

MINUTES

BOARD OF DIRECTORS MEETING

JUNE 16, 2008, AT 7:00 P.M.

The regular meeting of the Board of Directors was held on Monday, June 16, 2008, at 7:00 p.m., Board Chambers, City Hall, with Mayor Mike Bush presiding.

The invocation was given by Ms. Eula Mae Yates, and Pledge of Allegiance to the Flag was led by Mayor Bush.

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

1 Roll Call

Roll call was as follows: Present: Directors Elaine Jones, Steve Smith, Carroll Weatherford, Tom Daniel, and Mike Bush, total 5. Absent: Director Peggy Maruthur.

2 Approval of Agenda

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

3 Approval of Minutes of June 2, 2008 Board Meeting

A motion was made by Director Smith, duly seconded by Director Jones, that the minutes of the June 2, 2008 Board Meeting be approved; and upon voice vote, the motion unanimously carried.

4 Recognition of Guests

No guests were present for recognition.

5 Consider Acknowledgment of Financial Statements for April 2008

Mayor Bush announced that the Financial Statements for April 2008 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** (June 5, 2008).

7 **Proposed Resolution No. R-08-133** Approving Certain Bid Awards (a) Cold Milling - Public Works [annual supply contract awarded to Midwest Asphalt]; (b) Asphalt Paving - All Departments [annual supply contract awarded to Martin Marietta]; and (c) Sulfur Dioxide-Utility Administration [annual supply contract awarded to Harcros].

8 **Proposed Resolution No. R-08-134** Accepting a Grant from the Federal Aviation Administration for Certain Airport Improvements (Rehabilitation of Runway 13/31).

9 **Proposed Resolution No. R-08-135** Authorizing the Mayor to Execute Contract Addendum No. 1 with Grimes Consulting Engineers (Runway 5/23 Project).

10 **Proposed Resolution No. R-08-136** Awarding a Contract to Martin Marietta Material Corporation for Airport Improvements (Runway 13/31 Rehabilitation Project).

11 **Proposed Resolution No. R-08-137** Authorizing the Mayor to Execute a Lease Agreement with T-Mobile Central LLC for Attachment of Wireless Communication Equipment to the Hollywood Water Tank.

12 **Proposed Resolution No. R-08-138** Authorizing the Filing of a Grant Application with the U. S. Department of Justice Pursuant to the Community-Oriented

Policing Services (COPS) Grant Program for Certain Law Enforcement Equipment.

13 Proposed Resolution No. R-08-139 Authorizing the Filing of a Grant Application with the U. S. Department of Justice Pursuant to the Community-Oriented Policing Services (COPS) Grant Program for Certain Technological Equipment.

14 Proposed Resolution No. R-08-140 Authorizing the Filing of a Grant Application with the U. S. Department of Justice Pursuant to the Edward Byrne Memorial Local Justice Assistance Grant (JAG) Program for Certain Law Enforcement Equipment.

15 Proposed Resolution No. R-08-141 Awarding a Contract to Engineers, Inc. for Certain Engineering Services (Fairwood Force Main and Pump Station Upgrade - Phase II).

A motion was made by Director Daniel, duly seconded by Director Smith, that the Consent Agenda be approved; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried.

UNFINISHED BUSINESS

16 Proposed Ordinance No. O-08-43

An ordinance entitled, "AN ORDINANCE AMENDING THE ZONING CODE OF THE CITY OF HOT SPRINGS, ARKANSAS, BY ADDING BLOCK 16 OF THE EUCLID ADDITION AS A MANUFACTURED HOME OVERLAY DISTRICT AND VACATING A PLAT; AND FOR OTHER PURPOSES," was taken from the agenda for consideration. **(Appeal)**

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

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, advised this item was considered by the Board on June 2, at which time it was tabled until this meeting. Since that time, there has been a request in writing from Mr. and Mrs. Parsons requesting the vacation of the 1952 division of Euclid Heights, Block 16, into 16 residential lots. She stated when Euclid Heights Subdivision was divided in 1909, Block 16 was an undivided block; and the concern voiced by neighbors is if the mobile home overlay is approved, that there will be more than one and possibly up to 16 manufactured homes placed on the site. She said this addition to the ordinance removing the lots lines and replacing it with undivided block should handle that concern. She added at this time, the recommendation is to approve the ordinance, which would reverse Planning Commission's action recommending denial of the map amendment request. However, it would also vacate those lot lines.

Director Weatherford pointed out the Board can do that, but it is still 16 lots until Mr. Parsons records some kind of plat; and Ms. Sellman replied that is correct. She added this would actually vacate the plat that was there reinstating the 1909 plat, which would be sent to the County. Director Weatherford said he would like to add the following amendment: "manufactured home overlay rezoning shall not become effective until the owner records the new plat at the proper county office and provides proof of the recording to the City and the Hot Springs Planning Director. Furthermore, no permits to be issued (building, foundation, plumbing, electrical) to the property until proof of proper recording of the plat is provided to the Planning Director."

Deputy City Manager Lance Hudnell advised that the City intends to record the ordinance, which has the section that is vacating the plat. Director Weatherford commented that he had rather the people record it than the City.

City Attorney Brian Albright pointed out that the City typically records its own ordinances, but the ordinance does not become effective for 30 days. He said the vacated plat and ordinance can be recorded within that 30 days; but if it does not happen within 30 days, then the Board can take whatever action it chooses.

Director Weatherford commented if the City is going to record the ordinance and it does not go into effect for 30 days, he still does not want any permits issued until the 30 days has expired and it has been recorded.

City Attorney Brian Albright explained that the form of the motion is that there will be no permits issued until the effective date of the ordinance.

A motion was made by Director Weatherford, duly seconded by Director Daniel, that the no permits will be issued until the effective date of the ordinance; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried.

Mayor Bush then called for a vote on the motion to approve the ordinance, as amended; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the ordinance was declared passed, as amended.

NEW BUSINESS

17 Presentation of Condemnation Resolutions

Mr. Bart Jones, Rehab Administrator, gave a slide presentation on the following condemnation resolutions.

17a Proposed Resolution No. R-08-142

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(119 Eureka).

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

Upon discussion, City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17b Proposed Resolution No. R-08-143

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(121 Grove).

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

Upon discussion, City Attorney Brian Albright questioned the condition of this property; and Mr. Bart Jones advised there was a fire and an addition was added; and the entire back section was burned. City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation.

Mr. Freddie Burns, 342 Glade Street, said that he owns the property and plans to save this structure. He added it is a historic building and does not want to see it torn down. Mayor Bush asked if he can do some work on it within 30 days, and Mr. Burns replied that it will take longer than 30 days. Mayor Bush questioned the time of the fire, and Mr. Burns stated that it has been nine months.

Director Smith mentioned he had said it was a historic property and asked if it was on any historic register, and Mr. Burns said that he was not aware of it. Mr. Bart Jones advised that it is located in the Pleasant Street Historic District.

City Attorney Brian Albright asked if it has gone through the Historic District Commission, and Mr. Jones advised there have been no requests to the Commission. He added if the City wanted to tear it down, it would have to notify them but would not have to ask permission.

Director Daniel asked if he was saying that the addition which was added makes the brick not structurally sound, and Mr. Jones advised there are some structural issues from the fire. However, the house could be fixed. He stated he would request that the Board pass the resolution which would place staff in the position to move forward with the demolition if Mr. Burns is unable to take any action. However, he will work with him as far as time.

Director Daniel asked if they are doing maintenance on the outside as far as the lawn, etc., and Mr. Jones advised they were working today; but there has been a little history with that also.

Director Jones said she received a call about a month ago where someone was sleeping inside the structure and asked if he would be able to board it, and Mr. Burns said that he has been working on it. However, people do break in; but he has been watching it closely.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17C Proposed Resolution No. R-08-144

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(204 Mound)

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

Upon discussion, City Attorney Brian Albright questioned the condition of this property, and Mr. Jones advised that the structure is vacant and has been for quite sometime. He added there is major rain damage to the roof, and structurally it has deteriorated to the point where he does not believe it can be repaired. City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation.

Mr. Joe Lightfoot, 200 Main, said he owns the property. Mayor Bush questioned what happened to the property, and Mr. Lightfoot stated that it is old. Mayor Bush asked how long it has been since someone has lived there, and Mr. Lightfoot replied it has been eight months to a year.

Ms. Lightfoot said they know the house is in bad condition and cannot be repaired. Therefore, they would like to take it down and place a double wide mobile home at that location. She stated there are some people who will help them remove it, and they have been cleaning it up and need to cut the grass.

Mr. Bart Jones advised that he can issue a demolition permit tomorrow; and if the Board will pass the condemnation, it will place staff in a position, if the owners are unable to take any action, to proceed with the condemnation.

Mr. W. Speakeasy, 135 Centerview, said he has been assisting them with the structure and there is salvageable material in the front structure, such as the windows.

Mayor Bush commented that Mr. Jones had recommended condemning the property but would work with them. Mr. Jones said if they do not have it down by the end of the 30 days but are partially there, the City will give them a chance to finish.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17d Proposed Resolution No. R-08-145

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(224 Sabie).

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

Upon discussion, Mr. Jones advised when this condemnation was placed on the agenda, the house was still standing; but the owner has dropped it. Therefore, he would recommend that the Board pass the condemnation resolution because they have not been there in a week; and if they disappear, he will have to hire someone to clean it up.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17e Proposed Resolution No. R-08-146

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(300 Jackson).

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

Upon discussion, Mr. Jones advised that this belongs to Florence Polk, who no longer resides there. He stated the roof is collapsing, and Ms. Polk she lives on social security and cannot do anything with it.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17f Proposed Resolution No. R-08-147

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(306 Poplar).

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

Upon discussion, Mr. Bart Jones said he has spoken to the owner; and the roof has leaked and there is a lot of structural damage. He added the owner has signed up for the CDBG program, and Mr. Gerald Harman, CDBG Coordinator, evaluated the house and told her it was so far gone, there was nothing the City could do under that program to help her.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17g Proposed Resolution No. R-08-148

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(426 Autumn).

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

Upon discussion, Mr. Bart Jones advised this is open and vacant; and the owner is out of town. Also, he has a signed proof of notice.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17h Proposed Resolution No. R-08-149

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(501 Gaines).

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

Upon discussion, Mr. Jones advised this is open and vacant and has been opened for over a year. Also, this went through the attorney ad litem process.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17i Proposed Resolution No. R-08-150

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(518 Chelsea).

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

Upon discussion, City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17j Proposed Resolution No. R-08-151

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(641 Fourth).

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

Upon discussion, Mr. Bart Jones stated this is a burnt structure, and the owner is out of state. Also, he has a proof of notice.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

17k Proposed Resolution No. R-08-152

A resolution entitled, "A RESOLUTION CONDEMNING CERTAIN REAL PROPERTY PURSUANT TO ORDINANCE NO. 4623," was taken from the agenda and read by title only.
(1108 Spring)

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

Upon discussion, Mr. Bart Jones stated this structure has been vacant for about six or eight months; and there was an elderly lady living there but is now deceased. He said there is no family, and he had to go through the attorney ad litem process.

City Attorney Brian Albright asked if anyone was present to speak in opposition to the condemnation. There being no one to speak in opposition, Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the resolution was declared adopted.

18 Proposed Resolution No. R-08-153

A resolution entitled, "A RESOLUTION APPROVING A PRELIMINARY SUBDIVISION TO DEVELOP FOUR RESIDENTIAL LOTS ON .926 ACRES AT 568 GRAND POINT DRIVE," was taken from the agenda and read by title only. **(Appeal)**

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

Upon discussion, Ms. Kathy Sellman, Planning and Development Director, explained this is a resolution granting preliminary subdivision approval for four residential lots and is an appeal of Planning Commission's May 8 decision. She stated there was a 3-5 vote for approval, which the item failed. She mentioned there is an existing gunite wall, and the Planning Commission discussed the safety of Grand Point Road. She advised there had been a request by the City Engineer for an engineer's study to examine the options and integrity of the existing gunite wall. However, that was not available at the time of the Planning Commission's meeting; and lacking that information, the Planning Commission voted to deny. She advised the recommendation on this appeal is to deny the resolution for the preliminary subdivision and remand the preliminary subdivision application to the Planning Commission for hearing within 90 days to enable the appellant, Mr. Rodriguez, to provide the required civil engineering report of the structural integrity of the gunite retaining wall.

A motion was made by Director Smith, duly seconded by Director Weatherford, that the resolution be remanded to the Planning Commission.

Upon discussion, Mr. Don Gerstein, 113 Squire Court, said he has owned the property for 32 years; and the first ten years, there was a tavern at the end of Grand Point Drive. He mentioned during the 32 years he had his house and two rental units, there was never an accident at that location. He added the gunite wall has been there for 30 years and is very sound and safe

Mayor Bush then called for a vote on the motion to remand the resolution to the Planning Commission; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried.

19 Proposed Ordinance No. O-08-44

An ordinance entitled, "AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF HOT SPRINGS, ARKANSAS, ON THE QUESTION OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS, FOR THE PURPOSE OF FINANCING THE COST OF CAPITAL IMPROVEMENTS; PLEDGING AS COLLATERAL THE CITY'S SHARE OF COLLECTIONS OF A ONE-HALF OF ONE PERCENT (0.5%) SALES AND USE TAX

TO BE LEVIED WITHIN GARLAND COUNTY FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO,” 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 Daniel, duly seconded by Director Smith, that the ordinance be passed as read.

Upon discussion, City Attorney Brian Albright advised this is for the sole purpose of setting an election on the bond issue; and the Quorum Court is considering this tonight also with regard to the sales tax. He stated the sales tax will be subject to a countywide election; and if that passes, then this bond issue would utilize those funds for the jail and other public safety issues.

Director Daniel requested that City Attorney Brian Albright explain the issue since there has been misunderstandings.

City Attorney Brian Albright advised that he and Justice of the Peace Ray Owen, Jr. have spent time trying to draft an interlocal governmental agreement on this issue, which will come to the Board for its approval assuming that all of this comes to fruition. He added that interlocal governmental agreement is a revision and a restatement of one that has existed for many years. He stated presently, the City pays a per diem for each prisoner or pre-trial detainee that is held at the County facility; and constitutionally, the County is the entity that is required to maintain a jail. He said up to this point, the City has received a jail bill every month, which is approximately \$700,000 a year. He stated the sales tax is then apportioned to the different governmental entities based upon population or per capita, and the City would receive approximately 40 percent of the sales tax that is collected; the other 60 percent would be collected by the County and other incorporated cities and towns within the County (Fountain Lake, Lonsdale, and Mountain Pine), which equates to about 57 percent going to the County. He added the City’s portion of its sales tax would first go to fund a bond for radio equipment (approximately \$800,000 per year) and will be a 50-50 relationship with the cost of the jail. He noted the remainder of the sales tax would go toward the City’s part of the jail bill up to that amount, and the City will be capped out at the 50 percent. He said if the City is fortunate enough to have additional sales tax above and beyond that, it must be used for public safety issues. If the sales tax is not adequate to cover one-half of the

operating and maintenance cost of the jail, the City does not owe anything else. This would be a situation where the money that has been used heretofore to pay for the City's jail bill will remain in the Public Safety Fund, and they can use that for other things that are needed. He stated the sales tax, which the City currently does not have, would be used to service the jail expense.

Mr. Wayne Roberts, 515 Jerome, said he did not believe anyone is opposed to the jail, the communications equipment, or paying for the jail after it is built and maintaining it. He commented he wanted to make sure all of the points have been covered and people are not confused on what the City is trying to do. He stressed that a jail is needed, but he would to make sure the questions are answered tonight so that everyone understands.

City Manager Kent Myers explained normally when there is a bond issue of this size and scope, the City develops a question and answer sheet. He said if the Quorum Court approves the actions tonight, as well as the Board, the Police Chief and Sheriff will be making presentations throughout the City and County; and there will be PowerPoint presentations, plus printed material to distribute at those meetings.

Mr. Bob Driggers, #3 Stonegate, stated that a jail is needed; and no one disagrees with that. He mentioned in talking with the Police Chief and Sheriff, quite often they have to turn out prisoners in order to jail those with worse offenses. He said the tax, as it is proposed, includes the jail as only a small portion. For example, the \$7.561 million per year, which was the amount collected last year according to the Arkansas Treasurer and Stephens, Inc., equates to over the 20-year life of bonds (over \$150 million for a \$34 million jail). He stated the proposal is for a general tax, not a specific tax, which is why the City gets over 40 percent of it. He mentioned this can be done as a specific tax (Chapter 3 tax) because a general tax is in perpetuity. He pointed out this tax has no expiration date so once the bonds are paid, it continues on. He added that none of the City's portion of the tax is pledged to paying for the actual jail, and the purpose of the tax is broadly described as for public safety. He noted there is no provision to prevent allocations to charge police and fire for services. He mentioned the last one-half cent tax the City passed for police and fire, creative financing by the City is taking some of that money and bringing it in for IT services, financial services, and administrative services. He added the tax is not pledged for additional public safety, and it can actually be used to replace those current funds. Also, he commented there have been no town hall meetings, public forums, or hearings; and he encouraged the Board to table this tonight until such time as there are town hall meetings.

City Attorney Brian Albright said with respect to whether or not any of the City's share of the sales tax is going to go toward the actual cost of the jail, it is true that there is a zero on the Stephen's chart because state law prohibits the City from pledging its share of the sales tax to the actual bond indenture that the County is going to issue. However, that is the purpose of the Interlocal Governmental Agreement. He stated to issue just a \$34 million bond issue for the bricks and mortar of the jail does not take into account what it costs to actually run it, and the fact that the City continues to pay an escalating jail bill every month without any control over the cost because the City does not decide which prisoners stay and which prisoners to release; the County does that. With respect to town hall meetings, he pointed out that Mr. Driggers is addressing the wrong entity with regard to a jail because the City does not build the jail but is built by the County. He said that he agrees there should have been more public meetings with regard to the County and the process they are going through; but that was not the City's call. He added the City has been asked to participate and pay for one-half of this jail (the building and the operation and maintenance of the building).

City Manager Kent Myers responded to comments by Mr. Driggers when he stated that a small portion of the tax will be dedicated to the jail. He said that is a misleading and erroneous statement and possibly indicates that he does not understand the numbers. He explained there is information included in the Board packet presented by the bond counsel and financial advisor. He pointed out the City and County will actually generate off the one-half cent sales tax \$7.4 million a year; and out of that tax, the County is proposing \$2.7 million as its bond payment over a 20-year period. In addition, the operating costs for a larger facility will be \$3.4 to \$4 million. He commented that of the \$7.4 million, \$6.1 million is dedicated to the jail construction and operation; and for Mr. Driggers to make a statement that a small portion of the tax is dedicated to the jail is not correct and misleading. He pointed out in a facility of this size, which will be about 700 beds, there will be some increasing operating costs; and in the proposal that is before the Board and Quorum Court tonight, the City will be paying 2/3 of the operating costs; and the County will be paying 1/3. Regarding the comment about the lack of town hall meetings, he advised that the Police Chief and Sheriff are willing to meet with Mr. Driggers' organization or any other organization during the upcoming six-week period to educate and inform them about this proposal. He said he would hope that the Garland Good Government Group would take advantage of that opportunity and schedule them at their next meeting. He advised that the Police Chief and Sheriff have been requested not to take any vacation time over the next six weeks so they can devote their efforts full-time to informing and educating the public.

Mr. Driggers said he believes they both understand that the Interlocal agreement is not complete, and the Board is voting on something prior to its completion. He stated that he respectfully disagreed and only one has the numbers correct. He added when everything is paid for in 20 years, taxpayers are still stuck.

City Manager Kent Myers stated before the Board votes, the Board needs to make sure the County has approved action on this. He reported that he, Director Smith, and Police Chief Bobby Southard came from the County Finance Committee this afternoon; and the Quorum Court is currently meeting. He pointed out the County is the entity that is going to be financing the jail and will be asking to call a special election on August 12 for all County voters, including City residents to consider this proposal. He explained the proposal is the adoption of a one-half cent sales tax for public safety purposes. Those who are registered voters and live in the County will have an opportunity to vote on this issue, which includes not only the tax and the jail but also a new countywide communications system that the Sheriff's Department has requested. He added the proposition up for the Board tonight for City voters only is for the City to take a portion of its money and dedicate that to financing a new police communications system. He noted the Police Chief has been educating the Board and others about the critical need to upgrade the police communication system. He stated other communities across the state have done major improvements, and Hot Springs is running behind. He said the City's system will soon be obsolete; therefore, the proposal is that the City issue bonds with a portion of its money (about \$800,000 a year) to completely upgrade its law enforcement communication equipment, which would require approval of the City voters only. He mentioned all City voters will have an opportunity to vote on the tax and will have an opportunity to vote on the jail bonds and the police communication bonds. He pointed out the public indicated to the City over the last two years that it wanted an opportunity to vote on these issues. Therefore, the City is providing that opportunity.

Director Smith said he would like to proceed and vote on the City's issue tonight. He stated if the Board passes the ordinance, it can rescind it at a later Board Meeting.

Mayor Bush then called for a vote on the motion to adopt; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried. Whereupon the ordinance was declared passed.

20 Approval of Guidelines for District 5 Director Appointment

City Manager Kent Myers stated there is a vacancy in the Board position representing District 5; and over the last week, the Directors have discussed a process that would be fair to recruit individuals to fill that position. He said anyone who resides within District 5 has an opportunity to apply for that position. He added at the agenda meeting last Tuesday, the Board had some discussion and outlined a plan to be considered tonight, which is to accept résumés for the District 5 vacancy from now until June 24 and would be submitted to his secretary, Margaret Parris. He said on June 25, the résumés would be copied and distributed to the Board of Directors. On June 30, at 5 p.m., the Board will have a special meeting to discuss the résumés and select finalists for interviews. He mentioned based upon preliminary interest, there may be as many as 10 or 12 résumés, and the Board will narrow down the field and select finalists that will be interviewed. The City will notify the finalists on July 1, and the actual interviews will be at 5 p.m. on July 15 immediately prior to the regular Board Meeting on July 15. At the meeting at 7 p.m., the Board will fill this position, which will require support by the majority of the Board; and in this case, four out of six Board Members would have to agree to support that individual. He advised the requirements for applying for this position are that individuals must have residency within District 5 for at least the past 30 days.

City Attorney Brian Albright added they have to be a registered voter and resident of District 5. He said State law provides that the Board is the entity that appoints the replacement for the vacated position in District 5, and whoever receives that appointment is eligible to run for election to succeed that term. He stated this appointment will fulfill the remainder of District 5 term (Director Bill Edwards); and they would stand for reelection, if they so choose, in 2010.

Mayor Bush said he has received several calls and is pleased at the interest in filling this position.

A motion was made by Director Smith, duly seconded by Director Jones, that the guidelines for District 5 Director appointment as outlined by City Manager Kent Myers be approved; and upon roll call, the following voted "aye": Directors Jones, Smith, Weatherford, Daniel, and Bush, total 5. Absent and not voting: Director Maruthur; motion unanimously carried.

OTHER BUSINESS

21 Board of Directors Items

Director Jones announced that on June 30, at 6 p.m., Webb Community Center, there will be a Historic District Meeting and is for all members of the Historic District, the members of the Pleasant Street District, and anyone else who is interested. The Planning Director and her staff will be present to answer any questions.

22 City Manager's Report

City Manager Kent Myers gave the following report:

1. Several months ago, the Board approved a permit for the Soap Box Derby that was scheduled on Panama Street. That derby was postponed because of weather, and they are now proposing to have the derby on Saturday, June 28. He wanted to confirm there were no objections from with the Board. There were no objections from the Board for June 28.

2. The City will be hosting the Arkansas Municipal League Convention starting on Wednesday, June 18, through Friday, June 20. The meeting will include a presentation by the Governor and a number of other local and state officials.

3. Several months ago, the Board received the final report on the City Hall upgrades; and one of the major elements of the upgrades was the addition of security equipment at City Hall, which is scheduled to be delivered this week. It will be electronic monitoring outside the Board Chambers and anticipate installation within the next 30 days. There will also be a security guard who will be manning the monitoring station.

4. The City is ready to register citizens for the CodeRED Program; and within the next two weeks, CodeRED will be operational. Hot Springs residents and businesses that are city utility customers, including those located outside the city limits, are urged to access the website, www.cityhs.net, to provide the City phone numbers for contact information.

5. Thursday, June 19, is designated "Dump the Pump Day." The City has an excellent transit system operated by Mr. Bob Reddish and his staff; and the buses are clean, efficient, and on time. Also, the rates will be cut in half.

Director Jones announced that Director Maruthur is ill tonight.

23 ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 8:00 p.m., to meet again on Tuesday, July 1, 2008, at 7:00 p.m.

ATTEST: _____

APPROVED: _____

Lance Hudnell, City Clerk

Mike Bush,

Mayor