

## MINUTES

### BOARD OF DIRECTORS MEETING

JUNE 18, 2007, AT 7:00 P.M.

The regular meeting of the Board of Directors was held on Monday, June 18, 2007, at 7:00 p.m., Board Chambers, City Hall, with Mayor Mike Bush presiding.

The invocation was given by Ms. Pat Gladden, 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 Peggy Maruthur, Elaine Jones, Steve Smith, Carroll Weatherford, Bill Edwards, Tom Daniel, and Mike Bush, total 7.

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

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

#### **3** Approval of Minutes of June 4, 2007 Board Meeting

A motion was made by Director Daniel, duly seconded by Director Maruthur, that the minutes of the June 4, 2007 Board Meeting be approved; and upon voice vote, the motion unanimously carried.

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

No guests were present for recognition.

## **5 Acknowledgment of the Financial Statements for April 2007**

Mayor Bush announced that the Financial Statements for April 2007 are on file in the Finance Department and City Treasurer's Office.

### **CONSENT AGENDA**

The Consent Agenda consisted of the following:

**6 Public Safety Report** (June 6, 2007).

**7 Board of Directors Meeting Schedule** (July thru December 2007).

**8 Proposed Resolution No. R-07-145** Approving Certain Bid Awards (a) Construction Personnel and Equipment - Public Works/Utilities [annual supply contract awarded to Coakley Construction]; (b) Electrical Contractor - All Departments [annual supply contract awarded to Huntco Electric Company]; and (c) Polymer - Utilities [annual supply contract awarded to Polydyne, Inc.].

**9 Proposed Resolution No. R-07-146** Accepting a Grant from the Federal Aviation Administration (FAA) and State Aeronautics Commission to Purchase an Air Rescue Firefighting Vehicle, Engineering of the Rehabilitation of Runway 13/31, and Obstruction Survey of Runway Approaches.

**10 Proposed Resolution No. R-07-147** Amending the Substance Abuse Policy for the City of Hot Springs, Arkansas.

**11 Proposed Resolution No. R-07-148** Waiving the Facility Use Fees for the Operation of the Santa Train to be Held at the Transportation Plaza on December 1, 2007.

**12 Proposed Resolution No. R-07-149** Approving the Sale of Real Property Located at 351 Golf Links Road to Marvin Loy.

**13 Proposed Resolution No. R-07-150** Appointing Virginia Harvey and Mary F. Payne to the Animal Control Advisory Committee.

**14 Proposed Resolution No. R-07-151** Authorizing the Filing and Accepting a Grant with the Federal Emergency Management Agency (FEMA), U. S. Department of Homeland Security, Commercial Equipment Direct Assistance Program.

A motion was made by Director Daniel, duly seconded by Director Maruthur, that the Consent Agenda be approved; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 7; motion unanimously carried.

### **UNFINISHED BUSINESS**

**15 Proposed Resolution No. R-07-143**

A resolution entitled, "A RESOLUTION ADOPTING POLICIES AND PROCEDURES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION PROGRAM; REPEALING CERTAIN RESOLUTIONS; AND FOR OTHER PURPOSES," was taken from the agenda and read by title only. **(Tabled June 4, 2007)**

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

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, stated there has been one change to the resolution since the June 4 Board Meeting, which is in Section 4 (target areas). She added this change is based upon the recommendation of the Community Development Advisory Committee that the language in Section 4 (target areas) be changed from the City Manager making a designation of target areas to the Community Development Advisory Committee making a recommendation to the Board of Directors for their approval.

Director Maruthur stated in the Board Action Request Form, staff is proposing the paragraph regarding the target areas be revised such that the CDAC recommends and the Board approves the establishment of target areas. She said she has a problem with

changing the target areas until they are completed. She stressed if anything in the Board packet relates to that, she is opposed to it. She noted the whole idea of having targeted areas was for visual impact and to help those who needed help so that the rest of the neighborhood would benefit. She commented it appears this is going in a direction where it will be deviating from the original plan, which was first-come, first-serve and finishing District No. 1 and District No. 2 so there will be a visual impact and not a "shotgun effect."

Ms. Sellman advised that the proposed modification in Paragraph 2 (Applications) represents a change to the policy on funding of applications. She mentioned there have been two designated target areas, and the previous language said there would be funding for applicants in non-target areas, on a first-come, first-serve basis as funding allows. She added the new language presents an opportunity putting non-target residents in a three-way rotation for target areas 1 and 2.

She stated there would be funding for Area 1, Area 2, non-target, and then returning with one applicant funded each time with that rotation repeating.

Director Edwards asked if his area has been omitted, particularly Euclid Street; and Ms. Sellman replied they would probably be 1½ to 2½ years out with this change given their position on the non-target list.

Director Maruthur pointed out on Page 75 of the Board packet, the last sentence is contradictory, noting it says "qualified applicants will be provided assistance on a first-come, first-serve basis; and they are assessed as to whether they are qualified for funding," and then it says, "it will rotate from each target area and a non-target area." She commented if there are target areas and a waiting list of people and there is going to be a rotation, it does not make any sense. She said she feels it defeats the purpose of the visual impact; and when the City gets to the other districts, and anybody from her district or another district, that has been completed wants to come back, she will support the other districts also because the whole idea is to finish the job. She noted it is not just Park Avenue but the Park Avenue area.

Director Smith noted there are 18 applications in the non-target area and asked if they were from different districts; and Ms. Sellman said they were.

Ms. Jo Etta Laslo, 202 Wren, District 1, stated she was the first one to sign up on this program. She said she spoke to Mr. Gerald Harman, CDBG Administrator, who stated she is the first one on the target. She mentioned when a program started, Mr. Bart Jones, Rehab Administrator, told her this was to help get up to code; and she was supposed to get \$40,000. However, Mr. Nelson Self, past CDBG Coordinator, told her

since she was 100 percent disabled, they would go into another program and help her with the roof. Therefore, she would not have to go into the \$40,000. She stated this is a program that is supposed to help people who are disabled and elderly to repair their homes. She said if they tell someone from the beginning they are only going to get \$25,000, then she agrees with that. However, if someone, such as she, who has been in the program since August 2004, has not had her property taken care of, then she believes that is wrong.

Director Jones asked how long she has been on the list, and Ms. Laslo stated it has been since August 2004.

Mayor Bush explained that the City has to distribute the funds to as many individuals as it can.

City Manager Kent Myers explained that Ms. Laslo is speaking to Paragraph No. 5 (minimum and maximum subsidies) ,and this is a proposal to set the maximum funding of \$25,000 per house. He noted in order to bring her house up to code, it would require around \$50,000; and one of the main reasons is due to a lead problem in the house which would have to be abated, as well as other major problems. He explained this is being recommended by CDAC, and she has the ability under this provision to appeal to CDAC if the project exceeds \$25,000. He pointed out she is the No. 1 priority house for District 1. He commented with the proposal before the Board tonight, there would be a limit of spending \$25,000 on her house unless she appealed to CDAC; and they agreed to fund it more.

Ms. Laslo mentioned she attended the recent CDAC meeting, and they said they were going to try to get Habitat for Humanity; but she owes \$13,000 on her home. She added that she talked to Mr. Gerald Harman, who said Habitat would not tear her house down because she would not meet specifications for it.

Ms. Kathy Sellman explained that the lead paint testing was done on the home sometime ago, and the lead paint requirement is not a new one. She noted it is a federal requirement that has been in place, and expenditure of federal money or a provision of housing through a federal program compliance with the lead paint standard is mandatory. She stated as a part of this program, there is a test at the beginning before any work is done, which at one time was \$750 but now is \$850 per household to do this testing to determine if there are hazards present. She said there is a variety of options available whether it is just lead paint that is there or whether it actually prevents a hazard. If it is a hazard, there is a requirement that it has to be eliminated. She added it just cannot be covered up or encapsulated but has to be removed. She

advised that the estimate on lead paint abatement for the home being discussed is between \$18,000 and \$23,000, which is only for the lead paint abatement. She explained if a rehab project is done that comes in at \$24,999, then not as much lead paint abatement is required once they hit the \$25,000 and up benchmark. She stated the goal is not to get to \$25,000 so that the funds expended can go to actual improvements to people's quality of life and to bring houses up to the standards that are required in the code and to accomplish the goals this project has.

City Manager Kent Myers commented that one of the goals the Board has indicated it would like to achieve in the program is not to spend more on the house than it is worth. He stated this was a concern the Board has expressed over the last six months and is why the policy has been drafted that way.

Director Edwards asked if there are specialized people who do these inspections, and City Manager Kent Myers advised that Mr. Gerald Harman has recently been certified.

Director Jones asked why the City Manager has been removed from making recommendations to the Board and referred to the CDAC regarding the target areas; and Ms. Sellman stated that all of the priority setting, etc. that is done for this program is established in the Annual Action Plan and that comes about in several ways. She explained it looks back at the goals and priorities that were established at the beginning of the program, and it also comes about because of testimony at a public hearing from members of the community who express what their priorities are.

Director Smith commented on Item No. 9 (City/Owner Contract Agreement), stating that prior to commencement of work, the property owner will be required to sign a rehabilitation agreement with the City. However, under Item No. 11 (Arbitration), it says the decisions of the CDAC shall be final and binding on all parties. He said that he objected to that clause.

Ms. Sellman clarified this relates only to the contract for housing rehabilitation work on a house. She explained this is if there is a controversy that cannot be resolved between the homeowner and the person who is doing the work on the house. She said the Advisory Committee acts as the decision-maker in a case where a decision cannot be made without a third party. Director Smith said he did not have a problem with that, but he would like the final decision to come to the Board.

Mayor Bush asked how many of these have there been, and Ms. Sellman replied there is no history.

A motion was made by Director Maruthur, duly seconded by Director Jones, to amend the resolution to leave the funding to the first-come, first-serve list in the two target areas and that CDAC remain an advisory committee and the City Manager remain as the designated person as he was previously

Upon discussion, Director Smith pointed out the amendment is to put everything back as it was and forget this agenda item, and Director Maruthur said it was. Director Smith said that she wants to leave everything like it was, which is really not an amendment. He stated if that is her intention, then the Board would just vote this resolution down.

A motion was made Director Maruthur, duly seconded by Director Jones, to amend the resolution as follows: Under Section 2 (Applications), omit from the last sentence "rotating from each target area and non-target area." The sentence would then read as follows: "Qualified applicants will be provided assistance on a first-come, first-serve basis within each designated target area." Under Section 4 (Target Areas), the rest of the motion would leave the following sentence included: "the City Manager or is designee is hereby authorized to establish one ore more target areas within the City for allocation of CDBG housing rehabilitation funds." The following second sentence would then be deleted: "The Community Development Advisory Committee shall make recommendations to the City of Hot Springs Board of Directors to designated target areas."

City Manager Kent Myers asked if she wanted the \$25,000 cap, and Director Maruthur said that she did because it appears from Mr. Harman that was the law. City Manager Kent Myers pointed out that is included.

Director Edwards asked where this leaves him with the two people on Euclid Street; and City Manager Kent Myers advised if the amendment passes, the 18 homes on the list in the non-target areas, which would include his area, would not be eligible for funding until that area became a target area sometime in the future. Therefore, other projects in the non-target areas would not be funded until the annual plan is amended next year, which may include additional target areas.

Director Daniel pointed out that Ms. Sellman gave a reason why she wanted to have it out of the City Manager's hands and the reason for the \$25,000 and asked how she feels about this proposed amendment. He pointed out the Board does not have to change the \$25,000 and is not the law. He mentioned it says if there is no participation

in lead abatement, then it needs to be kept under \$25,000. Ms. Sellman replied that was correct.

Mayor Bush then called for a vote on the amendment; and upon roll call, the following voted "aye": Directors Maruthur and Jones, total 2. Voting "no": Directors Smith, Weatherford, Edwards, Daniel, and Bush, total 5; motion failed on the amendment.

A motion was then made by Director Smith, duly seconded by Director Daniel, to amend Paragraph No. 11 (Arbitration), by substituting the Board of Directors and for CDAC to make a recommendation and then the Board would be the last appeal.

Upon discussion, Director Maruthur pointed out Ms. Sellman clarified this would have to do with the inner workings of the contract so the Board would basically be micromanaging the CDAC by doing this if there were to be a dispute.

Ms. Sellman said that is correct, pointing out if someone thought that the quality of wood they received was not what they expected and the contractor said that is exactly what was in their specifications, then that is what the Board would be hearing.

Director Smith stated it would be only after a recommendation process through CDAC. He said he believes in light of events over the past two or three years, now that there is a better oversight group involved, he did not see many of these getting to the Board. However, in regard to \$20,000 or \$30,000, he believes the Board should be responsible for that.

Mayor Bush then called for a vote on the motion to amend Item No. 11 (arbitration); and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 6. Voting "no": Director Maruthur; motion carried.

Mayor Bush then called for a vote on the motion to approve the resolution, as amended; and upon roll call, the following voted "aye": Directors Smith, Weatherford, Edwards, Daniel, and Bush, total 5. Voting "no": Directors Maruthur and Jones, total 2; motion carried. Whereupon the resolution was approved, as amended.

## **NEW BUSINESS**

### **16 Proposed Resolution No. R-07-152**

A resolution entitled, "A RESOLUTION CALLING A SPECIAL ELECTION ON THE QUESTION OF APPROVING OR REJECTING ORDINANCE NO. 5556 OF THE CITY OF HOT SPRINGS, ARKANSAS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO," was taken from the agenda and read by title only.

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

Upon discussion, Mayor Bush questioned what would happen if the City loses the property before the election, which is called for October 9, 2007.

City Attorney Brian Albright advised that Arkansas Code Annotated §7-9-111, Subsection 8, requires that municipal referendums be held at a General Election unless the referendum itself states a date certain. He said in the event the City is unable to hold that election within that amount of time because it was not sufficient, then the Board can set a different election date. However, under no circumstances is it to be more than 120 calendar days from the date of certification. He stated that leaves the City with either doing it before 120 days expires; and the City would have to hold the election on October 9, 2007, which is the date that was included within the referendum; or the City could have it at other date earlier if that did not present too much of a problem with the proponents. He pointed out the problem with that is the City has to give the Election Commission, under Act 1049, 50 days' notice in order to have the election. He said the election cannot be held in September because that is the school board election, which leaves August 14. He noted in order to have it on August 14, the Board would either have to change the date tonight or have a special Board Meeting in order to call an election on August 14 because the City will run out of time before the next regular Board Meeting. He added it does present a problem with the property issues; but if the City wanted to have an election prior to the deadline on the closing of the real estate, it would need to hold the election on August 14.

Director Maruthur said with the rapid pace the Board acted on in deciding what was decided by the Board, not by the people, that this is a catalyst for the voters to sign the petitions and call for an election so they would have a voice in either supporting or not supporting this 25-year bill and whether a new City Hall is needed right now. She stated she believes it is only fair this time that the Board give the voters an adequate amount of time to get the information to make an informed vote.

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

Edwards, Daniel, and Bush, total 7; motion unanimously carried. Whereupon the resolution was declared adopted.

## **17** Proposed Ordinance No. O-07-60

An ordinance entitled, "AN ORDINANCE AMENDING THE ZONING CODE OF THE CITY OF HOT SPRINGS, ARKANSAS, BY REZONING SIX (6) ACRES ON KEATS STREET FROM R-2, SUBURBAN RESIDENTIAL, TO PD, PLANNED DEVELOPMENT DISTRICT," was taken from the agenda for consideration.

A motion was made by Director Jones, duly seconded by Director Maruthur, 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 Edwards, duly seconded by Director Maruthur, that the ordinance be passed as read.

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, explained that this comes to the City as a Court Order on the case of ROA Properties versus the City of Hot Springs; and this is a zoning request to change from R-2, Suburban Residential, to PD, Planned Development. In 2004, she said it was denied by the Planning Commission and appealed to the Board, which also denied it. The Court disagreed with that decision and sent the City an Order saying that it is ordered and that the Board of Directors is hereby ordered and directed to rezone the property from R-2, Suburban Residential, to PD, Planned Development.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 7; motion unanimously carried. Whereupon the ordinance was declared passed.

## **18** Proposed Ordinance No. O-07-61

An ordinance entitled, "AN ORDINANCE AMENDING ARTICLE III (TAXICABS) OF THE HOT SPRINGS TRANSPORTATION CODE (ORDINANCE NO. 4571, AS AMENDED); AND FOR OTHER PURPOSES," was taken from the agenda for consideration.

A motion was made by Director Daniel, duly seconded by Director Edwards, 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 Edwards, duly seconded by Director Daniel, that the ordinance be passed as read.

Upon discussion, Mr. David Johnston, owner Hot Springs Taxi, advised that in 2004 when he requested his first taxi rate increase, he tied the fuel price to that fare so as it increased or decreased, he could adjust it by coming to the City. At that point, they established a benchmark for wholesale gasoline, which would drive the fares eventually and allow him to implement a surcharge if it increased excessively. He stated over the last three years, it has done that and is up where it is at a surcharge of \$1.50. He decided after two years of having the surcharge that the gasoline prices had stabilized somewhere in the area where he could request an increase in the fare to take up the surcharge. He noted he will drop the surcharge and establish a new benchmark for fuel prices with the change in the cab fare and is just absorbing that fuel charge into the fare.

Director Maruthur asked if he would decrease his rates should the fuel prices drop back 30 cents a gallon, and Mr. Johnston said he would look at that and see what impact it would have in the operation and then he would return to the Board and request a change.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Weatherford, Edwards, Daniel, and Bush, total 5. Voting "no": Directors Maruthur and Smith, total 2; motion carried. Whereupon the ordinance was declared passed.

## **19 Proposed Ordinance No. O-07-62**

An ordinance entitled, "AN ORDINANCE WAIVING THE REQUIREMENTS OF COMPETITIVE BIDDING FOR AN ANNUAL SUPPLY CONTRACT FOR CERTAIN FIREFIGHTING EQUIPMENT (PERSONAL PROTECTIVE EQUIPMENT - TURNOUT COATS AND PANTS)," was taken from the agenda for consideration.

A motion was made by Director Jones, duly seconded by Director Edwards, 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 Jones, duly seconded by Director Maruthur, that the ordinance be passed as read; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 7; motion unanimously carried. Whereupon the ordinance was declared passed.

## **20 Proposed Ordinance No. O-07-63**

An ordinance entitled, "AN ORDINANCE WAIVING THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PROVISIONS OF COMMUNITY FIREWORKS DISPLAYS; APPROPRIATING DONATIONS; AND FOR OTHER PURPOSES RELATED THERETO," was taken from the agenda for consideration.

A motion was made by Director Weatherford, duly seconded by Director Edwards, 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 Jones, duly seconded by Director Weatherford, that the ordinance be passed as read.

Upon discussion, Mr. Ted Burhenn, 318 Trapp Mountain, said he lives in the County but owns property and business in the City. He noted that he has no objection to the fireworks displays nor against Jack Warner; however, according to information in the Board packet, it says that he is a local vendor. He mentioned the only local vendors he found were Director Daniel and one on Airport Road but cannot find a phone number for Jack Warner, who is not licensed in Arkansas but is in Oklahoma. He pointed out the City has known sometime about the fireworks displays and is concerned why the City is stating there is not enough time for competitive bidding. He said as far as what he can read in the contract and what he can get from the internet, it does not say what the City is getting for the money but only says \$30,000 donated and \$30,000 spent. He noted that Director Daniel is part of the fireworks business and asked if there was a connection with Mr. Warner. He also questioned the location of Jack Warner Fireworks and if he has insurance.

Director Daniel responded that Jack Warner Fireworks is licensed in the State of Arkansas, and he needs to contact the State Fire Marshall's Office, which will provide Jack Warner Firework's license number. He advised that he is a direct employee of Jack Warner Fireworks, which operates out of Enid, Oklahoma; and there is always a \$5 million insurance policy filed. Also, the Fire Department has a copy of it on file locally.

He noted that the \$30,000 is spread out over three fireworks shows (Memorial Day, Labor Day, and July 4).

City Manager Kent Myers explained there is no government (City or County) funding in the fireworks displays, and it is all private donations from individuals and private companies.

Director Daniel added that the checks are made out to the City of Hot Springs, and those checks are given to the Finance Director, who processes them. When they clear, Finance Director Dorethea Yates writes a check to Jack Warner Fireworks.

Mr. Burhenn commented that the donations are given to the City, which is entrusted to make the right decisions. He said the City should be planning for next year to go out for competitive bidding.

Director Daniel pointed out that the City does not bid on them because the City is not buying the fireworks. He noted the fireworks are being bought by the people who donate, and the City is a clearinghouse for the checks.

Mr. Burhenn said if a Director or staff member has an interest in this contract and any portion of that which will go to a Director or staff member, then perhaps they should not vote on this ordinance.

Director Daniel stressed that the City has no money involved in this. Mr. Burhenn replied that the City has been entrusted that fund and is expected to make the proper decision on where those allocations go. If they do not, he questioned why entrusting the City with the money in the first place. He said all he is requesting is that the proper decisions be made.

Director Daniel pointed out this has been done for around 25 years and is not something that just recently happened. He pointed out they do not have to bring it to the City, and he is sure many of these people who donate would probably donate anyway and just leave the City completely out; but they would still be insured for \$5 million regardless.

Director Maruthur said she received some calls today and asked if Jack Warner is authorized to do business in Arkansas, and Director Daniel advised that she needs to call the State Fire Marshall's Office in Little Rock. Director Maruthur said that she has received calls that Jack Warner Fireworks is not authorized to do business in Arkansas,

which came from the Secretary of State. Director Daniel replied that they do not have to be through the Secretary of State but need to be through the State Fire Marshall's Office. Director Maruthur said she is repeating what she received telephone calls on.

Director Daniel said the Fire Department processed the paperwork; and the Fire Marshall in Hot Springs signed off on it, as well as the Police Chief. He stated that Jack Warner Fireworks attaches a drawing of where the fireworks are going to be shot and also attaches an insurance policy for \$5 million. That is sent to the State Fire Marshall along with \$25; and they approve it providing that Jack Warner Fireworks is licensed. If Jack Warner Fireworks is not licensed, then they will not get a permit back.

Director Maruthur questioned Spa Fireworks, and Director Daniel advised that it is not a Class B distributor of fireworks but is a Class C distributor.

Director Maruthur said she has received some calls about that and asked if their license has been revoked, and Director Daniel advised that they have not.

Director Maruthur pointed out that relates to waiving competitive bidding, and Director Daniel said the City will no longer have to be concerned with that.

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, and Bush, total 5. Abstaining: Directors Maruthur and Daniel, total 2; motion carried. Whereupon the ordinance was declared passed.

## **21 Proposed Ordinance No. O-07-64**

An ordinance entitled, "AN ORDINANCE AMENDING ORDINANCE NO. 3724 REGARDING THE USE OF SIDEWALKS WITHIN CENTRAL BUSINESS IMPROVEMENT DISTRICT NO. 3," was taken from the agenda for consideration.

A motion was made by Director Daniel, duly seconded by Director Smith, 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 Smith, duly seconded by Director Edwards, that the ordinance be passed as read.

Upon discussion, Director Smith questioned if this is giving control to CBID No. 3; and Deputy City Manager Lance Hudnell replied this is giving them the same control that the Board gave CBID No. 2 a few weeks ago.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 7; motion unanimously carried. Whereupon the ordinance was declared passed.

## **22 Proposed Ordinance No. O-07-65**

An ordinance entitled, "AN ORDINANCE AMENDING ORDINANCE NO. 5492 REGARDING CERTAIN PORTABLE OR TEMPORARY SIGNS UPON THE SIDEWALKS WITHIN CENTRAL BUSINESS IMPROVEMENT DISTRICT NOS. 2 AND 3," was taken from the agenda for consideration.

A motion was made by Director Smith, duly seconded by Director Edwards, 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 Edwards, duly seconded by Director Jones, that the ordinance be passed as read.

Upon discussion, Mr. Bob Driggers, #3 Stonegate, county resident, encouraged the City not to allow portable signs in front of any business in the City when the business is not open for business. Also, he urged any Director who has a sign company or who sells or rents signs in or outside of the City to abstain from participating in discussion and voting.

Director Daniel pointed out this is in Central Business Improvement District Nos. 2 and 3. He said that he believes Mr. Driggers is referring to flashing arrows and portable signs of which he does rent and sell. He noted those type signs are not allowed in the Central Business Improvement Districts, but the sandwich board signs are. Also, they are not left on the sidewalks at night.

City Attorney Brian Albright explained they are very strict on the type of signs, and it has to be a certain size.

Mr. Driggers asked if any Director is going to furnish the signs, and Director Daniel replied that he is not in that type of business.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 7; motion unanimously carried. Whereupon the ordinance was declared passed.

Prior to consideration of the next order of business, a motion was made by Director Smith, duly seconded by Director Edwards, that Proposed Resolution No. R-07-153 be added to the agenda; and upon voice vote, the motion unanimously carried.

## **23 Proposed Resolution No. R-07-153**

A resolution entitled, "A RESOLUTION APPROVING CERTAIN BID AWARDS PURSUANT TO ORDINANCE NO. 5387 (PURCHASING PROCEDURES)," was taken from the agenda for 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 that staff is recommending awarding a contract to ACES (Arkansas Contract Environmental Services) for removal of asbestos in the ceiling of the chapel at the Arkansas School for Mathematics, Sciences and The Arts in the amount of \$32,258.60. He reported that during a recent inspection of all the buildings at the school, asbestos was discovered in a sample taken from the ceiling, which is not an immediate concern. However, once it becomes a possibility to be airborne due to distress in the ceiling, then it is considered hazardous, which was the case. He stated the area was roped off until they could provide a remedy. The three options they had were (1) keep the building off limits indefinitely, but they use that as a meeting hall for the students and would like to continue using it on some occasions; (2) construct a building inside the chapel and provide a physical barrier from the ceiling; or (3) abate the asbestos. He advised that the City had an existing contract with ACES through Code Compliance, and one of the items they had was ceiling scrape, which is what they do at \$4.06 per square foot. Normally it runs about \$20 to \$30 per square foot when dealing with them directly, but they decided to honor the contract. He stated there is money currently in the budget to

cover that expense because they had planned on re-roofing the chapel this year which was placed on hold until they decided what to do with the asbestos.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, Daniel, and Bush, total 7; motion unanimously carried. Whereupon the resolution was declared adopted.

## **OTHER BUSINESS**

### **24 Board of Directors Items**

Director Maruthur announced on June 12, there was a good turn-out for several programs in the Park Avenue area and thanked everyone who participated. She expressed appreciation to those who worked to obtain the signatures for the referendum.

She said that she received calls late this afternoon; and when somebody comments about a Director, she calls the newspaper and did not think it would be fair to Director Daniel to call the newspaper and for them to make a story out of what someone has said on the telephone. She said she thought it would be better to ask him if he had a license, if he were bonded, and who Jack Warner was. Director Daniel responded that all she needed to do was to call him. Director Maruthur said the next time she will call the newspaper and then she will call him because she felt confident that everything was alright. She stated that she calls the newspaper first because that is what she does. Director Daniel said that he has nothing to hide and is glad she brought this to the Board's attention.

Director Jones stated Mr. Gerald Harman, CDBG Administrator, is holding a check (CDBG money) that belongs to the homebuyers and asked that City Manager Kent Myers check the status of the homebuyers. She said she wants to know why he is holding it and when he is going to release the funds. City Manager Kent Myers stated that he will check and call her tomorrow. She also asked for prayers from the community due to the tragedies this weekend. She announced this past week, the Arkansas Municipal League Convention was held; and she attended a meeting where Ms. Kathy Sellman, Planning and Development Director, was the speaker and did an excellent job explaining the codes.

Director Edwards said he would like for the City to inspect the yellow markings that should be on the street from Greenwood east to Hobson.

Ms. Jo Etta Laslo, 202 Wren, District 1, questioned why the City does not take care of the ditches around properties, and City Attorney Brian Albright said that she needs to address those problems to the Code Compliance Department; and if she does not get a satisfactory answer, then she needs to contact the City Manager's Office.

Mr. Bob Messersmith, 838 Bellaire, District 6, said in regard to the maintenance at the Arkansas School for Mathematics, Sciences and The Arts, the State or the tenant will pay a percent up-front on repairs. He said there was no mention of this in Mr. Mallett's report.

City Manager Kent Myers advised that the University of Arkansas now is the contracting authority representing the Arkansas School for Math, Sciences and The Arts; and they are responsible for minor repairs only. He said he believed the dollar value is less than \$5,000; and the City is responsible for all major repairs.

Mayor Bush announced that Director Elaine Jones will be the Assistant Mayor from July 1 through December 2007.

## **25 City Manager's Report**

City Manager Kent Myers gave the following report:

1. There was a brief discussion at the agenda meeting regarding a proposed reorganization plan involving the Finance and Purchasing Departments. Since that discussion, the Board has been given a written copy of the proposed plan; and this needs to be considered at the July 2 Board Meeting. Finance Director Dorethea Yates has offered to meet with the Board Members individually or have a work session on July 2 prior to the regular meeting. He said there are three vacant positions in the Finance Department that need to be filled, and those positions cannot be filled because the duties and salaries are unknown until the reorganization plan is approved. He advised there is also another item that will require a work session which is a meter replacement program for replacing all of the older meters.

After discussion of various dates, Mayor Bush stated that a date will be selected and asked that the City Manager's Office poll the Board for a date for a work session, which will be prior to July 2.

2. The Board approved the Consent Agenda, and one of the items was the appointment of Virginia Havey and Mary Payne to the Animal Control Advisory Committee.

3. On June 20, from 5 p.m. to 7 p.m., at the Transportation Depot, there is an important Transportation Master Plan open house; and all citizens are invited to attend.

4. There was a record turn-out for the Arkansas Municipal League Convention and received very positive comments from the attendees.

## **26 ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 8:25 p.m., to meet again on Monday, July 2, 2007, at 7:00 p.m.

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

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

Lance Hudnell, City Clerk

Mike Bush,

Mayor