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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Conway, Arkansas  
Tuesday 6:30 p.m.  
February 22, 2011

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 Hawkins, Alderwoman Smith, Alderwoman Whitmore, Alderman Rhodes, Alderman Jones, Alderman Vaught, and Alderman Grimes. Also, present and acting: Mayor Tab Townsell, City Clerk Michael Garrett, and City Attorney Michael Murphy. Alderwoman Mehl was not in attendance.

**Call to Order**

**Roll Call**

**Minutes:** February 15<sup>th</sup>, 2011

Alderwoman Whitmore motioned to approve the Feb. 15, 2011 minutes as submitted. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 7-0.

**Announcements / Proclamations / Recognition:** *Employee Service Awards*

**5 Years**

Alan Alvey – Street Dept.

**10 Years**

Jan Meeks – City Attorney’s Office

**15 Years**

Tim Capps – Fire Dept.

Ronnie Daves – Fire Dept.

Gene Neumeier – Fire Dept.

Kenny Starkey – Fire Dept.

Roxanne Ruple – District Court

Bobby Harvill – Police Dept.

Mark Mushrush – Police Dept.

**20 Years**

Michael Edgmon – Police Dept.

Susan Wilson – Police Dept.

**30 Years**

Fire Chief Bart Castleberry – Fire Dept.

**1. Report of Standing Committees:**

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

**1. Update on CDBG Funding for the FY2011.**

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Lauralee McCool, CDBG Director, explained her department based their budget this year on a 13% reduction, and the House of Representatives passed a 60% reduction in CDBG funding. Ms. McCool explained that this amount is not expected to pass the Senate but unfortunately this is an unknown. The deadline to pass a resolution is March 14<sup>th</sup> at which point they can resolve the budget, extend the resolution, or shut down the Federal Government. Ms. McCool explained with any shrinkage beyond 13% we will have to review our FY 2011 allocations, and whatever reduction we have will also affect the 15% service cap; we will only be able to fund 15% of our transportation and Bethlehem House staffing. Ms. McCool stated this will also affect our plans for the Pine St and Markham St areas; however we do have some funds built up for these projects. Ms. McCool stated the Brownfield Grant, which we had applied for, has been completely eliminated in the bill that passed the House; this will greatly affect our Markham St project. Ms. McCool went onto say that the energy efficiency and conservation block grant was completely eliminated as well. Mayor Townsell stated our capital projects will need to be put on hold at this time such as the contribution to the Bethlehem House build, and the Boys and Girls Club build. Alderman Vaught asked when we normally get our CDBG funding. Ms. McCool stated we normally receive notification in March but we do not get any funding until June.

- 2. Resolution setting a public hearing to discuss the closing of a fifteen foot wide utility easement abutting the west property line of Lot 1 of the Prince/Salem Station subdivision.**

**R-11-09**

Aldерwoman Whitmore motioned to adopt the resolution. Aldерwoman Smith seconded the motion. There was no discussion. The motion passed 7-0. The public hearing will be held Tuesday March 8, 2011 at 6:30 pm.

- 3. Resolution ordering the demolition of a structure located at 1415 Lincoln Street.**

**R-11-10**

Ottie Cowgill, Code Enforcement Officer, briefly explained the condition of the property and presented pictures as well and stated the violation was issued December 1, 2010 and to date we have not had any correspondence with the property owner as he lives in California. Aldерwoman Smith motioned to adopt the resolution. Aldерwoman Whitmore seconded the motion. There was no discussion. The motion passed 7-0.

- 4. Consideration to approve the 2011 Street Improvements Projects.**

No action taken tonight; these will be discussed at the next council meeting

**B. Public Service Committee (Sanitation, Parks & Recreation & Physical Plant)**

- 1. Ordinance clarifying procedures by which fees, surcharges, and revenues are assessed for residential and commercial trash pickup; and establishing that all fees surcharges and sanitation revenues be collected as one revenue stream.**

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Mayor Townsell stated we will call this a “holding ordinance”; our plan is taking the various three revenue streams that are collected and submitted by Conway Corporation and lump them as one revenue stream. This will allow us to accurately follow our ordinance which is something we cannot do as the ordinance is written now; currently we have to estimate the breakdown and that is time consuming. Mayor Townsell stated there is another ordinance coming that will clarify some of the various fee structures. Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 7-0. Alderman Vaught asked if this does away with the sanitation enterprise fund. Mayor Townsell stated no; it does away with the surcharge monies being tracked separately, it will all go into the Enterprise fund as one revenue stream; instead of two separate funds. Alderman Vaught asked if the sanitation surcharge fund was restricted monies. Mayor Townsell stated that is correct. Lowell McClanahan, Interim CFO, stated in our current situation we have two funds, 23 which is the sanitation surcharge fund and that money goes into that account and when they spend capital monies we transfer that money to the Enterprise fund and pay the bills; it is kept as a restricted fund currently. Mr. McClanahan stated the purpose of this primarily is to get us in compliance with what council has requested. Mr. McClanahan stated he has no problem maintaining the sanitation surcharge as a restricted amount of monies on our books. Mr. McClanahan explained we have a number of ordinances, more than five and less than ten, that are in conflict with each another, stating he cannot comply with them as written. Alderwoman Smith asked Cheryl Harrington, Sanitation Director, if this will change your process at your department. Ms. Harrington stated I now budget capital expenses out of the replacement fund which is set aside just for capital purchases; if it is all combined with the Sanitation Enterprise fund my capital would be budgeted into my regular budget, not a separate one. Alderwoman Smith asked if it could be used for whatever the city decides, such as payroll etc. Mr. McClanahan stated yes, I have no problem if you want to keep it restricted because she typically spends more capital than what is brought in. Mayor Townsell stated the trick is we cannot be absolutely certain what amount of money is suppose to go in there; we currently determine this by a formula that does not tie back to any ordinance and this is what we are trying to clarify. Alderman Vaught stated he is hesitant to get away from this restricted money that we have out there because it was set up for that purpose. Alderman Vaught asked if the next ordinance that is forthcoming would clarify these fees; would it be possible to hold off on this ordinance until we receive the next ordinance. Mayor Townsell stated these are two different issues, this is how we deal with the revenue stream once we receive it; the next issue is how we set our individual rates. Mayor Townsell stated this can be held if you wish. Mr. McClanahan stated that Ms. Harrington, Mike Murphy, City Attorney, and Mayor Townsell worked on this ordinance and believes we are all in agreement. Mayor Townsell stated that Ms. Harrington is worried about her capital and it is something we need to be very conscious of. Alderwoman Smith asked if we ever borrow money from sanitation for other than payroll. Mr. McClanahan stated no. Alderman Jones asked if this would give us access to the sanitation monies more freely. Mr. McClanahan stated no that is not the purpose; I have no problem keeping the funds restricted. Alderwoman Smith asked Ms. Harrington if she would feel better if the funds were kept restricted. Ms. Harrington stated it would make me feel better but that is not the way the ordinance is it written. Mayor Townsell stated we can do that internally. Alderwoman Smith stated she would feel better if we can make sure the funds are kept separate. Mr. McClanahan stated it is really not an issue. Alderman Vaught stated he would like to wait and look at both

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ordinances together. Mayor Townsell stated we have to get this done before the auditors return. Alderman Vaught motioned to hold this item in committee until the other ordinance is prepared. Alderwoman Smith seconded the motion. Ms. Harrington stated her hesitancy is due to her knowledge of her capital needs and knowing the funds will be there when needed. The life expectancy of a truck is 5 years and we are already 2 years behind. Alderwoman Smith stated she would feel better if the proposed ordinance stated the funds are restricted. There was no further discussion. The motion to hold the item passed 4-3. Alderman Jones, Alderman Rhodes, and Alderwoman Whitmore voted in opposition.

**2. Resolution accepting a contract from Aramark for concessions at City of Colleges Park and Conway Station Park for the Conway Parks & Recreation Department.**

**R-11-11**

Mayor Townsell explained we were unaware how much it would cost the city to continue to operate the concessions at these two parks; this is in line with suggestions to outsource costs and expenses from the city and the general fund budget. Steve Ibbotson, Parks Director, explained after meeting with Aramark the agreement states of the first \$100,000.00 in net receipts the city would receive 18% commission and after \$100,001.00 in net receipts the city would receive 20% commission. Mr. Ibbotson stated that would eliminate approximately \$75,000.00 from the Parks budget on concession supplies and approximately \$50,000.00 in personnel costs for a total of \$125,000.00. Alderman Grimes asked how much we are losing by removing concession revenues. Mr. Ibbotson stated we are dropping approximately \$100,000.00 in revenues. Alderman Grimes stated then we are actually saving \$25,000.00. Mr. Ibbotson stated this is a one year contract. Mayor Townsell stated after a year this will give us an idea of what gross revenue it can bring in and we will know better how to manage those concessions at those parks. Alderwoman Smith motioned to adopt the ordinance. Alderman Hawkins seconded the motion. City Attorney, Michael Murphy, stated language needs to be inserted at the beginning and end of Paragraph 17 - Subsection A that acknowledges our limitations under the FOI Law IE: "To the extent permitted by the Arkansas FOI Law". There was no further discussion. The motion passed 7-0.

**Old Business**

**New Business**

**Adjournment**

**PASSED this 22<sup>nd</sup> day of February 2011**

**APPROVED:**

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**Mayor Tab Townsell**

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**City Clerk Michael O. Garrett**