
MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

Conway, Arkansas
Tuesday 6:30 p.m.
February 28, 2012

On this date the City Council of the City of Conway, Arkansas met in regular session. The following members being a quorum, were present and acting; Alderman Grimes, Alderman Hawkins, Alderman Vaught, Alderwoman Mehl, Alderwoman Smith, Alderman Jones, and Alderwoman Whitmore. Also, present and acting: Mayor Tab Townsell, City Clerk Michael Garrett, and City Attorney Michael Murphy. Alderman Rhodes was not in attendance.

Call to Order: Mayor Tab Townsell

Roll Call: Michael O. Garrett, City Clerk/Treasurer

Minutes: January 24th, 2012 & February 10, 2012 (SCC)

Alderwoman Whitmore motioned to approve the January 24, 2012 and February 10, 2012 minutes as submitted. Alderwoman Smith seconded the motion. The motion passed 7-0.

Announcements/Proclamations/Recognitions: Employee Service Awards

5 Years

Officer Jason Brown – Police Dept.
Officer Chris Buss – Police Dept.
Officer Travis Caldwell – Police Dept.
Officer Jason Cameron – Police Dept.
Officer Justin Green – Police Dept.
Ralph Screeton – Fleet Manager
Michael Felty – Fire Dept.
Colby Lester – Fire Dept.
Officer Joseph Bolling – Police Dept.
Matthew Kimery – Police Dept.

10 Years

Lloyd Hartzell – IT Director
Sgt. Lloyd Smith – Police Dept.

20 Years

Lt. Laura Taylor – Police Dept.

35 Years

Mark Jones – Fire Dept.

1. Report of Standing Committees:

A. Economic Development Committee (Airport, Conway Corporation, Conway Development, Historic District, Chamber of Commerce)

- 1. Ordinance setting forth uniform requirements for direct and indirect contributors into the wastewater collection system and the wastewater treatment system for the City of Conway.**

O-12-08

Richie Arnold, CFO Conway Corp, explained this ordinance will update our current ordinance that we call our "Industrial Pretreatment"; this allows us to comply with the clean water act, other state/federal laws, and general pretreatment regulations. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderman Jones seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

2. Consideration to approve supplemental power agreement with NRG Power for Conway Corporation.

Richie Arnold, CFO Conway Corp, explained in 2011 we received 40% of our energy from our jointly owned coal units, White Bluff and Independence. These are high availability units, usually greater than 80% on an annual basis; they are our lowest cost source of energy. Mr. Arnold stated the second major piece in our power supply portfolio is an agreement with NRG Power Marketing; in 2011 they provided 46% of our energy, it is a fixed price contract that is valid through 2014. The remaining 14% of our energy was provided by Entergy Arkansas under our power coordination interchange agreement; Mr. Arnold explained this is optional but does give us another option to secure energy and asked council to allow Mayor Townsell to enter into this agreement. Alderwoman Whitmore motioned to allow the Mayor to enter into this agreement. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0.

3. Consideration to approved major airport development and operational issues for the new Conway Municipal Airport.

Ronnie Hall, City Engineer, stated what is presented here are the elements required to get our airport open by August of 2014. Mr. Hall explained we are relatively on schedule with the earthwork to where we can begin paving by July through next summer. Mr. Hall pointed out there are several items, on the list provided to council, that requires city money which will come from the disposal of the existing airport; the FAA requires that we use all the funds from that airport for aviation related facilities at the new airport facility. Mr. Hall the land, which consists of 151 acres appraised at \$8.395 to \$9.095 million and we are already obligated for approximately \$80,000.00 of this money; the bills will start coming in soon and asked council to authorize funds to pay these bills; the major bills will not be coming online until August. Mr. Hall stated we will get our grant in June; the first being an access road leading to the terminal building and later this fall we have these expenditures coming in. Mr. Hall explained we will receive a state matching grant of \$450,000.00 that we will receive twice yearly, one for the preceding year and one for the current year. Mr. Hall explained we will need \$750,000.00 for the access road, \$300,000.00 of that will be from money we create and repaid from the proceeds of the sale of Cantrell Field, and the other \$450,000.00 will come from state funds; the next large expenditure will be the terminal building. Alderwoman Mehl stated "so we are looking to mortgage the current airport". Mayor Townsell stated in essence yes; we have had discussions about possible scenarios regarding this, but our timing for getting these things completed by August 2014 moves us

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to seek the funds sooner, as this is a great redevelopment opportunity for a corridor in Conway that needs help. Mayor Townsell stated what should seek approval for financing, and also move toward seeking long term selling, or disposition of the existing airport property. Alderwoman Mehl asked what funds will have to be paid back along the way until the airport sales. Mayor Townsell stated we will most likely start out with a line of credit, and whatever we borrow, will be paid back with the proceeds from the sale of the airport spread over five years. Alderwoman Mehl stated we would not have to pay anything back for 5 years. Mayor Townsell stated yes, we would have to pay interest. Alderwoman Mehl asked where that money for this would come from. Mayor Townsell stated it would accrue as a liability. Alderwoman Mehl stated so we would not pay any interest, only accrue it. Mr. Hall explained that the city must have a plan on how to dispose of Cantrell Field, advertise for proposals/price, establish design/land use parameter and have developers conform to city designated land use plan etc. Mr. Hall suggested that council hold a committee meeting soon to discuss our options. After some discussion, Alderwoman Mehl motioned to approve five year financing to cover cities portion as noted in the referenced memo, only accruing interest, not paying interest, and look at considerations of opportunities of selling Cantrell Field. Alderwoman Smith seconded the motion. Alderman Vaught asked when these funds are needed. Mr. Hall stated we have a bill coming due in March for \$80,000.00 for a contract with an architect which will cost the city approximately \$20,000.00, which will be due immediately. Mr. Hall explained that Conway Corp. advanced the city some funds, for the airport, that we could possibly use to fill in the gaps, but the large sum of money would come due mid-year, which will be approximately \$400,000.00. Alderman Vaught asked if it we could postpone approving this until we have an opportunity to discuss the sale of Cantrell Field at greater length. Mayor Townsell stated he sees no other way to begin this process without financing. There was no further discussion. The motion passed 7-0.

B. Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, & Conway Housing Authority)

1. Consideration to change the date of the next scheduled City Council meeting.

Alderwoman Smith motioned to withdraw this item from the agenda. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 7-0.

2. Resolution setting a public hearing for to discuss closing a portion of Ellis Avenue right of way and a portion of the alley connecting Sanders Street and Lot 105 located in the Village at Hendrix.

R-11-04

Alderwoman Whitmore motioned to adopt the resolution. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0. The public hearing will be Tuesday March 13, 2012 at 6:30 pm.

3. Resolution authorizing the formation of the bicycle and pedestrian advisory board.

R-12 -05

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Peter Mehl explained that were acquired through the Safe Routes to School Program which prompts our motivation for changing the Bicycle Advisory Board to the Bicycle Pedestrian Advisory Board, so as to bring under our wave, issues of Safe Routes to School, as well as issues related to pedestrians. Mr. Mehl stated the basis for this resolution is so we can spend/administer a grant, and bring items to council for approval. Mr. Mehl stated we want to expand the size of the Bicycle Pedestrian Advisory Board by four members, two to represent pedestrian issues and two who will represent Conway Public Schools. Alderwoman Smith motioned to adopt the resolution. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 7-0.

4. Consideration of a request from Cuerden Sign Co. for cutting vegetation (bush hogging) for two properties located along the I-40.

Alderman Hawkins motioned to approve this request. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0.

5. Consideration to approve CDBG allocations for FY2012.

Lauralee McCool, CDBG Director, was present to answer questions. Alderwoman Smith motioned to approve the allocations for 2012. Alderman Jones seconded the motion. The recommendations for 2012 are outlined below:

Projects:

Pine Street Revitalization Project - Sewer and water - \$180,000.00
Bethlehem House - Building - \$50,000.00
Faulkner County Council on Aging - Re-asphalt of parking lot - \$42,281.20
Total Projects - \$272,281.20

Services:

Bethlehem House - Collaborative Transportation Program - \$10,000.00
Boys & Girls Club - Transportation for children - \$10,000.00
Senior Citizens Program - Transportation services of elderly to the center - \$10,000.00
FCCDD - Transportation services to jobs/job training for disabled - \$20,000.00
Independent Living Services - Purchase of shredder for profiles work - \$3,200.00
Independent Living Services - Match for a 9 passenger, handicap accessible bus - \$9634.00
Total Services - \$62,834.00
Administration (20%) - \$83,778.80
Grand Total of Grant - \$418,894.00

6. Consideration to approve the nomination of Judge Michael Maggio to a five year term on the Conway Housing Authority Board.

Alderman Hawkins motioned to approve this nomination. Alderman Jones seconded the motion. Mr. Maggio's term will begin January 15, 2012. There was no discussion. The motion passed 7-0.

7. Consideration to enter into a lease agreement with the Boys & Girls Club of Faulkner County for property located within Conway Station Park.

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Alderman Hawkins motioned to approve this lease agreement. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0.

8. **Ordinance accepting and appropriating donated funds for the Conway Tree Board to assist with the annual Arbor Day celebration.**

O-12-09

Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

9. **Ordinance accepting proceeds from Faulkner County for GIS services work in updating Faulkner County GIS Data and appropriating funds for GIS purposes within the Planning and Development Department.**

O-12-10

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 7-0. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

10. **Ordinance to allow the discharging of air guns as part of a public display and/or educational event by properly qualified individuals.**

O-12-11

Alderwoman Whitmore motioned to waive the readings of the ordinance. Alderwoman Smith seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance and the emergency clause. Alderwoman Whitmore seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

11. **Consideration to purchase right of way for the Prince Street Improvements Project for property located at 2605 Prince Street.**

Ronnie Hall, City Engineer, explained an offer has been made and accepted by Lisa and Roy Lovell, 2605 Prince St. for 1298 sq. ft. of right of way for \$10,000.00 (\$7.70 per sq ft.) and asked council to approve this amount; we will also pay for the relocation of the "Edward D Jones" sign on this property. Mr. Hall explained that David and Ruth Doyle have rejected an offer of \$14,000.00 (\$8.31 sq. ft.) for right of way at 975 Farris Rd. and counter offered \$16,000.00 (\$9.50 sq ft). Mr. Hall explained that is nearer the high value that our appraiser

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had listed in his comp value; there was a 2008 appraisal for \$8.90 sq ft that was used for financing purposes. Ms. Doyle stated that when Mr. Ragland presented the appraisal their concern was that several things listed, were not used in determining the value, and feels that Mr. Coats did not develop an actual picture of what the property should look like and after some discussion stated they will be alright with whatever council decides to do. After some discussions Alderwoman Smith motioned to approve the \$10,000.00 (\$7.70 sq ft) purchase for the Lovell's, pay for the relocation of the Edward D Jones for the Lovell's, and to approve \$15,000.00 purchase price for the Doyle's. Alderwoman Whitmore seconded the motion. There was no further discussion. The motion passed 7-0.

12. Consideration to accept bids for a steel drum compactor for the Street Department.

Ronnie Hall, City Engineer, recommended the low bid from Scott Equipment in the amount of \$50,630.00 which is less \$2,000.00 trade in. Mr. Hall explained we have rented this used piece of equipment for all of 2011 and are satisfied that it will be sufficient. Alderwoman Smith motioned to accept the low bid on the used equipment. Alderwoman Mehl seconded the motion. There was no discussion. The motion passed 7-0.

13. Consideration to accept bids for Project 1 & 2 of the Old Military Road & Nutter Chapel Road Street and Drainage Improvements.

Ronnie Hall, City Engineer, recommended the low bidder, A & B Dirt Movers, in the amount of \$1,873,741.50 for Project 1 (Old Military/McNutt Rd realignment and related Donnell Ridge Rd relocation), and also the low bidder, J's Construction Co, in the amount of \$1,321,496.05 for Project 2 (Nutter Chapel Rd to New Elementary School). Mr. Hall reminded council that once these bids are awarded, we will be in the red by \$1 million by year's end and we will need to obtain a loan to cover the costs. Alderwoman Smith asked if there is an alternative. Mayor Townsell stated waiting, Mr. Hall concurred. Mayor Townsell stated he spoke with Gordon Wilbourn, who expressed concern in regards to obtaining 5 year financing with sales tax revenues. Mayor Townsell explained this sales tax revenue is the one-quarter cent, pay as you go that was set up as coverage for the police station bond issue in 2006; this is backed up by another one-quarter cent, in case there is not enough revenue to pay debt service on the police station. Mayor Townsell explained that the police station debt is going to be split in half, and the new bonds issued on the police station, fire dept, and the sanitation dept, will be backed up by the one-eighth cent; the one-quarter cent, that is now covered by a full quarter-cent debt service, will become permanent to the general fund and will be taken out of the trustee, and come directly to the general fund. Mayor Townsell believes that this makes it eligible for Amendment 78 financing; Mr. Wilbourn is going to confirm this. Mayor Townsell stated we can approve these on the contingency that we get confirmation from Mr. Wilbourn, if this is not the case we will revisit this issue. Mr. Hall stated we have revenue from road impact fees, and feels these funds could be used to pay the loan without question. After some discussion Alderwoman Smith motioned to award these bids to the bidders with the contingency of the legality of using sales tax revenues with Amendment 78 financing. Alderman Jones seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

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C. Public Services Committee (Sanitation, Parks & Recreation & Physical Plant)

1. Ordinance dedicating certain lands for public use as a fairground and parks.

O-12-12

Mayor Townsell stated this is land acquired immediately north of the fairgrounds and we would like to dedicate these lands for public use as park and fairground use as we did the original fairgrounds when we first purchased those properties. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 7-0. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Whitmore seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

2. Consideration to enter into a food services management agreement with Aramark for the Conway Parks & Recreation Department.

Steve Ibbotson, Parks Director, explained this is an extension of our agreement we entered into last year; same percentages on the gross and the agreement will continue through May 31, 2012. Mr. Ibbotson stated last year we received approximately \$30,000.00 of revenue from Aramark. Mayor Townsell stated this is only a 6 month extension. Alderwoman Smith motioned to enter into this agreement. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 7-0.

D. Finance

1. Consideration to approve the monthly financial reporting ending January 31, 2012.

Tyler Winningham, CFO, gave a brief synopsis of the January 2012 Financial Statements. Alderwoman Smith motioned to approve the January 2012 Financial Statements. Alderwoman Whitmore seconded the motion. There was no discussion. The motion passed 7-0.

E. Personnel

1. Ordinance appropriating funds and entering into an agreement with Johanson Group for a market pay survey for the City of Conway.

O-12-13

Mayor Townsell explained in preparation at looking at our pay scales we need to update our market salary study to ensure that we have the most recent pay scales, from other cities in Arkansas. The amount being requested is \$3,000.00. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 7-0. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. Alderman Vaught asked what we paid for the original study. Mayor Townsell stated approximately \$12,000.00. Lisa Mabry-Williams, HR Director,

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concurrent stating that it was a part of a package that included job descriptions etc. There was no discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 7-0.

Old Business

New Business

Adjournment

PASSED this 28th day of February 2012

APPROVED:

Mayor Tab Townsell

City Clerk Michael O. Garrett