

## MINUTES

### BOARD OF DIRECTORS MEETING

NOVEMBER 19, 2007, AT 7:00 P.M.

The regular meeting of the Board of Directors was held on Monday, November 19, 2007, at 7:00 p.m., Board Chambers, City Hall, with Mayor Mike Bush presiding.

The invocation was given by Mr. Dan Lewin, and Pledge of Allegiance to the Flag was led by Mayor Bush.

Mayor Bush called the meeting to order at 7:00 p.m.

#### **1** Roll Call

Roll call was as follows: Present: Directors Elaine Jones, Steve Smith, Carroll Weatherford, Bill Edwards, Tom Daniel, and Mike Bush, total 6. Absent: Director Peggy Maruthur.

#### **2** Approval of Agenda

A motion was made by Director Daniel, duly seconded by Director Edwards, that the agenda be approved; and upon voice vote, the motion unanimously carried.

#### **3** Approval of Minutes of November 5, 2007 Board Meeting

A motion was made by Director Smith, duly seconded by Director Jones, that the minutes of the November 5, 2007 Board Meeting be approved; and upon voice vote, the motion unanimously carried.

#### **4** Recognition of Guests

No guests were present for recognition.

## **CONSENT AGENDA**

The Consent Agenda consisted of the following:

- 5 Public Safety Report** (November 8, 2007).
- 6 Proposed Resolution No. R-07-269** Accepting Certain Bid Awards (a) IT Tires - Fleet Service [annual supply contract awarded to GCR Firestone Retread Shop]; (b) Tires - Fleet Service [annual supply contract awarded to GCR Firestone Retread Shop]; (c) Compact Pickup - Utilities [awarded to Landers Chevrolet in the amount of \$16,229]; and (d) Police Unit - Police Department [awarded to Bale Chevrolet in the amount of \$17,414.68].
- 7 Proposed Resolution No. R-07-270** Authorizing the Filing of a Grant Application with the Arkansas State Highway and Transportation Department for Discretionary Capital Assistance from the Federal Transit Administration (2008 Replacement Transit Mini-Bus).
- 8 Proposed Resolution No. R-07-271** Extending an Agreement with Matrix Imaging Solutions for the City's Utility Bill Printing and Mailing Services.
- 9 Proposed Resolution No. R-07-272** Fixing a time and Date for a Hearing on a Petition to Vacate, Abandon and Close Two Alleys Located in Meyer's Subdivision (Beech Alley and Unnamed Alley).
- 10 Proposed Resolution No. R-07-273** Extending an Agreement with Family Medicine Clinic for Physical Exams for Uniformed Police and Fire Employees and Applications of the City of Hot Springs, Arkansas.
- 11 Proposed Resolution No. R-07-274** Extending a Contract with Healthscope Benefits/Cornerstone Benefits as Third-Party Administrator/Agent for the City of Hot Springs Self-Funded Employee Group Health Insurance Program.

- 12** **Proposed Resolution No. R-07-275** Extending an Agreement with IMWell Health for Wellness and Disease Management Services.
- 13** **Proposed Resolution No. R-07-276** Extending an Agreement with Choicepoint Services, Inc. for the Provision of Drug and Alcohol Testing Services.
- 14** **Proposed Resolution No. R-07-277** Extending an Agreement with Guardian Life Insurance Company of America for Employee Group Life and AD&D Insurance.
- 15** **Proposed Resolution No. R-07-278** Extending an Agreement with Delta Dental Plan of Arkansas, Inc. for Group Dental Insurance.
- 16** **Proposed Resolution No. R-07-279** Extending a Contract with National Park Community College for Employee Development Training.
- 17** **Proposed Resolution No. R-07-280** Approving the Extension of Hot Springs Municipal Water and Wastewater Service to Arlington Park Subdivision Located off Golf Links Road and Malvern Avenue.
- 18** **Proposed Resolution No. R-07-281** Approving Change Order No. Two to an Agreement for Certain Engineering Services with Carter and Burgess, Inc. Related to the Planning and Design of Utility Relocation for the Higdon Ferry Road Improvement.
- 19** **Proposed Resolution No. R-07-282** Appointing Carole Katchen, Steve Smith, Davis Tillman, Carolyn Taylor, and Shea Childs to the Arts Advisory Committee.
- 20** **Proposed Resolution No. R-07-283** Authorizing an Agreement with the U. S. Immigration and Customs Enforcement.
- 21** **Proposed Resolution No. R-07-284** Authorizing the Donation of Certain City-Owned Right-of-Way to the Arkansas State Highway Commission (Tract 16) for the Higdon Ferry Road (Highway 88) Improvement Project (Job No. 060686).

A motion was made by Director Daniel, duly seconded by Director Weatherford, that the Consent Agenda be approved; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 6. Absent and not voting: Director Maruthur; motion unanimously carried.

## **NEW BUSINESS**

### **22 Proposed Resolution No. R-07-285**

A resolution entitled, "A RESOLUTION APPROVING A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) "FY 2008 ANNUAL ACTION PLAN" APPLICATION IN THE AMOUNT OF \$412,000 TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR VARIOUS COMPREHENSIVE REVITALIZATION PROJECTS," was taken from the agenda and read by title only.

A motion was made by Director Weatherford, duly seconded by Director Jones, that the resolution be adopted as read.

Upon discussion, Director Jones asked that the gap in funding, as stated in the Board Action Form, be explained. Mr. Gerald Harman, CDBG Coordinator, said in regard to the HUD guidelines on public service funding only for the sub-recipients, if that was funded last year for a certain amount and a year is skipped, they can no longer go back and fund that organization. He added the only thing they can fund would be an increase in their level of service. Director Jones asked if they will get funded, and Mr. Harman said they will if the City continues to fund it. He explained that is why he recommended changing from specifying it as a sidewalk project to the one-stop center.

Director Smith pointed out the formula that was submitted was essentially the same as what the Board discussed about a month ago. Mr. Harman stated that was correct, and the only change he is recommending is going from a sidewalk project to the one-stop center.

Director Edwards questioned the construction of the sidewalk on Cedar Street from Whittington to Cedar Glades Road; and Mr. Steve Mallett, Public Works Director, advised this is a sidewalk that has been repaired because Centerpoint Energy has replaced a gas line that goes underneath that sidewalk for several blocks on Cedar Street and is not relevant to CDBG funds.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Smith, Jones, Weatherford, Edwards, Daniel, and Bush, total 6. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

## **23 Proposed Resolution No. R-07-286**

A resolution entitled, "A RESOLUTION AWARDING A CONTRACT TO KAJACS CONTRACTORS, INC. FOR THE MUSIC MOUNTAIN PUMP STATION IMPROVEMENTS," was taken from the agenda and read by title only.

A motion was made by Director Smith, duly seconded by Director Jones, that the resolution be adopted as read.

Upon discussion, Mr. Steve Mallett, Public Works Director, stated in July, the City advertised for bids for construction of the rebuild of one of two of the water pump stations. He explained that Music Mountain Pump Station delivers water from the Music Mountain tank to the twin tanks, which are the two large tanks that feed a majority of the Hot Springs area. He stated this pump station is old and is at capacity. He mentioned in the summer months, it will pump 24 hours a day; and there is concern about the electrical panel. In order to work on the pumps, they have to disconnect the power at the pole. He stated the City is also making piping improvements so it can build a parallel line to the one that goes to the two main tanks. He added the price of the project came in above what the City had budgeted, which is the reason it was not awarded in July. However, due to the cost savings of the Higdon Ferry water line, that more than made up for what they lacked to be able to award it in July.

Director Edwards asked if the City has one that can be completely changed over when the other one goes out. Mr. Mallett advised that in the pump station, there are four or five small pumps, which work in succession. However, there is usually always one running at all times; and during the summer months, sometimes all four are running. The fifth one is a spare if one of the four goes out. He said they are proposing to replace those with three larger pumps that can deliver by themselves as much water as is needed on a daily basis, and staff is recommending awarding it this year. He stated the amount of the contract is \$1.4 million.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Smith, Jones, Weatherford, Edwards, Daniel, and Bush,

total 6. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

## **24 Proposed Ordinance No. O-07-99**

An ordinance entitled, "AN ORDINANCE AMENDING THE HOT SPRINGS ZONING CODE (ORDINANCE NO. 5158, AS AMENDED) BY ADDING SINGLE-FAMILY RESIDENTIAL AS A PERMITTED USE IN M-1, LIGHT MANUFACTURING AND AS A CONDITIONAL USE IN M-2, HEAVY MANUFACTURING; AND FOR OTHER PURPOSES," was taken from the agenda for consideration.

A motion was made by Director Weatherford, duly seconded by Director Daniel, that the rules be suspended and the ordinance be read for the first time by title only; and upon voice vote, the motion unanimously carried. The ordinance was then read for the first time by title only; and upon the question "Shall the ordinance be passed as read?" and upon motion of Director Weatherford, duly seconded by Director Edwards, that the ordinance be passed as read.

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, explained this is an amendment initiated by a member of the Planning Commission to modify the industrial zone districts to allow construction of single-family residential in those districts. She stated until legislative changes were adopted in 2003, those uses were allowed; and those amendments rendered residential uses in M-1 and M-2 zone districts nonconforming. She said in the past year, there have been six to ten property owners who have sought unsuccessfully to obtain building permits to build a new single-family home or to substantially expand a home, and those permits had to be denied. She reported at the request of Chairman Gary Threadgill, the Planning Commission heard this item on September 13, 2007; and the commissioners voted unanimously to recommend that the Board approve a text amendment deleting that prohibition.

Director Smith questioned if there would be that much of a demand to build a home in M-1 zoning. Ms. Sellman replied they have had more than six and closer to ten requests, either for a substantial expansion of an existing home, which is prohibited,

or to construct a new home. She said while that may seem out of character for the area, the changes that were made in 2003 affected areas that although zoned industrial actually are developed as residential neighborhoods.

Director Daniel pointed out in the Spring Street area, it primarily was rezoned M-1; and there are many residential homes off Spring Street within a block or so and believes that is where most of the permits would be coming from.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 6. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the ordinance was declared passed.

## **25 Proposed Ordinance No. O-07-100**

An ordinance entitled, "AN ORDINANCE WAIVING THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PURCHASE OF CERTAIN REAL PROPERTY (209 CHURCH STREET); AND FOR OTHER PURPOSES," was taken from the agenda for consideration.

A motion was made by Director Weatherford, duly seconded by Director Jones, that the rules be suspended and the ordinance be read for the first time by title only; and upon voice vote, the motion unanimously carried. The ordinance was then read for the first time by title only; and upon the question "Shall the ordinance be passed as read?" and upon motion of Director Daniel, duly seconded by Director Weatherford, that the ordinance be passed as read.

Upon discussion, Director Smith pointed out that the property was appraised; and the purchase price is the appraised price.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 6. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the ordinance was declared passed.

## **26 Consider Presentation of 2008 Budget**

City Manager Kent Myers distributed copies of the proposed budget for 2008 and stated a budget work session is scheduled for November 27, at 5 p.m., and is open to the public. If the Board has any questions between now and November 27, he encouraged them to contact him or Finance Director Dorethea Yates to discuss any issues regarding the budget. At the meeting on November 27, the Board will need to make a number of decisions related to the budget. He stated the development of the proposed budget was a challenging task that required tough management decisions, which was due to several factors impacting the City's finances this year. The Board had a large number of priorities that it identified. There were many requests from departments, particularly personnel requests, as well as requests from outside agencies. Another challenge that was addressed this year was the large increase in the General Fund support for the Police and Fire Funds. A third challenge involved covering employee salary increases. Last year, the City approved several increases; and this year the City has to fund those increases for a full 12-month period. The No. 1 Board priority was a salary increase for all employees in 2008; therefore, staff had to incorporate that in the budget. The budget for fuel costs had to be increased because fuel prices are impacting several of the larger departments. While the City is experiencing these challenges involving increased expenses, at the same time staff is not projecting any major increases in revenues in 2008. In 2009, the City expects to have new revenues from Oaklawn Park; and the new commercial center is expected to be in full operation by then. Staff was able to develop a balanced budget that addresses many of the Board's highest priorities. In order to balance the budget, they will need to use some Fund Balance, which has been done in past years and is proposing to use about \$1 million. This will result in the General Fund balance being about \$2½ million, which will require some close financial monitoring and control of expenses during the coming year. The City's goal is to try to rebuild that Fund Balance to over \$3 million during the year.

He advised that staff started the budget process about six weeks ago, and the first step in the process is that the departments meet and update the five-year Capital Improvements Plan (CIP) and list all capital expenses, which means anything that costs the City over \$5,000. This planning process helps identify and plan for major expenses that will impact the budget for the next five years. Following this step, the Board established its 2008 budget priorities and ranked these priorities. These priorities were distributed to each department and discussed at the recent Department Head Retreat. Proposed budgets were then prepared by each department, and revenue projections were updated by the Finance Department. Staff also incorporated the employee salary increase in the budget at an early stage because this is the Board's No. 1 priority. After they incorporated the salary increase, staff determined how much they need to reduce

the budget in order to balance revenues and expenses. About two weeks ago, budget meetings were held with each department involving the City Manager, Deputy City Manager, Finance Director, and Human Resources Director. These meetings resulted in a number of expense reductions, but the budget was still about \$1½ million over budget. Last weekend they met, and additional reductions were made to the proposed budget. In making these reductions, they tried to include all departments in order to be fair to each department. The budget is now balanced and is being presented for the Board's consideration tonight.

He stated that in terms of the budget overview, the total proposed budget is \$87.5 million, which includes all Operating and Capital Funds. For the General Fund, \$1.8 million of that is actual money that the City is transferring out to a special Major Capital Projects Fund. Staff is also proposing to transfer \$932,000 to the Fire Fund and \$664,000 to the Police Fund and believes this transfer is necessary to balance those budgets.

The City also has included two new funds: (1) the Major Capital Projects Fund and (2) Stormwater/Drainage Improvement Fund. This represents about a \$4 million increase over the 2007 Budget, and this five percent increase is due to several factors including the new funds mentioned and increases in several of the funds which will be discussed later.

The largest expense continues to be salaries and benefits for the 610 full-time employees. Over the years, this has been the Board's No. 1 priority to keep salaries at a competitive level; and as a result, the City has increased salaries on a regular basis. At the same time, the City has been giving these increases, it continues to cover 100 percent of the employees' health insurance costs. The proposed budget also includes funding for a merit increase of 2.9 percent for all nonuniformed employees who meet their performance goals. This merit increase program will allow the City to continue to follow its pay plan. Last year, the Board approved new pay tables; and this will allow the City to stay within those pay tables. The budget also includes a continuation of step increases for the uniformed employees. There are 20 Fire employees who qualify for step increases, and 77 Police employees who qualify. In addition for the Police Department, the budget includes funding for a new pay program that will raise the salary for entry level positions. The City's starting pay is beginning to get in a non-competitive situation with the State Police and other local agencies.

With regard to the Fire Department, the budget includes a 2.9 percent cost-of-living adjustment. The Fire Department is not on the merit pay plan but is

proposed to have the same increase as the nonuniformed employees of 2.94 percent effective January 1.

There has been discussion previously about a couple of other salary increases, and these need to be addressed at sometime in the future. However, staff was unable to afford to incorporate into the budget at this point the Certification Incentive Pay for the EMT paramedics. This was a program that was presented to the Board at a work session earlier this year and is not included in the proposed budget. Staff also did not include additional salary increases for management personnel, and some of the management personnel are getting below market rate. The City did a market pay study several months ago; and this shows that some of the salaries, for example the IS Director, Public Information Officer, Human Resources Director, and several others are more than ten percent below market rate.

The proposed budget also includes funding for all of the City's current benefits. The City continues to hold health insurance costs due to the diligent effort of the Human Resources staff and employees. In terms of retirement benefits, the budget includes increases in LOPFI (retirement program involving the Police Department).

Every year, there are requests for a number of new positions; and there have been around 218 positions in the last ten years, which includes the addition of utility services that were taken over by the City; Transit Services were previously privatized; and residential Sanitation services were privatized. Therefore, those were assumed by the City and has a large bearing on the increase in staffing. Several Board Members had requested to be provided the information on all new positions requested by City departments, and 38 new positions were requested by City departments. Staff was able to include seven new positions in the budget: one in Fleet Service; two in Water; two in Wastewater; one in Utility Administration; and one in Sanitation. There are no new positions proposed in the General Fund, Police Fund, Fire Fund, or Airport Fund.

There are no departmental reorganizations that are proposed in the budget , but there have been some major reorganizations over the last several years involving Public Works, Utilities, and several other departments. However, staff is proposing to move the Zoning Administrator position (Robin Wise) from Planning and Development to Neighborhood Services Division and moving the Farmers' Market management from Public Information to Parks and Recreation. Earlier this year, the Board approved reorganization involving Finance, and part of that reorganization is moving Purchasing into the Finance Department, which will be completed January 1.

The Board previously had presentations from outside organizations, and the proposed budget includes funding at the current levels for these agencies. The Board received requests from several agencies for increases, which are in the proposed budget. In talking with County Judge Larry Williams last week, City Manager Kent Myers reported the County is also not proposing any increases in funding for outside organizations. There is no funding in the proposed budget for the Comprehensive Plan, and the total cost for the Comprehensive Plan update is \$250,000. The County had originally discussed helping fund that and contribute \$100,000. However, the County had to cut that out of its budget about a week ago.

### **GENERAL FUND**

The largest fund is the General Fund budget. Staff is proposing a General Fund budget of about \$23.4 million, but this includes the transfer of \$1.8 million to the Special Projects Fund; therefore, the Board needs to consider that as part of the \$23.4 million. It is about \$400,000 more than the 2007 budget, and the reasons for that include the salary increases. As a result of those salary increases, it will be difficult to expand services funded by the General Fund in 2008. In terms of General Fund revenues, the City continues to rely extensively on sales tax revenues. This year the sales tax is going to increase about 4.2 percent; and next year, staff is proposing about the same increase. Staff has included in the 2008 budget a 4.25 percent increase in sales tax for next year. When the new commercial center comes on line at the County Fairground, there will be new sales tax revenue; but it is anticipated most of that will take place in 2009.

In terms of Oaklawn Park revenue, staff has increased the revenues very conservatively from \$50,000 to \$80,000 for the General Fund. The General Fund gets one-half of the revenues from the games of skill. Even though this revenue source is increasing, most of the major increases in Oaklawn Park revenue will take place in 2009 when the Oaklawn Park expansion is completed.

No other major increases are anticipated in General Fund revenues; and no increases in General Fund fees, such as building permit fees, are proposed in the 2008 budget.

Regarding General Fund expenses, almost all departments held the line on their budgets in 2008.

Some of the capital expenses have been eliminated from the General Fund and moved to the Major Capital Projects Fund. Major building repairs have all been moved from the General Fund to the Major Capital Projects Fund.

The General Fund includes the following major expenses: (1) costs for the 2008 General Election; (2) additional funding support for the Police Department and Fire Department; (3) transfer of surplus funds to the Major Capital Projects Fund; (4) additional funding for demolition/removal and weed abatement for Neighborhood Services Division; (5) additional contract mowing expenses at City parks; (6) playground improvements at Family Park; (7) building improvements at the Animal Shelter; and (8) major building repairs at the Arkansas School for Mathematics, Sciences and The Arts to finish the roof structure at the chapel, which is \$110,000. One of the items not included in the proposed General Fund budget is the allocation of certain administrative costs to other funds. The City currently does not allocate the City Manager, City Clerk, City Attorney, or Public Information to its Enterprise Funds. If in the future the City decides to allocate those funds, it would generate between \$400,000 and \$500,000 for the General Fund.

### **DISTRICT COURT FUND**

The District Court Fund has a budget of about \$972,000, which is a decrease over 2007 budget of \$992,000. There are no major changes proposed in the District Court Fund in 2008, but \$15,000 has been included for the District Court Automation Fund. This is what they use to improve their computer system.

### **POLICE FUND**

The expenses for the Police Fund have continued to increase more than the increase in the Police Fund revenues. As a result of the increase in expenses over the last several years, the actual Fund Balance in the Police Fund has declined, and General Fund support will be required to balance the Police Fund budget in 2008. This includes a proposed transfer of approximately \$664,000; and there is also an additional \$270,000 in capital expenses funded in the Major Capital Projects Fund. The proposed 2008 Police Fund budget is about \$10.4 million, which is about \$350,000 more than the 2007 budget. However, this number does not include the \$270,000 that is included in the Major Capital Projects Fund. That is \$250,000 for police vehicles and have also added \$20,000 for a new computer server for the Police Department. The total Police Department expenses are recommended for a \$670,000 increase over the 2007 budget. The Police Fund expenses include the cost for the salary increase

mentioned earlier that will implement the new Police pay plan and also includes several retirements. When an employee retires, the City pays their accumulated vacation time; and also if they have been with the City ten years, the City pays their accumulated sick leave. There are several pending retirements in 2008; therefore, sick leave and vacation leave have been budgeted for 2008. Retirement costs continue to have a major impact on the Police Fund, and currently these costs total about 30 percent of salary expenses. Additional funding is also included in the Police Fund for travel and training, and fuel and ammunition costs have increased in 2008.

### **FIRE FUND**

The Fire Fund has a proposed 2008 budget of about \$7.3 million, which is about \$150,000 more than the current Fire Fund budget. Staff has included some additional money over the Major Capital Projects Fund of about \$150,000. Therefore, the actual increase for the Fire Department expenses in 2008 is proposed at around \$300,000. General Fund support is needed to balance this fund, and this is proposed at the level of about \$932,000 and \$150,000 from the Major Capital Projects Fund. Total support from other funds for the Fire Department is over \$1 million. In addition to the cost-of-living salary increases mentioned earlier, the proposed budget also includes increased funding for retirement costs. These retirement costs continue to escalate, and the retirement costs for the Fire Department are 50 percent as high as the actual salary costs. Increases have also been included for medical services and noncapital equipment, which is intended to help implement the Fire Chief's program for additional firefighter safety improvements in 2008.

### **STREET FUND**

The Street Fund has a proposed budget of about \$3.13 million, which is about \$50,000 less than the 2007 amended budget. However, staff included additional funding in the Major Capital Projects Fund of about \$150,000. Therefore, the actual Street Department expenses will go up about \$100,000 next year under the proposed budget. Staff has moved the drainage improvements to the new Stormwater/ Drainage Improvement Fund. In order to balance this budget, General Fund support of about \$1.2 million is needed, which is about \$290,000 more than the 2007 budget. Major increases in Street Fund expenses include salaries and street light charges. Staff has also included \$450,000 in 2008 for street paving and \$54,000 for capital equipment.

### **INTRACITY TRANSIT FUND**

The Intracity Transit Fund has a proposed budget of approximately \$1.4 million, which is about the same as the current budget with only approximately \$16,000 more than 2007. Staff is actually decreasing the General Fund support for Intracity Transit because there are more bus riders and solid management in place. Next year, the City is proposing a decrease of about \$66,000 in General Fund support for Intracity Transit. The City has increased some fuel costs and vehicle repair costs for the transit operations.

### **INTRACITY TRANSIT CAPITAL FUND**

There is a Capital Fund for the Intracity Transit, and there is a proposal to purchase a new paratransit bus and also security cameras for buses, for a total cost of \$561,000, which is on a cost-sharing basis with the federal government. The federal government pays 80 percent of the cost of new capital.

### **MAJOR CAPITAL PROJECTS FUND**

Regarding the Major Capital Projects Fund, this year staff is proposing this fund and hopefully in the future can continue to have the Major Capital Projects Fund. This year it is proposed that the fund be financed by the surplus Civic Center Bond Funds, and the one-time additional turnback check. Several months ago, the Legislature approved a turnback increase so there were several one-time payments in 2007 that were not budgeted. These are one-time payments only; therefore, it is very important for the Board, as it is allocating money from one-time revenue sources, to make sure it is allocated to one-time expenses. The Board had previously approved moving \$500,000 from the surplus Civic Center Bonds for the Higdon Ferry Road project; therefore, the remaining surplus funds in 2007 that were never budgeted are \$1.79 million. In the future, City Manager Kent Myers suggested that the Board continue to fund this Major Capital Projects Fund through increases in sales tax revenues and Oaklawn Park revenues that exceed approved budget. For example, this year the City is expecting a 4.25 percent increase in sales tax. If the City receives 4½ percent in sales tax, he recommended taking that surplus and put it into this Major Capital Projects Fund so the City can continue to fund that as a capital fund for future improvements.

In terms of expenses, this has the revenue of \$1.79 million allocated to a number of capital expenses. It is recommended that about \$700,000 be set aside for major building improvements. Mayor Bush has recently created a Building Study Committee

that will be meeting over the next several months to look at some major improvements needed to some of the City buildings.

Ten other capital projects are recommended under this new Major Capital Projects Fund. It is recommended that \$25,000 be allocated for completion of the downtown pole painting project; fund additional street paving since street paving is a Board priority; and if approved, it would result in \$550,000 for street paving next year. Over the last several years, several Board Members have commented about trying to do some sidewalk improvements; therefore, staff is recommending that \$50,000 be set aside for sidewalk upgrade demonstration project during 2008. The City would select some sidewalks along some major thoroughfares, possibly getting SAILS or some other disabled group to recommend sidewalks that have a major impact on the disabled community. \$250,000 has been included that will purchase about 12 new police vehicles; \$150,000 for a new Fire Department rescue vehicle; \$20,000 for a new computer server at the Police Department; \$40,000 for new ballfield maintenance equipment at Kimery Park; \$200,000 for traffic signal improvements, which would synchronize 16 traffic signals at the major intersections. In the next several months, the City will be completing the traffic improvement plan. According to the traffic consultant, he would recommend upgrading 16 signals if the City had money allocated for traffic improvements in the City. Staff is also recommending that \$25,000 be allocated to continue the fiber optic cable project, which would extend fiber optic to the Transportation Depot and the Central Fire Station. It is recommended that \$231,000 be allocated for a new telephone system to replace the current obsolete system and would be in all city departments.

City Manager Kent Myers mentioned two other projects that are not funded under this but are capital projects that are anticipated to take place in 2008. The first is the Higdon Ferry Road project, and this is money that is going to be carried over from 2007; the property has been purchased for Phase I, and the Board approved the water and wastewater relocation. The City will be starting on the right-of-way acquisition for Phase II, and Higdon Ferry Road is a capital project that is not included in this fund; but there will be a lot of progress in 2008. The other project is the Farmers' Market building, which will be a grant-funded project. The City has been working with its legislative delegation and recently received some favorable news that there is going to be some outside funding available for the Farmers' Market that should allow the City to start Phase I of the Farmers' Market building in the first or second quarter of 2008.

### **PARKING FUND**

The Parking Fund is used to upgrade the parking deck, and the City generates revenues from the parking meters. There is a total Parking Fund budget of \$279,000, which is about \$20,000 more than the 2007 budget. The reason for this increase is that the parking deck is being used more; therefore, the City had to increase its maintenance cost.

### **STORMWATER/DRAINAGE IMPROVEMENT FUND**

The Stormwater/Drainage Improvement Fund is a new fund, and the City has not been addressing its drainage needs in the community over the last several years. The City has a new Stormwater Program; but as far as major drainage projects that improve flooding conditions, there has not been much accomplished in the last several years. A new fund is being proposed to address the City's stormwater and drainage needs, which includes the continuation of the State-recognized Stormwater Management Program and is mandated by the federal government. Funding for drainage improvements has also been included, which the City has not addressed in the past several years. If this fund is approved, then it will provide funding for the drainage improvements, as well as an emergency warning system in the future. At the present time, the City does not have an emergency flood warning system. Currently, the stormwater revenues that the City generates include fees from stormwater. This is from developers, builders, and also for training, generating about \$16,000 a year. Staff is proposing a new monthly stormwater fee of \$2 per residence and \$4 per business that would address the current and future stormwater drainage needs. This would generate over \$400,000 a year that the City could use to develop the stormwater and drainage improvements and would fund about \$180,000 for major drainage projects. He noted that Lake Hamilton is a very major asset for the community; and if the City continues to improve its drainage and stormwater, it can protect that asset and also do a better job in protecting private and public property that is subject to flooding.

### **AIRPORT FUND**

Airport Fund is a proposed budget of \$4.2 million, which is about \$100,000 over the 2007 amended budget. The City has increased revenues and expenses for aviation fuel sales to take into account rising fuel prices. It has also included funding for some minor Airport improvements. In the Airport Grant projects fund, it includes funding for ramp improvements and special purpose equipment, totaling \$132,000. Currently, the budget does not include the \$30,000 for marketing the Office and

Technology Park, which was proposed by GCEDC. The Airport Fund budget does not include any General Fund support.

### **SANITATION FUND**

Sanitation Fund is close to \$6 million, which is about \$200,000 more than the current budget. Last year, the Board adopted a new Sanitation Rate Ordinance that provides a graduated increase in the sanitation residential rates. This year the sanitation residential rates are \$13 per month. Next year, they will be \$14 per month; and in 2009, they will increase to \$15 per month; and those rates are very competitive with other communities. One of the things that has happened in the last several years is the fuel costs are starting to have an impact on the sanitation operation. Therefore, staff is recommending an increase in the commercial rates; and commercial rates were not part of the rate increase that the Board approved. Staff is proposing a five percent increase in commercial sanitation rates in 2008 and a five percent increase in 2009. This increase will provide the Sanitation Fund sufficient revenues to operate the comprehensive sanitation services over the next several years. Staff is also proposing one additional position in this fund. There are some increases of fuel costs, increases of vehicle repair costs, and also landfill fee increases. Staff has also included capital funding for several new trucks, transport trailers, new dumpsters, and completion of the GPS tracking system for the vehicles. Another proposal is a conversion of the dumpsters to a new side-pocket system.

### **WATER FUND**

Water Fund continues to increase because the water customers continue to increase throughout the City and County, and there is a need to continue to finance system upgrades. The total proposed 2008 Water Fund budget is \$8.7 million, which is about \$100,000 more than the 2007 amended budget. No water rate increases are proposed in 2008. However, staff is recommending a water and wastewater rate study sometime in 2008 because the last rate study was done about three years ago. In terms of expenses, staff is proposing the addition of two new water employees that will assist with the repairs of water facilities and installation of new connections. Staff is also proposing funding of the long-range engineering study of the water system, which is currently underway being conducted by Carter Burgess Engineering. If the study recommends upgrades to Lakeside Plant, staff has included funding for those improvements. Funding is also included for line improvements of \$2.3 million and the Park Avenue Water Improvement project at \$800,000.

### **WASTEWATER FUND**

The Wastewater Fund has a proposed budget close to \$10 million, which represents an increase of about \$400,000 over the 2007 amended budget. No wastewater rate increase is proposed in 2008. Wastewater expenses that are proposed include funding for two new wastewater lift station employees, which will help keep pace with the increase in the pump stations throughout the service area. Operation costs are also included for the new wastewater treatment plant that will be coming on line within the next several weeks and capital improvement costs for the current plant. Staff is requesting Board approval of using \$445,000 in wastewater impact fees to be used for loan payments on the new wastewater plant.

### **HEALTH INSURANCE TRUST FUND**

The City maintains a Health Insurance Trust Fund because it is self-funded under health insurance and has been fortunate not to have any increase in the health insurance over the last several years. That fund totals \$3.1 million on an annual basis, and staff is not proposing any increase in health insurance premiums this year. It has been several years since there has been an increase in premiums and will probably need to look at some sort of health insurance increase in 2009.

### **FLEET SERVICE FUND**

The Fleet Service Fund is a fund that is internal support for the other departments, and this fund is proposed at \$968,000, which represents an increase of \$70,000. One of the main increases in Fleet Service is due to a new paint and body shop, which is ready to start operation and includes the addition of one new employee. This service should reduce the contracting services; and at the present time, the City contracts out virtually all of the paint and body work.

### **UTILITIES ADMINISTRATION FUND**

The Utilities Administration Fund is proposed at about \$4.3 million. This is a fund that covers the administrative support for water and wastewater operations. Since the Water Fund owns the Financial Services Building, staff has also included \$208,000 for building improvements to that building. This is something the new building committee will be looking at and how to allocate that money. Staff has also

included funding for a new utilities coordination clerk and is a Board priority to establish a one-stop permit center.

City Manager Kent Myers stated that the City will continue to have a number of financial challenges that will need to be discussed and addressed. The salary and retirement costs will continue to increase. General Fund support for Police and Fire will also likely increase in the future. During the coming year, the City will be looking at water and wastewater rates to see if it needs to increase those in 2009 or in the future. The City will also need to look at the health insurance premiums and consider an increase in 2009. He stated that after the first of the year, he and Finance Director Dorethea Yates will be working on a ten-year financial plan and hope to have a draft for the Board to review in February or March.

In 2009, there will be some new revenues coming in from Oaklawn Park and the new shopping center; however, this likely will not be enough to keep pace with increasing costs. One of the things the Board needs to seriously consider in 2009 is to review the Police and Fire pension costs and the possibility of a millage to finance those costs. He said he believes the City could get local support because there is strong support for the Police and Fire Departments, and it should be recognized that their retirement costs are continuing to increase. A one-mill increase would generate \$440,000 for the Police Department and another one-mill would generate \$440,000 for the Fire Department. He urged the Directors to talk to the citizens and explain to them the impact that the retirement is having and the importance of continuing to provide retirement benefits for the public safety employees.

City Manager Kent Myers pointed out another item that is not included in the budget that the Board may want to consider is allocating the administrative costs.

He noted that the County will likely propose a sales tax increase in 2008 to finance the County jail expansion. The City is hoping this proposal will include funding to address other long-term public safety needs. One of the things that Police Chief Bobby Southard has identified is the need for a new Police communications system. Staff has talked to County Judge Larry Williams and some of the County officials about the possibility of including that in the County proposal. Another possible project that has been discussed is the new fire station on Highway 7 South, and possibly the County would be willing to consider including that in their proposal. He said the City wants to meet with the County when they put together their package and have other projects to be considered that will improve the Police and Fire services.

At this time, he introduced Mr. Denny McPhate, Public Works Manager, to explain the Stormwater/Drainage Fund.

Mr. Denny McPhate stated that the Stormwater Management Program is an EPA-mandated program. He commented that Hot Springs is considered an MS-4 municipality, which is a municipal separate storm sewer system community and fell into a Phase II requirement that the City was put on notice in 2004 that it would be mandated to come under the stormwater requirements. The permit expires in May 2009, and all of the Notice of Intent items that were sent to the State have to be complied with by that time. Also, the City's ordinance went into effect November 2005. He pointed out that Hot Springs' Stormwater Management Program is recognized by ADEQ as the only city in the State of Arkansas that is recognized by ADEQ as a qualifying local program and has had that distinction for over a year. He reported that one of the items the City would like to fund with this fee is a storm sewer mapping. Currently, through the Notice of Intent, as well as EPA and ADEQ, it is mandated that the City map all of its stormsewer outfalls; and from a spill standpoint, that the City knows where that chemical is going. Currently, the City has no mapping of its stormwater facilities; and that is a requirement for the permitting renewal in May 2009. Failure to meet those could result in denial of the stormwater permit, which could result in fines by EPA and ADEQ. As part of the Notice of Intent that the City sent to the State, one of the items it said it was going to develop was a stormwater sewer map. The items that were to be included were to show the major watersheds, within the major watersheds show the sub-watersheds, and also identify the major storm drainage structures. The City will have those surveys identified on the master stormwater map and will aid in tracking maintenance activities that are needed on those drainage structures. It will also help the City identify, analyze, and improve drainage of existing structures. Currently, the City's sewer, sanitation, and water lines are mapped out on the City's GIS. The stormsewer piping, outlets, culverts and box culverts are not mapped. He noted that Phase I, Phase II and Phase III are how the City would approach the stormsewer mapping. The outfall mapping and some selective water quality sampling will cost about \$80,000, which is the minimum the City has to have in order to meet its mandate for 2008. Phase II is additional funding of \$50,000, which gives the City about 250 more storm inlets that it could map and associated underground pipes with those 250 inlets. Phase III is a complete stormsewer system mapping, which is a map of the remaining stormwater outlets and piping throughout the City. Staff is estimating from engineering firms that the City has about 4,800 more stormwater inlets, with a total cost of an additional \$870,000.

Mr. McPhate noted that water quality is a concern because of tourism, and EPA and ADEQ mandate that the City water quality be enhanced to the maximum extent practicable. He showed a photo after a rain event, pointing out there was a stormwater outfall and trash and debris going into Lake Hamilton. Entergy has said that 98 percent of the trash and debris that goes into that lake is directly from the City. He pointed out that there is no filter system for the stormwater drains. One of the biggest water supplies for the City is the water intake on Lake Hamilton. The City has already started requiring, through the Stormwater Program, for new developments, especially commercial developments discharging in or around Lake Hamilton or any of the streams, the use of basket systems. They collect trash inside the basket screens and allow the water to pass back out of it. There are almost 5,000 existing inlets through the City that have no filter system. Several options are screening systems that the City can retrofit the curb inlets with, which average about \$350 a unit. However, when collecting in those curb inlets and that magnitude of numbers (approximately 5,000), there has to be a maintenance program and somebody who cleans those inlets out on a timely manner. This will cost almost \$1.5 million to do the entire City from a quality standpoint and start filtering the water before it goes into the streams. There will be a cost of \$24,000 for employees to have to clean those systems and about \$85,000 in additional equipment.

He stated that currently the City ordinance sets out that the City maintains the drainage systems in the community within the public right-of-way only. Anything beyond the public right-of-way has to be maintained by the property owners. He then read excerpts from the Drainage Maintenance Ordinance. He noted that the City is very limited on the amount of funds available and how it can use those funds.

Mr. McPhate advised that about seven years ago, the City started keeping an unfunded drainage list, which are drainage problems and issues that were found and brought to the City's attention, flooding problems in the community, and kept track of those projects. He said he has that document available which shows the locations and the years that it was placed on the list. Staff is in the process of trying to do a ranking system and approve the ones with the highest impact on the community. He stated if they did every project on that list, it would cost \$1,114,000.

He mentioned that Hot Springs Creek is the tunnel that runs through the middle of Central Avenue and begins on the far end of Park Avenue and ends at the Transportation Depot. There are all kinds of tunnel systems throughout downtown and other parts of town that dump into Hot Springs Creek. The tunnel is over 120 years old, and currently the City has no maintenance program or engineering program to review or inspect the tunnel on any kind of basis. Also, the City has no funding if there were to

be a collapse on the tunnel. This fund would give the City money that it could on a one or two-year program have a maintenance inspection program, and the City gets engineering input from an engineering firm on what it needs to do to keep it stabilized for another 150 or 200 years.

He stated that some of the other systems in the community that many are not aware of is a tunnel system that runs the entire length of Market Street and ends at the Hot Springs Creek Tunnel. There have been several collapses on this system where the City has gone in and made repairs. Another tunnel system runs the entire length of Park Avenue and down to Whittington Avenue where it ties into Hot Springs Creek Tunnel. Also, there is a tunnel system on Bower Street that runs the entire length of Bower Street. The City is having some problems with a tunnel system at the present time on Maplewood Court. Years ago, the developers used galvanized piping; and since then, the City's previous administrations and Board have banned the use of metal drainage systems; and it now has to be plastic or concrete pipe. There are many systems in the City that are galvanized that are beginning to show wear and tear and sink holes developing in the streets and within the neighborhoods. He showed a picture of one on Shady Grove Road that had a galvanized piping that collapsed in the street and had to make a repair on that system. Also, there is a large amount of clay drainage piping in town, which has numerous breakages and failures on those systems.

There is a tunnel on Magnolia that goes through Magnolia Park from Park Avenue, and there is a tunnel that goes under a building. There is a tunnel on Holly Street that runs under a residence. All of the tunnels in the Prospect/Quapaw area jump into a main tunnel branch that runs parallel on the north side of Grand Avenue and also dumps into Hot Springs Creek at the Valley Street bridge. There is no inspection or maintenance program for these tunnels. There is a box culvert system that runs across Watt Street and across private property. That box culvert goes under a home; and several years ago, the carport fell into the tunnel and the roof above it fell in. There was no funding for the City to repair it, and the homeowner repaired it on his own.

The City ordinance says that the City maintains from those boxes, and anything beyond that belongs to the property owner. There is a piping system on Jerome Street, which goes several city blocks across. He showed pictures where that has failed.

He reported that currently a drainage project is funded through the Street Department and showed photos of repairs of those projects. He stated that City has spent around \$15,000 to \$20,000 on these projects, which does not go a long way.

He advised that the City previously had a flood warning system downtown, but it is no longer operable. He showed pictures of the downtown flooding in 1990. This

funding that is being proposed would help fund the flood warning system. Also, there is a city participation in the national flood insurance program; and Hot Springs is currently rated a Class VIII, which means that citizens receive a ten percent discount on their flood insurance. The City just received the reduced rate from a nine to an eight this past year and part of it was the stormwater program. The City will no longer be able to claim its flood warning system which could possibly have a rate at the next annual report review, and the City go back to a Class 9. Therefore, instead of ten percent savings on flood insurance, residents would only get five percent. He stressed it is very critical that the City have some kind of system for flood insurance program. He then showed pictures of a flooding event in 2003 on Franklin Lane. With this funding, the City is looking at about \$500,000 for a flood system, including all the equipment and hardware to give 24 hours, 7 days a week protection.

Regarding the Emergency Fund if there is some unforeseen failure in town, he said there is some money set aside that can be budgeted.

He said they are funded out of the General Fund, and their budget is about \$96,000. The stormwater mapping mandate, a minimum requirement the City can get by with, is an additional \$80,000 to fund that stormwater mapping. The proposed fee for Hot Springs is \$2 per residence and \$4 for businesses that would generate \$414,000. That can be broken out in several different ways, but staff is proposing to do \$80,000 for mapping as mandated but do not have any flood warning system allocations unless it can be pulled out of the stormsewer upgrades and water quality of \$179,000 and can break that into different parts and start funding the flood warning system in phases.

He stated there is about \$1,114,000 in the list of unfunded drainage master list; \$870,000 - stormsewer mapping; \$1.5 million in stormsewer filtration and water quality; \$500,000 for flood warning. Also, they would like to do some creek stabilization and some creek maintenance but do not have a cost for that, as well as storm sewer system upgrades of the current system; but it is unknown the condition of the storm water systems.

Mr. McPhate stated with the aforementioned items he has identified, it is almost \$4 million.

City Manager Kent Myers advised that Mr. McPhate will be available at the Board Work Session on November 27. He noted that in regard to budget priorities, No. 1 was salary increase for City employees. This is included in the budget, and there is a salary increase for city employees-both uniformed and nonuniformed. No. 2 is for additional funding for Police and Fire for facilities for tools and equipment, which is included in the budget. No. 3 is a tie between infrastructure improvements and

nuisance abatement program. There is money in the budget for increased paving program; drainage improvements; sidewalk improvements and new street lights. Regarding the Nuisance Abatement Program, staff has included funding for the City Attorney for filing costs for filing nuisance abatement cases, property maintenance to board up houses, and for Police Department to handle the nuisance abatement program; No. 4 is Code Enforcement. There is increased funding for condemnations and mowing weedy lots; No. 5 is to continue Higdon Ferry Road widening project, and the Board previously allocated \$500,000 that will allow the City to proceed with property acquisition for Phase 2; No. 6 is the creation of a one-stop permit center. There is a new employee in the budget that will help establish that center and will be based in the Planning and Development Department; No. 7 is implementation of a traffic improvement plan and is included in the Major Capital Improvement Fund (\$200,000) to synchronize the traffic signals; No. 8 is for a fire station in the Highway 7 South area. This is a project that will cost over \$1 million, and the City is proposing that the County include that in their consideration for the proposal that will be considered in 2008. Even though that is not in the budget, that is on the discussion table as far as the City/County cooperation. No. 9 is to maintain funding for outside organizations. All outside organizations are included in the budget as currently funded; No. 10 is for funding of major building repairs. Money is budgeted in the Major Capital Building Fund and also the Utility Administration Fund. Staff is not proposing to spend any of that money until the building committee has an opportunity to meet and provide some recommendations; and (11) continued support for CDBG Program, which is included in the 2008 proposed budget.

Director Smith commended Mr. McPhate on his presentation and asked if he mentioned under the stormwater that there were 5,000 outlets, and Mr. McPhate said that is his best estimate from their engineering firm. Regarding the filtration basket system, Director Smith asked if the City had the money and the material now if it could be done in-house and how long of a project would this be. Mr. McPhate advised that he would want to do it the fastest way possible, which is to contract it out; but then he would want the City to be responsible for the maintenance of them. He said he would estimate it would be six months to a year.

## **OTHER BUSINESS**

### **27 Board of Directors Items**

Director Smith complimented The Sentinel-Record for the editorial that ran this morning regarding the vandalism and commended the Police Department for apprehending those responsible for breaking car windows and glasses in businesses.

Director Daniel reported that the 6<sup>th</sup> Annual Chili Cook-Off will be tomorrow at the Exchange Street Parking Plaza. They will be serving from 4 p.m. to 6 p.m.; and tickets are \$3. There are around 32 teams who are signed up. Mr. Ned Perme, from Channel 7, will kick-off the downtown lighting (Arlington Lawn, Park Avenue Fountain, Hill Wheatley Plaza, and new lighting program that the Downtown Merchants have done on the cascading waterfall in front of the Parking Plaza).

Director Weatherford thanked Mr. Ken Edwards and Mr. Jack Hennessee, from Parks and Recreation, for all the work they did in installing the lights downtown; and Eugene Castleberry and his crew in Traffic Services for all the work they did at the Parking Deck in getting power where it was needed.

### **28 City Manager's Report**

City Manager Kent Myers gave the following report:

1. He reported that the Hot Springs Landlord Association recognized some of City employees from the Police Department (Chief Bobby Southard; Officers Chris Chapmond and Billy Hrvatin); also Dan Bugg, Animal Control Officer; and Bart Jones, Neighborhood Services Division Administrator. These individuals were recognized for their efforts to clean up the neighborhoods and assist the Landlord Association with drug problems and other problems in the neighborhoods. He also recognized Ms. Margaret Parris, executive secretary to the City Manager, who agreed to oversee the employee United Way Drive this year and created some contests and prizes. It was a successful drive that raised over \$6,000. He mentioned the Parks Department was recently recognized by the State Parks and Recreation Association as the department of the quarter in the statewide newsletter. They were recognized for improvements, such as Entergy Park and the mobile activity center and several other projects.

2. On the Consent Agenda, the Board appointed several citizens to the Arts Advisory Committee, which were reappointments (Carole Katchen, Steve Smith, Davis Tillman, Carolyn Taylor, and Shea Childs). The Board also approved an agreement with the U. S. Immigration and Customs Enforcement Department. This will provide some funding for the Police Officers up to \$15,000 for assistance in joint operations with the U. S. Immigration and Customs.

3. He attended the National League of Cities meeting last week, along with Director Jones and Director Weatherford. Director Jones attended meetings on housing and community development; he attended several meetings on financial and budget management, as well as several sessions on sustainability and will submit a written to the Board .

4. The next Board Meeting will be on Tuesday, December 4. The budget work session will be held on November 27 at 5 p.m., following the agenda meeting.

5. About two weeks ago, he attended a meeting along with County Judge Larry Williams and several other community leaders that the Hot Springs Village called together involving the Village representatives and the Arkansas State Highway and Transportation Department. The next major highway project the City is trying to get underway in the next several years is the extension of the expressway to the Highway 5/7 intersection. This is a project that will provide a direct link between Hot Springs Village and the City of Hot Springs. One of the issues the City has run into over the last year is the hot water issue in the area around Highway 70 East. The Arkansas State Highway and Transportation Department and the National Parks Service are conducting a study on the hot water in that area and how this highway project could impact the future of hot water in the community. With that study to take place over the next couple of years and the fact that the extension of the expressway will probably cost about \$90 million, the subject of the meeting was how to spend the \$10 million that is in place at the present time that Congressman Ross was able to get for the City last year. He mentioned there is \$10 million sitting in the bank at the Arkansas State Highway and Transportation Department to fund a major project. When the City completed the last expressway extension at Highway 70, the Arkansas State Highway Transportation Department was short on funding so the transition lane that connects the expressway to Highway 70 is somewhat dangerous, and there have been numerous accidents at that location. In order to complete that project, it would take about an \$8 million to \$10 million improvement; and there would be some major drainage in that area by the cemetery on Highway 70 East. The Arkansas State Highway and Transportation Department is asking the City, County and Hot Springs Village to release that money in

order to begin that major improvement to Highway 70 East and the expressway. That dialog is continuing and hoping to reach a consensus to start that project in the next year or two.

## **29 ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 8:50 p.m., to meet again on Tuesday, December 4, 2007, at 7:00 p.m.

ATTEST: \_\_\_\_\_

APPROVED: \_\_\_\_\_

Lance Hudnell, City Clerk

Mike Bush,

Mayor