

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ SEPTEMBER 20, 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, George Catsavis, Tracy Pennartz, Kevin Settle and Don Hutchings; absent - Director Mike Lorenz. 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 September 6, 2016 regular meeting was presented for approval. Hutchings, seconded by Settle, 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, 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 amending Board Best Practices ~ *Pennartz/Settle placed on agenda at the September 13, 2016 study session ~*

Deputy City Administrator Jeff Dingman briefed the Board on the item as discussed at the September 13, 2016 study session. Upon approval, the Board Best Practices document will be amended and the verbiage "*and moving on*" in Section 6.4 will be deleted.

Pennartz, seconded by Hutchings, moved approval of the resolution.

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Prior to the vote, Director Good extended much appreciation for the annual review of the Board Best Practices document citing at the September 13, 2016 study session, there was concern with an alleged directive that employees should not take concerns directly to members of the Board of Directors. The matter has been appropriately addressed; therefore, he extended much appreciation to Administration for such.

The motion remaining on the floor and the members present all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-138-16.

Item No. 2 was an ordinance amending the 2016 Budget (*Utility Department*) •
Consent Decree

Interim Director of Utilities Bob Roddy briefed the Board on the item advising the 2016 Budget earmarked the purchase of numerous vehicles for the Utility Department and were budgeted as Water and Sewer Capital, to be paid for with Consent Decree bond proceeds. Many of the vehicles do not meet the project job application and are not suitable for construction sites and rough terrain; therefore, staff determined that changes were necessary in order to meet the needs. The overall impact of the proposed amendment will result in an anticipated savings of \$289,265.00.

Lau, seconded by Hutchings, moved adoption of the ordinance.

Prior to the vote, Director Pennartz conveyed multiple inquires regarding the purchase of sixty-three (63) vehicles questioning if said purchases constitutes a third, a quarter or other percentage of the total Utility Department's fleet; if some are additional vehicles or just replacements for existing vehicles; and requested information be provided to the Board regarding the correlation between the number of additional employees (added

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due to the Consent Decree) and the subject, additional vehicles. She further advised of a couple discrepancies within the report.

Mr. Roddy advised the requested percentage and correlation of additional employees to the number of vehicles purchased will be determined and provided at a later date. Some of the sixty-three (63) vehicles are additions to the exiting fleet and some are replacements; however, all are due to the Consent Decree either via an additional function or additional personnel required by the Consent Decree. With regard to the discrepancies, an apology was conveyed citing the information will be reviewed and updated accordingly.

Director Settle expressed concern that current fuel prices were utilized and with the assumption that a hybrid will only be utilized up to 100,000 miles. The City has set a goal to move toward utilizing alternative fuel sources, i.e. hybrid and natural gas vehicles; therefore, he alleged the proposed goes against said goal.

Director Lau extended much appreciation to Mr. Roddy for the initiative taken to determine cost savings with the Utility Department. The proposed represents an estimated eight percent (8%) savings compared to the total estimated cost of the Consent Decree stating such is, *"something to be proud of."*

The motion remaining on the floor, the members present voted as follows: ayes - Lau, Good, Catsavis and Hutchings; nays - Pennartz and Settle. The Mayor declared the motion carried and the ordinance was adopted and given Ordinance No. 59-16.

Item No. 3 was a resolution accepting the project as complete and authorizing final payment to Kraus Construction Company, LLC for construction of the Mill Creek Interceptor Improvements - Phase I (\$162,433.18 / Utility Department / Budgeted - 2015 Revenue Bonds) • Consent Decree ♦ Future Fort Smith

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Mr. Roddy briefed the Board on the item advising the project is designed to convey wet weather sewer flows to the new Mill Creek pump station and equalization tank. Upon approval, such authorizes the final payment to Kraus Construction Company, LLC, who completed the project forty-one (41) days ahead of schedule and \$404,116.82 or eleven percent (11%) under budget.

Pennartz, seconded by Settle, moved adoption of the resolution. There being no Director wishing to comment and the members present all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-139-16.

The consent agenda (Item No. 4) consisting of the following items was presented for consideration:

- A. 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 (\$1,750,014.13 / *Engineering Department / Budgeted - Sales Tax Program*) ♦ *Future Fort Smith*
- B. Resolution accepting completion of and authorizing final payment for the construction of 2014 Drainage Improvements, Phase B1, Project No. 14-06-B1 (\$64,635.21 / *Engineering Department / Budgeted - Sales Tax Program*) ♦ *Future Fort Smith*
- C. Ordinance authorizing master lease agreement with Caterpillar Financial Services Corporation regarding lease of D8T bulldozer for the landfill and authorizing the Mayor and City Administrator to negotiate and execute all necessary documents regarding said agreement (\$569,107.02 / *Sanitation Department / Budgeted - Sanitation Sinking Fund*) ~ *Pennartz/Hutchings placed on agenda at the September 13, 2016 study session* ~

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- D. Ordinance authorizing master lease agreement with Caterpillar Financial Services Corporation regarding lease of 836K compactor for the landfill and authorizing the Mayor and City Administrator to negotiate and execute all necessary documents regarding said agreement (\$638,404.56 / Sanitation Department / Budgeted - Sanitation Sinking Fund) ~ Pennartz/Hutchings placed on agenda at the September 13, 2016 study session ~
- E. Resolution accepting bid for the purchase of articulating dump trucks (\$898,540.00 / Sanitation Department / Budgeted - Sanitation Operating Fund) ~ Pennartz/Hutchings placed on agenda at the September 13, 2016 study session ~
- F. Resolution accepting completion of and authorizing final payment to Forsgren, Inc. for the Landfill Road Reconstruction Project (Methane Lane and Compost Drive) (\$27,210.08 / Sanitation Department / Budgeted - Sinking Fund ~ Landfill Construction)
- G. Resolution authorizing the City Administrator to accept offer made by property owner for the acquisition of real property interests for the Lake Fort Smith Water Supply Project (\$31,000.00 / Utility Department / Budgeted - Water and Sewer Capital Improvement Fund)

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

Prior to the vote and regarding Item No. 4C, Director Catsavis questioned if the proposed lease agreement contains a maintenance provision. He further inquired if the company will provide a replacement in the event the dozer breaks down and it takes two (2) weeks to repair.

Director of Sanitation Mark Schlievert advised the lease agreement includes a bumper to bumper warranty for three (3) years. If an extended breakdown occurs, which is unlikely because the equipment is new, the agreement includes a provision for full replacement. If a breakdown occurs that requires the equipment to be temporarily out of service for a minimal period of time, existing equipment can be utilized during the interim.

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With regard to Items No. 4C, 4D and 4E, Director Settle questioned the estimated cost to repair all existing equipment and inquired which one (1) of the three (3) pieces of equipment are most needed.

Mr. Schlievert advised the total cost to bring the existing equipment back to full-functionality cannot be determined; however, as the equipment ages, the likelihood of breakdowns increase thereby increasing the cost for repair. The Sanitation Department operates two (2) landfill compactors, which both have been repaired on multiple occasions both in-house and by outside sources; however, they keep overheating. Such requires the equipment to be out of service until the equipment can cool down, which is typically a couple hours. Unfortunately, such occurs on a continual basis and is simply not efficient. With regard to necessity, all three (3) maintain equal necessity and are the “bare bones” required to comply with Arkansas Department of Environmental Quality (ADEQ) regulations citing concern for potential violations if equipment is not replaced.

Director Pennartz expressed concern with the item and requested a schedule of replacement for all equipment within the Sanitation Department. She further questioned the current balance of the Sinking Fund.

Mr. Schlievert advised he’s recommended a comprehensive rate study that would encompass all aspects of the Sanitation Department, which would include said schedule of replacement for equipment, as well as operations, personnel requirements, etc. Such would provide the necessary blueprint to implement said replacement of equipment. If the necessary equipment is not obtained soon, he reiterated concern the City will be issued a Notice of Violation (NOV), which obviously need to be avoided at all cost. Currently, approximately eighty percent (80%) of the equipment needs to be replaced. According to

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the existing depreciation schedule, every piece of equipment will not last five (5) years citing everything actually needs to be replaced in three (3) years.

Deputy Administrator Dingman added, pending completion of a comprehensive rate study, the proposed equipment are the most easily identified resolution to address the biggest problems that currently hinder landfill operations.

Director of Finance Jennifer Walker advised the Sinking Fund actually maintains a very large balance; however, the portion specifically identified for replacement of equipment is approximately \$750,000 to \$1 million. Upon approval of the proposed, such will deplete most of the balance for said use. Although the City typically deposits approximately \$900,000 annually into the Sinking Fund, said funds for replacement of equipment has steadily decreased due to numerous and required repairs in past years.

Director Good extended much appreciation to the *"hands-on guys"* at the landfill and requested Landfill Manager Alan Spangler, who was in attendance, to address the Board with his opinion of the equipment necessity.

Mr. Spangler confirmed the aforementioned necessity conveyed by Mr. Schlievert stating, *"the replacement of equipment has been neglected in the past"* and *"it's finally caught up with us."* Such is to the point that the City is close to being in violation of State regulations, which requires landfills to maintain a backup compactor in case one (1) breaks down. Unfortunately, when both compactors are out of service, staff must use another type of equipment (not suited for the job) just to maintain operations.

The motion remaining on the floor, the members present voted affirmatively on all consent agenda items with the exception of Director Pennartz, who voted *"no"* on Item No. 4D, and Directors Pennartz and Settle, who voted *"no"* on Item No. 4E. The Mayor

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declared the motion carried and all consent agenda items were adopted with the ordinances given Ordinance No. 60-16 and 61-16 respectively, and the resolutions given Resolution No. R-140-16 through R-144-16 respectively.

Mayor Sanders noted the University of Arkansas Fort Smith Mentor Connection Program and recognized program participants Keith Lux (mentor) and Linda Vichith (student), who were in attendance.

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

▶ Mayor Sanders

- Re:
1. Reminded all of today's Fort Smith Public School Board election citing the polls close at 7:30 p.m.
 2. Advised of the upcoming free Cox Community Concert scheduled for Thursday, September 22nd at Riverfront Park and encouraged all to attend. The concert will feature Backroad Anthem, Parmalee and Rodney Atkins.
 3. Announced the Mayor's New Year's Eve event will not be held this year citing attendance has decreased in past years, and the Convention Center received a request for the facility for said evening.

▶ Director Pennartz

- Re:
1. Advised she's recently received multiple compliments on the Parks Department, specifically stating a nearby resident of the new park at Fianna Hills has indicated usage of the park is steadily increasing.
 2. Noted approximately \$1 million in grants has been received in recent years to construct and improve parks; therefore, she extended much appreciation to the Parks Department for their efforts to solicit, and be awarded, such grants.

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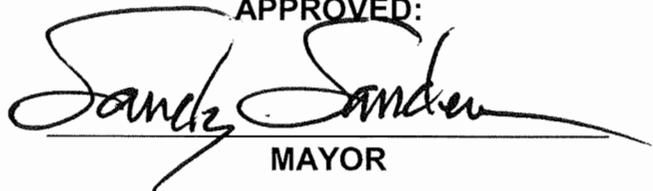
Mayor Sanders added the City just received a \$500,000 grant from the Arkansas Highway and Transportation Department.

- ▶ Director Catsavis

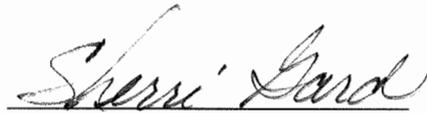
Re: Reminded all that the Arkansas - Oklahoma State Fair begins Friday, September 23 at Kay Rodgers Park; therefore, encouraged all to attend.

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 6:43 p.m.

APPROVED:


MAYOR

ATTEST:


CITY CLERK