education and improving health by “*sustaining changes in eating habits and stem from the foods children help grow.*” Support from the community by online voting helped the Antioch Discovery Garden become among the top two (2) finishers in the grant competition.

3. Expressed much appreciation to all City personnel that assisted David Corbin, owner of Papa’s Shaved Ice, to get the aforementioned entity back in business.

➤ Administrator Carl Geffken

Re: Conveyed much gratitude to the Board for his appointment as City Administrator; to Deputy City Administrator Jeff Dingman for his help citing he is a great asset to the City of Fort Smith; and, employee’s and citizens for the warm welcome!

The Board entered into executive session at approximately 7:07 p.m. and after reconvening, the Mayor announced the following appointment nominations:

AIRPORT COMMISSION

Justin Voris (reappointment)
Kevin Ridgley
Terms expire June 30, 2021

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

Nichelle Christian (reappointment)
Term expires June 30, 2019

Ryan Millican (*to fill the unexpired term of Fran Hall who resigned*)
Term expires June 30, 2018

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BOARD OF ADVISORS**

Jamie Hammond – Police Department (reappointment)
Teddy Abbey – Fire Department (reappointment)
April Byrd – Other City Department (reappointment)
Terms expire June 30, 2019

Note: Director Lau left just prior to adjournment of the executive session.

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There being no further business to come before the Board, Settle moved that the meeting adjourn. The motion was seconded by Pennartz, and the members present all voting aye, the Mayor declared the motion carried and the meeting stood adjourned at 7:20 p.m.

APPROVED,


MAYOR

ATTEST


CITY CLERK