

MINUTES

BOARD OF DIRECTORS MEETING

JULY 16, 2007, AT 7:00 P.M.

The regular meeting of the Board of Directors was held on Monday, July 16, 2007, at 7:00 p.m., Board Chambers, City Hall, with Assistant Mayor Elaine Jones presiding.

The invocation was given by Ms. Mary Loye, and Pledge of Allegiance to the Flag was led by Assistant Mayor Elaine Jones.

Assistant Mayor Elaine Jones 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, and Tom Daniel, total 6. Absent: Mayor Mike Bush.

2 Approval of Agenda

A motion was made by Director Weatherford, duly seconded by Director Maruthur, that the agenda be approved.

Upon discussion, City Manager Kent Myers announced that Item No. 16 (Proposed Resolution No. R-07-171 Approving the Sale of the Historic Hot Springs High School Property to The ARC Arkansas) and Item No. 17 (Proposed Resolution No. R-07-172 Assigning an Agreement with the Hot Springs Music Festival to The ARC Arkansas [Hot Springs Youth Center, 228 Orange Street]) are to be removed from the agenda. He reported that The ARC Arkansas has requested these items be withdrawn from the agenda for several months since they are involved with their Majestic Hotel project at this time. Item No. 23 (Proposed Ordinance No. O-07-75 Authorizing Eminent Domain Condemnation Proceedings for the Acquisition of a Certain Real Property in Gaines Addition Owned by Marvin A. Rodgers Living Trust) has been requested to be withdrawn since Mr. Rodgers is having a medical procedure and would also like to meet with City staff over the next several weeks to explore the possibility of avoiding this condemnation.

Assistant Mayor Jones then called for a vote on the motion to approve the agenda, as amended; and upon voice vote, the motion unanimously carried.

3 Approval of Minutes of July 2, 2007 Board Meeting

A motion was made by Director Daniel, duly seconded by Director Edwards, that the minutes of the July 2, 2007 Board Meeting be approved; and upon voice vote, the motion unanimously carried.

4 Recognition of Guests

Director Weatherford recognized Ms. Jessica Douglas, who is an intern at the Airport for the summer. She attends Delta State University in Mississippi, majoring in aviation management and plans to be an airport manager and also has a pilot's license for a single-engine aircraft.

Director Edwards recognized Mr. Thomas Brown, 219 Euclid.

Assistant Mayor Jones stated that the Langston School reunion starts on Wednesday and welcomed the graduates.

5 Acknowledgment of Financial Statements for May and June 2007

Assistant Mayor Jones announced that the Financial Statements for May and June 2007 are on file in the Finance Department for review by the Board and the public.

CONSENT AGENDA

The Consent Agenda consisted of the following:

6 Public Safety Report (July 5, 2007).

7 Proposed Resolution No. R-07-162 Accepting Certain Bid Awards (a) Two Excavators - Utilities [awarded to J. A. Riggs in the amount of \$63,636]; and (b) Utility Materials - Utilities [Garland County Fairgrounds] (awarded to Ferguson Waterworks in the amount of \$21,814.43).

- 8** **Proposed Resolution No. R-07-163** Awarding a Contract for Engineering Services for the Asphalt Overlay of Runways 13/31 and Edge Light Replacement to Delta Airport Consultants, Inc.; and Repealing Resolution No. 6483.
- 9** **Proposed Resolution No. R-07-164** Approving the Extension of Hot Springs Municipal Water and Wastewater Service to Windsong Bay Estates Located off Industrial Park Drive.
- 10** **Proposed Resolution No. R-07-165** Approving Change Order No. 6 to the Contract with Coakley Company for a Sanitary Sewer Line Project (Connie Jo Street to the Hot Springs Creek Pump Station).
- 11** **Proposed Resolution No. R-07-166** Authorizing the Purchase of an Easement from Don and Carolyn Dixon for the Southwest Wastewater Treatment Plant.
- 12** **Proposed Resolution No. R-07-167** Appointing Richard Braughton to the Animal Control Advisory Committee.
- 13** **Proposed Resolution No. R-07-168** Fixing a Time and Date for a Hearing on a Petition to Vacate, Abandon and Close a Portion of an Unnamed Alley Located in Blake's Addition.
- 14** **Proposed Resolution No. R-07-169** Authorizing the Mayor to Execute Certain Documents Between the Garland County Economic Development Corporation, the Arkansas Development Finance Authority, and the City of Hot Springs, Arkansas, Related to the Refinancing of a Spec Building in the Office and Technology Park.

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

NEW BUSINESS

15 Proposed Resolution No. R-07-170

A resolution entitled, "A RESOLUTION ACKNOWLEDGING THE REVIEW OF THE 2006 COMPREHENSIVE ANNUAL FINANCIAL (AUDIT) REPORT," was taken from the agenda and read by title only.

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

Upon discussion, Mr. Gary Welch, auditor with Jordan, Woosley, Crone and Keaton, introduced Ms. Phyllis Trent and Ms. Christina Ellis with the CPA firm. He presented a summary of the City's Comprehensive Annual Financial Report for the year ending December 31, 2006. He said that the opinion paragraph of their report states that the financial statements of the City for all of its governmental and business-type activities present fairly all of the numbers in the financial statement. Some of the more significant highlights are that the citywide assets exceeded liabilities at the end of 2006 by \$228 million. This was a \$6.4 million increase over 2005, and \$8.9 million was available for ongoing obligations. At the end of 2006, the governmental funds had a combined balance of \$11.5 million; and of this, \$3.6 million was in the General Fund category of unreserved/undesignated. One of the larger activities of the City in 2006 was the debt reduction, which was decreased by \$4,737,000 and was a nine percent decrease in 2006. This decrease came about by a scheduled principal payments and some early call of bond principal. The component unit within the financial statements had net assets of \$9.1 million, which was an increase of \$154,000. Regarding the schedule of net assets, it encompasses all of the funds of the City. For the total assets, it is \$277 million, which is an increase over 2005. The liabilities decreased from \$53 million in 2005 to \$48 million in 2006. Because of this liability decline, net assets, citywide, increased from \$222 million to \$228 million. Regarding expenses and revenues for the city activities in the government activities, there was a net increase of \$1,077,000 and \$5.3 million in business-type activities, for an overall city primary government net revenue of \$6.4 million. In some of the basic budgetary results, and in the general governmental categories budgets are many times set at negative numbers. Even though the City anticipated using some reserves, there was a positive budget

result in governmental activities of \$1,331,000. In the enterprise activity, water, wastewater, sanitation, and parking are all positive. However, the airport is negative because of anticipated construction and government funds supporting construction which did not occur in 2006 as originally anticipated. Overall, the enterprise funds increased their budget performance by \$282,000. In regard to the state and federal grant activity for 2006, there was \$4,400,000 expended for this type of funding; and it is a decline from 2005 because the Highway Department did more work in utility relocation in 2005 than 2006. Therefore, there is about a \$500,000 decline compared to 2005. He stated there is a comparison schedule of revenue and expense in changing net assets for both types of funds (the governmental). Revenues exceeded 2005 by \$1.1 million; and there was an unusual circumstance that even though revenue increased, expenses did not increase so there was a decline in expenses and a net positive change to net assets of \$1.4 million. In the business-type operations (water, wastewater, etc.), there is total revenue increase in 2006 of \$1.9 million and a slight expense increase and a net positive change to net assets of \$1,890,000. The next schedule reiterates the comparison between 2005 and 2006. Total assets increased \$1.6 million, total liabilities declined \$4.7 million, and net assets increased \$6.4 million. Regarding the General Fund Unreserved Fund Balance, at the end of 2006, it is \$3.627 million compared to \$3.345 million in 2005, which is a \$282,000 increase and also how much reserve should be carried from year-to-year. To highlight the debt reduction, he did a comparison of five years of cash and investments available from all sources on a citywide basis. These cash and investment funds are primarily reserved and restricted for bond purposes so they are not available for general use. He explained that in July 2001, the original Convention Center Bond was refinanced at \$13.8 million, and the new expanded Summit Arena was added to that bond for \$25.9 million or a \$39.8 million bond. That is why six months later, the City probably had the highest bond level of this five-year comparison. Also, the City has the highest cash and investment levels because \$20+ million of that cash level at that year-end was reserved for the construction of the Summit Arena itself. The most significant point is that the debt was reduced from \$66 million to \$33 million in a five-year span; most of the cash balance in December 31, 2006 is debt related and debt reserve. The last schedule sets out the original July 1, 2001 bond of \$39.8 million and the original anticipated interest schedule to be paid through 2012. A very significant portion of these bonds was called because of the sales tax history and also the State tourism turnback. The City called the farthest out bonds first so it is actually saving ten years of interest on that called \$3.4 million. The computed \$4.3 million in interest was saved, and the City is not going to pay \$10.5 million in interest. The actual interest brought that originally anticipated interest down to \$4.5 million. These were paid off in July of this year, and the City would save over \$4.3 million. He expressed appreciation to Finance Director Dorethea Yates and her staff for their cooperation.

Director Smith said that over the last five years, the City has been able to recall \$16,255,000; and by doing so, the City saved interest in the amount of \$4,330,000. Mr. Welch commented those numbers are through December 31, 2006 and do not go to the final call on July 2, 2007. Therefore, they could be a little higher. Director Smith pointed out that the Board and the previous Board, as well as the taxpayers of the City, deserve a lot of credit. He asked if the City is in much better shape than five years ago, and Mr. Welch said that the better shape connotation can be stated that there were a lot of dollars to collect in 2002, which occurred over the next five years. Therefore, there is a better situation in that the City does not have the Civic Center debt outstanding past July of this year.

Director Maruthur stated that the Board receives a financial statement from Finance Director Dorethea Yates every month and questioned if his audit checks for fiscal efficiency in spending, and Mr. Welch replied that a normal audit does not. He added it checks the transactions in spending and is not an efficiency audit. Director Maruthur asked if they go by standard accounting principles, and Mr. Welch stated that he did. Director Maruthur asked if they check all of the numbers to see if everything is correct by what they are given according to the law, and Mr. Welch said that they did. Also, they test those transactions to see if they follow the controls that are in place. Director Maruthur said it has nothing to do with comparing Hot Springs to other cities or how efficiently the taxpayers' money is being used. Mr. Welch replied they do not and added there is no efficiency audit comparing city-to-city. Director Maruthur asked where the cost for this audit is shown in the booklet, and Mr. Welch replied that it is not shown separately. Director Maruthur asked if they are giving the City an audit without how much they are charging, and Mr. Welch advised it is part of the public record. However, it is not a specific separate line item within the financial statement. Director Maruthur said she also noticed that they go from 1997 to 2007 and requested how much is charged for any and all services each year and provide that to the Board for the years 1997 to 2007 because it says that audit fees are included in the budget.

City Manager Kent Myers advised that the Board approves that every year. He stated the contract comes to the Board and is part of the public record. Director Maruthur said she is aware the Board approves it, but the Board is approving this also. She stressed she would like to know how much the City is paying for the audit because she heard the State will do an audit for free. She noted it would have a different timeframe, and the Board would not get the results as quickly; but the State does provide that service.

Mr. Welch advised there is a Joint Legislative Audit Division of the State, but his understanding is that they will not do this type of audit for a city of this size. He said they will not do a single audit which the City is required to have. Director Maruthur questioned what type of audit they perform, and Mr. Welch advised that they audit many of the school districts and counties and smaller governments, but he is not an expert on their agenda. Director Maruthur said she will look into that further and again requested the amount of charges for any and all services from 1997 to 2007. Also in the future, she would like to see that expense provided in their booklet (audit report).

City Manager Kent Myers suggested that staff report that every year when the audit is presented in the Board Action Request Form because this audit report follows the federal standards for audit reports, and staff cannot individualize lists in the audit report without violating the standards of an audit. He further explained they tell the City exactly what and what not to list in the report, and Finance does not divide out chemical items, automobile parts, etc., which are against the government accepted practices for an audit. He suggested that this be included in the Board Action Request Form rather than the report because if it is included in this report, it will not actually be accepted for a national award like the City has received over the last ten or twelve years.

Director Maruthur stated she wanted to do this correctly and requested having a separate piece of paper and have the charges because the Board is supposed to be good stewards of the people's money. She requested a breakdown on exactly how much the City is spending for the audit from 1997 to 2007.

Director Smith expressed appreciation to Mr. Welch for his services, as well as their firm.

Finance Director Dorethea Yates introduced a new employee of her staff, Ms. Joy Black, accounting and purchasing manager, who received her Bachelor of Arts Degree in communications with a minor in marketing from the University of Arkansas. She received her Master's Degree in accounting at the University of Texas. In regard to the Comprehensive Annual Financial Report, Ms. Yates encouraged the Directors to closely read the report, pointing out this is a historical document of what has happened this last year and an accumulation of all the financial transactions. She stated the City is mandated by the Governmental Accounting Standards Board, as well as other federal authorities and agencies, on the exact nature of this document and the exact nature of the accounting transactions. If there are any areas of this report the Directors do not understand, she encouraged them to visit with her or her staff.

City Manager Kent Myers complimented Ms. Yates and her staff, who compiled the majority of the information, and Mr. Welch and his staff, who conducted the audit. He noted that the net cash to debt comparison is down from \$13 million to \$3.9 million, which is the lowest level it has been during the five-year period. He commented this is a very positive financial report and is directly attributed to several areas (1) controls that the Board places on the City spending by reviewing the budget very carefully and the finances on a monthly basis; (2) when the department heads receive submission from one of their employees for an expenditure, they review it very carefully before they sign; and (3) a reflection of the City's positive economy. He stated that the sales tax and building permit revenues are increasing and a positive outlook on water and wastewater fees.

Director Maruthur said she would like the comments of the City Manager to be remembered at the next budget session. She pointed out last year, the Board did not replace certain positions, and department heads were told to see where they could cut back. However since things are in such good shape, she stated she is looking forward to the departments enjoying the benefits of the situation the City is in. She pointed out that public safety and other areas are going to be in very good shape; and the Board is not going to hear that it will have to cut back and cannot fill these positions. She commented that now the City can buy what it needs to serve the citizens.

Assistant Mayor Jones then called for a vote on the motion to adopt the resolution; and upon voice vote, the motion unanimously carried. Whereupon the resolution was declared adopted.

16 **Proposed Resolution No. R-07-171** Approving the Sale of the Historic Hot Springs High School Property to The ARC Arkansas **(Removed from Agenda)**.

17 **Proposed Resolution No. R-07-172** Assigning an Agreement with the Hot Springs Music Festival to The ARC Arkansas [Hot Springs Youth Center, 228 Orange Street] **(Removed from Agenda)**.

18 **Proposed Ordinance No. O-07-70**

An ordinance entitled, "AN ORDINANCE AMENDING ORDINANCE NO. 5387 (HOT SPRINGS PURCHASING ORDINANCE); AND FOR OTHER PURPOSES," was taken from the agenda for consideration.

A motion was made by Director Smith, 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 Daniel, duly seconded by Director Smith, that the ordinance be passed as read; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Weatherford, Edwards, and Daniel, total 6. Absent and not voting: Mayor Bush; motion unanimously carried. Whereupon the ordinance was declared passed.

19 Proposed Ordinance No. O-07-71

An ordinance entitled, "AN ORDINANCE WAIVING THE REQUIREMENTS OF COMPETITIVE BIDDING FOR THE PROCUREMENT OF ROLL-OUT WASTE CONTAINERS FOR THE SANITATION DEPARTMENT; AND FOR OTHER PURPOSES, " 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 Weatherford, duly seconded by Director Maruthur, that the ordinance be passed as read.

Upon discussion, Director Maruthur stated that the City is getting additional containers like the ones it has, which appear to be excellent. She said at the agenda meeting, Sanitation Director Bill Burrough made it very clear how well they are doing and wants to keep these type of containers.

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

20 Proposed Ordinance No. O-07-72

An ordinance entitled, "AN ORDINANCE AUTHORIZING EMINENT DOMAIN CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF A UTILITY EASEMENT ACROSS CERTAIN REAL PROPERTY (FLOYD PROPERTY -

WALKWAY ROAD); AND FOR OTHER PURPOSES,” was taken from the agenda for consideration.

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

Upon discussion, Mr. Steve Mallett, Public Works/Utilities Director, advised that this item and the next two items relate to acquiring easements across three pieces of property for installation of the wastewater force main to the new wastewater plant. He said there was a report by Mr. Frank Manzer, who identified appropriate offers for those three easements, which is being recommended by staff. He stated the City will offer those amounts; and if the property owners do not accept, staff requests to proceed with condemnation, if necessary.

City Attorney Brian Albright asked if this is the least costly avenue for the City to take; and Mr. Mallett replied by doing this, the City saves approximately \$156,000 in construction costs by not having to be out in the road and walkway. Also, it is a direct line across pasture land and is actually along a creek which is not suitable for building and is within a flood zone. He stated the report that Mr. Manzer provided offers a fair amount and is almost up to the purchase price. He added the City is offering that only for an easement, but they will still own the property.

City Attorney Brian Albright asked if he notified the property owners, and Mr. Mallett advised that they were notified of the meeting tonight and also notified of the amount by phone call and certified mail.

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

21 Proposed Ordinance No. O-07-73

An ordinance entitled, “AN ORDINANCE AUTHORIZING EMINENT DOMAIN CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF A UTILITY EASEMENT ACROSS CERTAIN REAL PROPERTY (PHILLIPS PROPERTY -

WALKWAY ROAD); 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 Smith, duly seconded by Director Weatherford, that the ordinance be passed as read; and upon roll call, the following voted “aye”: Directors Maruthur, Jones, Smith, Weatherford, Edwards, and Daniel, total 6. Absent and not voting: Mayor Bush; motion unanimously carried. Whereupon the ordinance was declared passed.

22 Proposed Ordinance No. O-07-74

An ordinance entitled, “AN ORDINANCE AUTHORIZING EMINENT DOMAIN CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF A UTILITY EASEMENT ACROSS CERTAIN REAL PROPERTY (LOUDEN PROPERTY - MARION ANDERSON ROAD AND WALKWAY ROAD); AND FOR OTHER PURPOSES,” 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 Smith, duly seconded by Director Weatherford, that the ordinance be passed as read; and upon roll call, the following voted “aye”: Directors Maruthur, Jones, Smith, Weatherford, Edwards, and Daniel, total 6. Absent and not voting: Mayor Bush; motion unanimously carried. Whereupon the ordinance was declared passed.

City Attorney Brian Albright explained that should any of the property owners decide to proceed and accept the amount of the appraised value of the properties in Items 20, 21 and 22, then this will not necessitate going to court. However, if they choose not to, then proceedings will be filed with Circuit Court in which the City will tender the amount of the money that was appraised for these easements in order to proceed with the work on the project,

23 **Proposed Ordinance No. O-07-75** Authorizing Eminent Domain Condemnation Proceedings for the Acquisition of a Certain Real Property in Gaines Addition Owned by Marvin A. Rodgers Living Trust **(Removed from Agenda)**.

OTHER BUSINESS

24 **Board of Directors Items**

Director Smith announced there are still some committee vacancies open, and the deadline for applications is July 26 for the following commissions and advisory committees: Animal Control Advisory Committee (two vacancies); Parks and Recreation Advisory Committee (two vacancies); Transportation Advisory Committee (one vacancy); Historic District Commission (one vacancy); and Planning Commission (one vacancy). He urged citizens to apply if they are interested.

Director Edwards expressed appreciation to the Police Department for the excellent job they are doing in the vicinity of the high school in traffic control.

25 **City Manager's Report**

City Manager Kent Myers gave the following report:

1. On the Consent Agenda, the Board approved the appointment of Richard Braughton to the Animal Control Advisory Committee.

2. The City is continuing to accept applications for advisory committees. There is a vacancy on the Planning Commission, and the Board agreed to set a deadline of July 26 to receive applications and then interview those applicants at the agenda meeting on Tuesday, July 31. Two applications have been received for the Planning Commission.

3. Regarding efforts to contact the property owners along Central Avenue who are adjacent to the property the City currently has under option for the City Hall complex, he reported on June 27, the Board held a work session and discussed the property along Central Avenue. He was asked to contact the property owners to determine if they would be interested in selling the property and get some general idea on how much they would want to sell the property. The City is not negotiating a firm price but is getting some idea of what might be available adjacent to the DHS property along

Central Avenue. He distributed a written report to the Board on Friday that had an itemized listing of the properties along that block. There are 14 individual lots that are in that area; however, there are four property owners who own those 14 lots. Regarding the Downtown Apartment property, that company is owned by Dr. Duke Kloss. He is listing that property, which includes the old Bike Haus building, as well as the parking lot on the corner, with a local agent, Mr. Scott Garibay. He met with Mr. Garibay last week, and that listing price is \$379,000, which is negotiable. The Gartenberg property is owned by Mr. Bob Gartenberg, and he met with him several times; but he is not willing to quote a price at this time because he wants to proceed with an appraisal either on the City's part or his part. That building is vacant and formerly it housed a sexually oriented business, but he is interested in leasing or selling that property. The City would not be able to get access from the Gartenberg property to the DHS property without securing some property from Dr. Kloss. The next two lots are owned by the Sandoval's, whom he has contacted. The first lot is the parking lot adjacent to the liquor store, and the liquor store is currently vacant. They are interested in selling both parcels; and according to them, they are looking at around \$400,000 for selling both of those parcels, which provides a large amount of frontage along Central Avenue. However, the liquor store building adds value to the property.

The property behind that is owned by the Smith Family. In order to get access from Central Avenue to the DHS property, the City would have to secure not only the Sandoval property but also property from the Smith Family. He has not received a price quote from the Smith Family, but they do have some interest in selling those two back lots. They are not interested in selling the front lot because that is where the law offices are located. The remainder of the lots along Central Avenue are commercial lots owned by the Smith Family, and the one in the middle is owned by Dr. Kloss. However, Dr. Kloss is not interested in selling that property; and the Smith Family is reluctant to sell that because a majority of those are presently occupied by architectural offices, an arts and crafts office, and a tattoo parlor. If the Board is interested in continuing discussion on this, the property at the Sandoval's can be cut and focus on the south half of that block. He said he can bring back some firmer numbers at the next meeting if the Board wants to proceed in that direction. He suggested focusing on the south part and ignore the north half because of the buildings being occupied in that area. He said that he needs direction from the Board on whether to continue the discussions that would hopefully result in an option agreement with one or more of the property owners or to delay any action at this time.

Director Maruthur said as a result of what was put in the newspaper regarding Mr. Manzer's being too busy to perform the appraisal, she received an e-mail from a certified appraiser; and it appears that the City would save a lot of money. She questioned how that factors into the City's arrangement with Mr. Manzer.

Deputy City Manager Lance Hudnell advised that each year the City requests Statements of Qualifications for various professional services, and State law allows the City to do that either on an annual basis or on a project-by-project basis. He said he would assume the City could do it for a particular project and would need to receive Statements of Qualifications. He pointed out the City cannot consider price as part of the bidding process until it has selected the actual person but can reject their price and go to the next person on the list. He noted it is based on qualifications, and that is by State law and not by city choice.

Director Daniel commented there are several appraisers in town and mentioned Mr. Steve Qualls. He suggested that the City Manager get the name of the appraiser Director Maruthur has in mind and contact them on a timeframe.

City Manager Kent Myers asked if the Board is in agreement with the suggestion that the City focus on the south part of the block starting at the liquor store property and not include the north half, which includes the commercial center and the legal offices of Ray Smith.

The Board was in agreement not to continue with the northern half.

City Manager Kent Myers said that he would get with Director Maruthur, and the City will issue an RFP for appraisal services.

26 ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 7:50 p.m., to meet again on Monday, August 6, 2007, at 7:00 p.m.

ATTEST: _____

APPROVED: _____
Lance Hudnell, City Clerk

Mayor

Mike Bush,