

MINUTES

BOARD OF DIRECTORS MEETING

JULY 2, 2007, AT 7:00 P.M.

The regular meeting of the Board of Directors was held on Monday, July 2, 2007, at 7:00 p.m., Board Chambers, City Hall, with Mayor Mike Bush presiding.

The invocation was given by Ms. Terry Jernigan, 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, and Mike Bush, total 6. Absent: Director Tom Daniel.

2 Approval of Agenda

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

3 Approval of Minutes of June 18, 2007 Board Meeting

A motion was made by Director Smith, duly seconded by Director Maruthur, that the minutes of the June 18, 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** (June 20, 2007).
- 6** **Proposed Resolution No. R-07-154** Approving Certain Bid Awards (a) Sewer Line Replacement on Treva/Baber Streets - Utilities [awarded to Heller Company in the amount of \$36,890]; and (b) Collection Vehicle - Sanitation [awarded to River City Hydraulics in the amount of \$70,000].
- 7** **Proposed Resolution No. R-07-155** Accepting a Grant from the Arkansas Department of Aeronautics for Certain Airport Improvements.
- 8** **Proposed Resolution No. R-07-156** Approving a Certain Street Name as Sawtooth Oak Street and Renaming Section Line Way to Dons Way.
- 9** **Proposed Resolution No. R-07-157** Approving the Sale of Certain Surplus Property (Beech Alley).
- 10** **Proposed Resolution No. R-07-158** Approving the Sale of Certain Surplus Property (Lots 194 and 195 of Block 1, Mellard and Belding Subdivision).
- 11** **Proposed Resolution No. R-07-159** Approving the Extension of Hot Springs Municipal Water and Wastewater Service to Comfort Inn Suites Located at Nash and Werner.
- 12** **Proposed Resolution No. R-07-160** Designating a "Dump the Pump Day" for Hot Springs Intracity Transit.

A motion was made by Director Jones, 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, and Bush, total 6. Absent and not voting: Director Daniel; motion unanimously carried.

NEW BUSINESS

13 Consider Request from Mr. Bob Driggers to Add Public Comment Section to All Public Meetings

A motion was made by Director Maruthur to approve the request from Mr. Bob Driggers to add public comment section to all public meetings. There being no second to the motion, the motion died for lack of a second.

Mr. Wayne Roberts was recognized stating he has a house at 515 Jerome Street, District 5. He commented this is the only opportunity people have to address all of the Directors at one time. He stated even though it is not on the agenda, people should have the opportunity to address the Directors as a group about a subject they want to discuss. As a former trustee, he said every community he has been to had one of these items.

Mayor Bush then called for the next item of business.

14 Proposed Resolution No. R-07-161

A resolution entitled, "A RESOLUTION APPROVING A REORGANIZATION OF THE FINANCE AND TREASURER DEPARTMENTS," 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, City Manager Kent Myers reported that approximately six months ago, there was a major reorganization of the Utilities and Public Works management functions involving some key management employees. He stated there is an opportunity at the present time with some vacancies in Finance and the upcoming retirement of City Treasurer Jim Scott to look at some reorganization in the Finance and Treasurer Departments. Over the last couple of months, he, Human Resources Director Minnie Lenox, and Finance Director Dorethea Yates have met and reviewed some reorganization possibilities. He added they have met with the Board in a work session and also individually and identified some opportunities for reorganization, which would involve six different positions. As far as the financial impact this year, he said it

will be a breakeven type of proposition because there is a customer service position open at the present time, which the City is not planning on filling. He stated if that position is not filled for the remainder of the year as planned, then it will basically be at a breakeven standpoint. He noted next year is when the City will have some cost savings because it will be eliminating one position. Therefore, the net financial impact in 2008 will be a cost savings of around \$40,000 a year. He commented that staff feels this will improve a number of functions within the Finance Department and is recommending approval tonight. He pointed out some of this will be effective immediately, and several of the items identified in the report will be effective January 1, 2008.

Director Maruthur said she supports this because when they met, her concerns were answered. She noted the City is going to be eliminating one position, and her question was about the advancement in technology; and with the technology today, the City can combine some of the responsibilities and provide a better service to the public. She commented her other concern was customer service; and she was assured if there was any problem with providing the same amount and quality of service to the public, the position would be filled.

Director Weatherford asked if the customer service position would be filled and said that he did not approve of the wording. Under fiscal impact on the Board Action Request Form, he then read the following: "however, a customer service position is currently vacant, and this position may not be replaced this year." He commented that is part of the cost savings this person might be replaced; but today, it is still on the website for that position to be filled.

City Manager Kent Myers explained that as of last week, there have been two customer service positions open. He added there was a resignation last week of a second employee, and the plan is to fill one of those positions. He explained the other position has been on hold for the last 30 days and does not anticipate filling that position at least for the rest of this year and possibly not for next year because the customer service positions over the last six months have been cross-trained.

Director Weatherford pointed out that it says "it may not be filled" and questioned if it is or is not going to be filled. City Manager Kent Myers stated that at this time, the City is not advertising for the position and does not anticipate filling it.

Director Weatherford commented this gives that department head a little over a \$10,000 raise, and he does not see supervising three more employees would justify a

\$10,000 raise when Public Works Director Steve Mallett received a \$16,000 raise for supervising 101 more employees as Utilities Director.

City Manager Kent Myers clarified that it is a \$7,000 raise and not \$10,000.

Director Maruthur said at the meeting one of her concerns is that she did not want to see an employee overburdened; and then they could not contribute as much, which would trickle down and contribute to a stressful work situation. She pointed out it appears that Ms. Yates is going to take on a lot of responsibility, and it might just be three more employees. However, it appears the amount of work and with the technological advances, they are preparing for a real increase because of the technology. Regarding the service to the public, she stated she was assured at the meeting that if they see the quality has decreased, they will fill the position. She asked if the City would be able to hire that customer service person if it appears the City is not providing the same quality of service.

Finance Director Dorethea Yates responded that in the work session, she had made the statement that she did not want to reduce the quality of customer service under her supervision. She added if she feels there has been a reduction, then she will be return to the Board and request that position be filled.

Director Smith said the only problem he has with that is all of these numbers change if they have to go back and hire another person. Finance Director Dorethea Yates stated the \$39,000 savings in the second year (2008) does not take into account the savings they have from not replacing that customer service position. She noted those savings are on top of the \$39,000, and she did not include that number.

Director Smith stated they have been operating 30 days with one less person in customer service, and Finance Director Dorethea Yates replied that the person who resigned initially resigned in April; and that is the position she is not going to fill. She said the employee who resigned this past Monday is the one that is being filled again. Director Smith said since April, she has been down one, and Ms. Yates said that is correct. Director Smith commented with April, May and June, they have a three-month track record to see how they are doing with one short. He questioned if there has been a big difference, and Ms. Yates said she believes things have been going fairly well until they had the second resignation.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Maruthur, Jones, Smith, Edwards, and Bush, total 5.

Voting “no:” Director Weatherford. Absent and not voting: Director Daniel; motion carried. Whereupon the resolution was declared adopted.

15 Proposed Ordinance No. O-07-66

An ordinance entitled, “AN ORDINANCE AMENDING THE ZONING CODE OF THE CITY OF HOT SPRINGS, ARKANSAS, BY REZONING LOTS 7 AND 8 AND THE EAST HALF OF LOT 9, BLOCK 4, OF OAKWOOD PARK SUBDIVISION FROM R-3, LOW/MEDIUM RESIDENTIAL, TO C-TR, COMMERCIAL TRANSITIONAL,” 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 Jones, duly seconded by Director Maruthur, that the ordinance be passed as read.

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, advised that the applicant is Mr. Jeff Purnell, who is seeking to rezone this property for about 1/3 of an acre on Oakwood Avenue where it intersects with Central Avenue. The property has a structure which will be demolished, and the property is developed with a gravel parking area that serves the Best Western Stagecoach Inn. The purpose of the rezoning is to renovate and expand the existing facility. They will demolish the existing structure on this land and replace it with a new breakfast room and pave the surrounding parking lot. If the rezoning is approved, a conditional use will be considered by the Planning Commission so they can determine whether the breakfast room and parking lot are appropriate on that site. The staff recommendation is approval, and the Planning Commission heard the item on June 14 and recommend approval by 5-0 vote with Commission Kleinman recusing for conflict of interest.

Director Smith asked if there was any neighborhood opposition, and Ms. Sellman replied there was at least one neighbor directly across the street who testified about a couple of events that had happened in the past that do not seem directly related to this particular request.

Director Smith questioned the conditional use requirement, and Ms. Sellman advised that this is a nonresidential use in a C-TR, Commercial Transitional Zone. She stated the C-TR zone uses by right are almost exclusively residential.

Director Edwards asked if they are planning on adding to the Best Western, and Ms. Sellman replied not to the hotel itself. She stated there will be a net decrease of six units and will go from 120 units to 114 units.

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, and Bush, total 6. Absent and not voting: Director Daniel; motion unanimously carried. Whereupon the ordinance was declared passed.

16 Proposed Ordinance No. O-07-67

An ordinance entitled, "AN ORDINANCE CORRECTING AN ERROR IN ORDINANCE NO. 5548 WHICH AMENDED THE HOT SPRINGS SIGN CODE; 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 Edwards, that the ordinance be passed as read.

Upon discussion, City Attorney Brian Albright advised this is a correction of a typographical error that appeared in Ordinance No. 5548.

In response to Director Maruthur, City Attorney Brian Albright explained the typographical error. He added that it referred to the wrong paragraph in the previous ordinance and indicated Article II when it should have been Article III.

Director Maruthur then read the article.

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, and Bush, total 6. Absent and not voting: Director Daniel; motion unanimously carried. Whereupon the ordinance was declared passed.

17 Proposed Ordinance No. O-07-68

An ordinance entitled, "AN ORDINANCE AMENDING ORDINANCE NO. 5021 BY ADOPTING A DEFINITION FOR PREPARED FOODS; 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 Weatherford, 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, and Bush, total 6. Absent and not voting: Director Daniel; motion unanimously carried. Whereupon the ordinance was declared passed.

18 Proposed Ordinance No. O-07-69

An ordinance entitled, "AN ORDINANCE ESTABLISHING THE MEMBERSHIP AND TERMS OF OFFICE OF THE HOT SPRINGS PLANNING COMMISSION; REPEALING CERTAIN ORDINANCES; AND FOR OTHER PURPOSES," was taken from the agenda for consideration.

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

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, advised this is an ordinance that replaces the ordinance the Board considered and tabled on June 4, which had a number of other changes rather than what is being considered tonight. The ordinance being considered tonight increases the Planning Commission membership from seven to nine and would allow for appointment of residents in the extraterritorial jurisdiction (ETJ) of the City. She stated the County Judge would nominate up to three eligible individuals per each vacant ETJ-designated seat, and the Board would then appoint a Planning Commissioner from that pool. She pointed out that Arkansas Statutes enable the change that is being proposed.

Director Maruthur asked if this had to be advertised, and City Attorney Brian Albright advised that it was given to the newspaper for publication. Also, there was a front-page article on this ordinance with the continuation of the remainder of the Board agenda on the following page. He stated it has been on the City's website and was posted on the front door of City Hall as all the other agendas.

Director Maruthur mentioned that prior to coming to the meeting, she received three telephone calls regarding advertisement of this item, and City Attorney Brian Albright added that he also received a fax concerning it.

Mr. Bob Driggers, #3 Stonegate, pointed out the City is going to make a lot of County residents upset when it starts interfering in County affairs.

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, and Bush, total 6. Absent and not voting: Director Daniel; motion unanimously carried. Whereupon the ordinance was declared passed.

OTHER BUSINESS

19 Board of Directors Items

Director Smith pointed out there is an event at the Hot Springs Civic and Convention Center (The American Soldier Photo Exhibit) that is going to run for the next three months. He and City Manager Kent Myers attended the opening of the exhibit tonight, which covers nine different wars with 116 photos.

Director Maruthur commented on Item No. 17 (Definition for Prepared Foods) noting that at the agenda meeting it was presented as a housekeeping item, but everything was explained at the agenda meeting; and the citizens did not have the opportunity to view that. She asked for an explanation of what the Board voted on concerning this item; and said in the future, she would like to see a brief comment from a Board Member or a staff member.

City Manager Kent Myers advised this adds a definition of prepared foods; and a number of years ago when the Advertising and Promotion tax was approved by Ordinance No. 5021, it did not include a definition of prepared food. He stated during the recent session of the Legislature in changing the State Sales Tax Code, they included a specific definition of what is meant by prepared food. This ordinance brings

the State definition into the City's ordinance and uses the same designation as the State has for prepared food. He advised that makes the City's ordinance consistent with State law.

Director Jones advised that the Pleasant Street Association will meet on Saturday at Webb Community Center. She stated there is an opening on the Planning Commission, and she was against not having a citizen from District 2; but now anyone desiring to serve can apply for the position. She said she would like to see some diverse members on the Planning Commission, especially from District 2.

20 City Manager's Report

City Manager Kent Myers gave the following report:

1. On the Consent Agenda, the Board approved the extension of municipal water and wastewater service to Comfort Inn Suites located at Nash and Werner. July 30 is "Dump the Pump Day," which is in response to high gasoline prices. On that day, the City is going to cut the transit fees in half and encourage all of the local residents to use the bus service.

2. In regard to the Planning Commission appointments, this will give County citizens a voice in development activity occurring outside the city limits. County residents will be able to participate in some important decision-making that involves the Planning Commission. He said this is a positive move, and the County Judge is pleased with this decision. The chairman of the County Study Committee, David Doty, has reported that his committee is very supportive of this.

3. Today, the City officially paid off the Civic Center Bonds; and within the next few weeks will be reimbursed for the excess funds. However, the exact amount is unknown at this time.

4. On the Planning Commission appointment, the City is soliciting applications for the City position; and there is one vacancy due to the resignation of Dana Hotho. The City will be contacting the County Judge for his recommendations on the County

position. Also, the Board will be interviewing those individuals in the next several months.

5. The final report has been distributed from the Internal Affairs Board of the Police Department regarding the recent skateboarding incident and was released to the press today. If the Board has any questions, they may contact him, Police Chief Bobby Southard, or City Attorney Brian Albright.

Director Smith announced that two of the Board Members recently were acknowledged in the newspaper poll for being Man and Woman of the Year. Director Maruthur was in the top three finish for Woman of the Year, and Mayor Bush was selected as Man of the Year.

In regard to extending the Planning Commission appointments to County residents, Director Edwards said he has received a phone call from a builder stating the City had enough to do without extending to the County.

Director Maruthur said that she provided the City Clerk's Office with some reply e-mails concerning the skateboarding incident that happened on June 21, and they will be distributed to the Board. She stated it was just an effort to do some public relations and help the City restore some semblance of things that got out of control with the e-mails and telephone calls.

21 ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 7:40 p.m., to meet again on Monday, July 16, 2007, at 7:00 p.m.

ATTEST: _____

APPROVED: _____

Lance Hudnell, City Clerk

Mayor

Mike Bush,