

MINUTES

BOARD OF DIRECTORS MEETING

SEPTEMBER 4, 2007, AT 7:00 P.M.

The regular meeting of the Board of Directors was held on Tuesday, September 4, 2007, at 7:00 p.m., Board Chambers, City Hall, with Mayor Mike Bush presiding.

The invocation was given by Ms. Drew Terry, 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, Bill Edwards, Tom Daniel, and Mike Bush, total 6. Absent: Director Carroll Weatherford.

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 August 20, 2007 Board Meeting

A motion was made by Director Daniel, duly seconded by Director Maruthur, that the minutes of the August 20, 2007 Board Meeting be approved; and upon voice vote, the motion unanimously carried.

4 Recognition of Guests

City Manager Kent Myers recognized the following employees of the Sanitation Department, Mr. Rick Mutter, Mr. Robert Mutter, and Mr. John Mutter, who have provided service above and beyond the call of duty. He informed the Board that their sister passed away last month, and these three brothers continued to show up for work. He said without their dedication, the Sanitation Department would not have been able

to provide residential services several days during August. He presented them a Letter of Commendation and a token of the City's appreciation.

Mr. Bill Burrough, Sanitation Director, stated these three employees have been with the City for over 20 years taking care of the residential waste collection. Also, there are several other members of this family who work for the City, but these three brothers are drivers in the residential system. He pointed out with the absence of three of the five employees on those routes, it would have been almost impossible to pick up the waste without some type of intervention. He stated when their sister passed away, all three of them told him that they did not want to put the City or the department in a bind and would schedule the viewing and the service in the late afternoon so it would not affect the routes, and they could take care of the citizens. He then read the Letter of Commendation signed by Mayor Bush and City Manager Kent Myers and introduced Mr. John Mutter, Mr. Rick Mutter, and Mr. Robert Mutter and extended his appreciation to them. Director Edwards added that he has been to the Sanitation Department during the destruction of City records and commended the employees for their kindness and assistance.

Mr. John Mutter said that he appreciated working for Sanitation Director Bill Burrough, City Manager Kent Myers, Human Resources Director Minnie Lenox, and the Sanitation Department.

CONSENT AGENDA

The Consent Agenda consisted of the following:

- 5 Public Safety Report** (August 23, 2007).
- 6 Proposed Resolution No. R-07-210** Approving Certain Bid Awards (a) Asphalt Cold Mix- Public Works [annual supply contract awarded to Martin Marietta as primary and Roger Group as secondary]; (b) Asphalt Hot Mix - Public Works [annual supply contract awarded to Martin Marietta]; (c) Polyethylene Pipe - Public Works [annual supply contract awarded to Little Rock Winwater]; (d) Hydrated Lime - Utilities [annual supply contract awarded to Arkansas Lime Company]; and (e) Transmission Repair - Fleet Service [annual supply contract awarded to Tom's Transmission Specialist].

7 Proposed Resolution No. R-07- 211 Waiving Construction Permit Fees for Garland County Habitat for Humanity for the Remainder of 2007 and Year 2008.

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, Edwards, Daniel, and Bush, total 6. Absent and not voting: Director Weatherford; motion unanimously carried.

NEW BUSINESS

8 Request from Ms. Delores Flowers Regarding Home Improvement Grant for Repairs to Home at 205 Grove Street

Ms. Delores Flowers, 211 Hermlee, was recognized stating that she had previously discussed this issue with Mr. Nelson Self, previous CDBG Administrator, and told him she was not residing in the house at 205 Grove Street. She said he had informed her that the Board sometimes makes concessions. She mentioned that she then filled out her application and was qualified and placed on a list. She was later informed that Mr. Gerald Harman was filling his position and contacted Mr. Harman, CDBG Administrator, to make sure her name was still on the list. However, prior to that, she had talked to Mr. Harman and was not satisfied with some of his answers. She then called HUD regarding information on the rules and regulations and was told that each County makes its own rules and regulations. She said she informed Mr. Harman that she contacted HUD. In January, he called her and asked that she prepare another application; but she could not understand why she would have to fill out another application. She informed him that she would not fill out another application because she did not feel comfortable without knowing the reason. Several months passed; and she received a call from Mr. Jeremy Simpson, Housing Rehab Specialist, who was to meet her at her father's house at 205 Grove Street. After pictures were taken inside the house, Mr. Harman said he would present to the Board what needed to be done. He told her the City is paying less for the houses, and the limit has decreased to \$25,000. However, he told her that sometimes the Board makes a concession because there was a house on Park Avenue that required a large sum of money to renovate. Around the end of July, Mr. Harman called her asking that she fill out another application. She said she went to his office and filled out another application on August 6. After further comments, Ms. Flowers stated the reason she wanted to appear before the Board was to discuss why she had to fill out another application.

Director Maruthur stated the Board is hearing her tonight because of having a short agenda, and there has been a real disconnect from the time CDBG was started as far as what was the criteria to qualify for CDBG funding. She noted when her application was mentioned at the agenda meeting, there was reluctance to place her on the agenda.

However, she thought it was fair to place her on the agenda so other people who have questions and feel that is could be personal, when it really is not, could see how the process works. She explained that the Board does not review appeals for CDBG funding for residential funding at the City-board level; but there have been some questions as to what she has been told. She mentioned she had several questions posed to her by a lady, who is a friend of Ms. Flowers. She noted this was after the Board approved placing this item on the agenda, which was televised Thursday night, at 7 p.m. She said Ms. Flowers was never told what it would take to qualify for this assistance, and Mr. Harman is the one who needs to answer it. However, she pointed out anyone who is watching and is interested in this program needs to understand the Board cannot go above the federal government. She stated each person who applies should be given a list of what it takes to qualify for the CDBG funding, and she assured Ms. Flowers' friend that nothing was done intentionally. However, Ms. Flowers needed to appear before the Board, and people who are also interested need to understand what it takes.

Ms. Flowers said when her application was done the first time, she qualified and wanted to know why she had to fill out another one. Then she found out that she was \$150 over the limit, which was due to a cost-of-living raise.

Director Maruthur commented that it appears that people who are applying need to get a reference number.

City Manager Kent Myers advised there are two issues involved with the application, pointing out there are federal regulations the City has to follow, as well as local regulations, that are adopted by the Board of Directors. He explained the federal regulations are in regard to her income level, and her social security check exceeds the income guidelines for qualifying for CDBG funding. He mentioned even if she met the guidelines, the Board has set a limit of \$25,000 per residence, which is the local requirement. He stated that City staff has inspected her house and determined that it needs over \$50,000 worth of work. He stressed that she does not meet the federal or local guidelines with regard to her house.

Ms. Flowers stated she was never told that if her income increased, she would be disqualified.

Mr. Gerald Harman, CDBG Administrator, explained that the typical process is that he sends out a pre-application, which gives a general idea of the income of the person and whether or not they are the owner and occupy the house. He said he does not at that point verify any income or any other information on the application due to the fact that it might be two or three years after that initial application before the City can actually do rehabilitation on the house. He explained that he requested a new application because on the authorization sheet, no one will accept them if they are more than a year old. Therefore, he has to get new signatures on authority to verify income, deposit history, etc. He explained that he does not send out the full application but sends out a pre-application which has an information sheet and a two-page pre-application that gives him the general information. When it comes time to do the rehabilitation, he sends out the full application packet that has the signatures in it.

Ms. Flowers mentioned that she was never sent any application and filled out the first application in Mr. Self's office; therefore, she was not aware that Mr. Harman sent out a pre-application. Mr. Harman stated that probably was not done when Mr. Nelson was administrator, and he was sending out the full applications.

Director Maruthur questioned since he has been the CDBG administrator, if he gives out a list of what enables an applicant to qualify for CDBG funding. Mr. Harman said that he did, and it goes out with the pre-application packet. He added it is about a four-page information sheet that has the income levels and the requirements of HUD.

Mayor Bush requested that Mr. Harman send all of the Directors one of those packets so they will understand what Ms. Flowers receives.

Director Edwards asked if Ms. Flowers was still qualified, and City Manager Kent Myers advised that she is not because her guidelines exceed the federal limit. He added even if the City wanted to change the local regulations and said it will do \$50,000 of work on her house, the City could not approve it because it is federal funding; and the federal government says she makes too much money to qualify. However, the City can write Congressman Ross and ask to reconsider the limits.

Director Edwards said that he would also talk with Congressman Ross.

Director Maruthur requested from today (September 4) forward that Mr. Harman have any applicant sign the application that they are in receipt of the criteria and also assign them a reference number.

Mr. Harman advised that they are assigned a number depending upon whether they are target or non-target, but he can add the signature to the application.

Mayor Bush questioned the location of the target areas, and Mr. Harman replied that the target areas are Pleasant Street and Park Avenue.

Director Maruthur stated that would clarify questions about whether they qualified when they applied and that they are in receipt of the criteria.

Director Jones asked if Mr. Harman could give the Board a report on how much money has been spent from the time he started until the present time and how much of the \$412,000 is going to be spent. She asked if Ms. Flowers was the only name on the title to the house, and Mr. Harman said he believes there are some other names on the title.

Ms. Flowers advised that she and her sister were on the title, and Mr. Self told her that she needed to have only her name on there, so her sister removed her name.

Director Edwards asked if she will be assigned a number, and City Manager Kent Myers advised that her name is in the system. However, she does not qualify and cannot be placed on the list until she qualifies.

Ms. Flowers said that she applied in July 2006, but there is a rush now for her to get this application and said that she felt like Mr. Harman was going to make sure she was going to be denied.

City Manager Kent Myers explained even if the federal government changed that requirement, she would not meet the local requirement. He pointed out that her home requires a large amount of work and is on the tax rolls at \$33,950. He reported that according to the last estimate, it would require about \$55,000 to repair her house.

Ms. Flowers commented that Mr. Harman had told her work had been done on a Park Avenue home, and they went over the amount. City Manager Kent Myers stated that even if the federal government approved it, the Board of Directors would have to approve that waiver.

In response to Director Jones, Mr. Harman said that he did not know what house Ms. Flowers was referring.

Director Maruthur said that she heard the house that received the highest was in District 2.

Ms. Flowers said that Mr. Harman told her when he was at her father's house that sometimes the Board makes an adjustment and will go over the amount, and Mayor Bush advised that the Board cannot do that.

Director Maruthur pointed out that the Board changed the cap (the total amount from \$40,000 to \$20,000) and does not know when her application fit into the change.

Director Jones questioned the income level, and Mr. Harman advised that for one person, it is \$25,050 a year; and Ms. Flowers is \$150 over.

Mayor Bush stated there was nothing the Board can do to overrule the federal government; therefore, no action was taken by the Board.

9 Proposed Resolution No. R-07-212

A resolution entitled, "A RESOLUTION AMENDING THE FACILITY USE POLICY FOR THE TRANSPORTATION CENTER AND EXCHANGE STREET PARKING PLAZA BY PROVIDING FOR PARKING PERMITS WITHIN THE EXCHANGE STREET PARKING PLAZA," was taken from the agenda and read by title only.

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

In response to Director Daniel, City Manager Kent Myer advised that the parking lot next to the Exchange Street parking deck is included. Director Smith asked if the small lot will include the same guidelines, and City Manager Kent Myers advised that it will.

Director Maruthur said there have been many issues with the parking meters, parking downtown, and the changing of Bath Street; and this is an effort to try to accommodate those that work downtown. She mentioned that she had discussed getting stickers, but it has evolved into the hanging tag, which she thinks is a great

idea. She stated that she is not in favor of the meters and thinks this is a good idea that people are going to receive a break and be able to pay a fixed fee per month if they have a business or have to work downtown.

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

OTHER BUSINESS

10 Board of Directors Items

Director Edwards reported that Seventh Street has a lot of traffic due to the close proximity of the high school, and there are some problems with motorists disobeying the stop sign resulting in an accident at Seventh and Leonard. City Manager Kent Myers said this will be referred to the Public Safety Committee to make a recommendation at the next meeting.

Director Jones announced that the Pleasant Street Association will have its monthly meeting on September 15, 1:00 p.m., at Webb Community Center. The Executive Board will meet on Thursday, at 6 p.m.

Director Maruthur stated there will be a town hall meeting on September 15, 10:00 a.m. to 12 noon, at St. Michael's School, 1125 Malvern Avenue. She said she has been receiving numerous telephone calls and questions, and people will have an opportunity to talk to her and let her know what they think is needed, what is lacking, and how they feel about things in general.

11 City Manager's Report

City Manager Kent Myers gave the following report:

1. The Board Work Session will be held on Tuesday, September 25, 5:00 p.m., at the Hot Springs Civic and Convention Center, and will include several items the Board will be discussing with the Planning Commission. One of the items is the possibility of televising the Planning Commission Meetings in the future, as well as update to the Comprehensive Plan and other Planning Commission issues.

2. Last week, he and Public Works Director Steve Mallett met with Mr. Joe Atchley, right-of-way agent, on Higdon Ferry Road. Regarding almost all of the City property, there has been an agreement reached to acquire property for the Higdon Ferry Road widening project. The County is still acquiring some of their property, but the acquisition process will be completed in the next 30 days, and construction can start after the first of the year. In conjunction with that project, the developers of the new shopping center at the County Fairground have asked the City about the possibility of extending Phase 1 of the Higdon Ferry Road improvements up to the Lakeshore intersection. The hospital is expanding, and there is more traffic on Lakeshore Drive. Director Edwards had suggested and the Board approved adding some money into the budget to acquire property around the Lakeshore intersection. City staff will be meeting with the State Highway Department next week to see if they will continue the improvements of Higdon Ferry Road down to Lakeshore Drive intersection.

3. This afternoon, there was a press conference in front of City Hall that the City became aware of this morning; and the subject of the press conference was to criticize the City for its recent crime problem. This press conference was covered by several television stations, as well as the newspaper. He stressed that the City's crime rate is down this year; therefore, it is very disappointing that somebody would be having this press conference when the City is in a positive trend. He said he had distributed information that the Police Department prepared for this group last week, which shows the City's crime rate has decreased 11 percent over the last two years. He also pointed out that there has been an increase in the City's resources for the Police Department dramatically over the last five years. In looking at the budget, in 2002, the City spent \$7½ million on the Police Department; and this year, the City budgeted over \$10 million for the Police Department, which represents a 33 percent increase in the sources devoted to the Police Department.

Mayor Bush asked who held the conference, and City Manager Kent Myers advised that it was held by the Good Government Group. Mayor Bush stated that the City needs to hold a press conference to put out the information that the City Manager mentioned and asked that he set a time and date.

Director Daniel questioned where those figures came from; and City Manager Kent Myers advised that about a year ago, The Sentinel -Record had the article about the crime reporting system and the fact that the Police Department was using a different reporting system than other departments. For that reason, the City's crime rate was higher than other communities; but that information dates back to a year ago. Since that time, Bobby Southard has been appointed as Police Chief and has done a tremendous job addressing the problem. He noted the Drug Task Force has been aggressive; and for the City to be criticized in light of the progress it is making, he thinks it is unfair and unjustified.

Director Daniel commented that the City had a great summer and Labor Day Weekend, and there were no major problems downtown or around the City as far as thefts or armed robberies. He pointed out there is overcrowding in the jail; and as soon as the officers take a prisoner to the jail and while they are doing the paperwork, the prisoner is walking out the door because there is no room. He stated the group that called the press conference should use its time, energy and resources to get positive with the County and work to get some votes to build a new jail. He criticized the group for being negative.

12 ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 7:50 p.m., to meet again on Monday, September 17, 2007, at 7:00 p.m.

ATTEST: _____

APPROVED: _____

Lance Hudnell, City Clerk

Mike Bush,

Mayor