**Aldermen**

Ward 1 Position 1 - Robert Reynolds
Ward 1 Position 2 - Brenda Thiel
Ward 2 Position 1 - Kyle B. Cook
Ward 2 Position 2 - Don Marr
Ward 3 Position 1 - Robert K. Rhoads
Ward 3 Position 2 – Bobby Ferrell
Ward 4 Position 1 - Shirley Lucas
Ward 4 Position 2 - Lioneld Jordan

Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

# City Council Meeting Minutes February 1, 2005

A meeting of the Fayetteville City Council was held on February 1, 2005 at 6:00 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

**Mayor Coody called the meeting to order.**

**PRESENT: Alderman Reynolds, Thiel, Cook, Marr, Rhoads, Ferrell, Lucas, Jordan, Mayor Coody, City Attorney Kit Williams, City Clerk Sondra Smith, Staff, Press, and Audience.**

**Alderman Marr was absent until 6:05 pm.**

**Pledge of Allegiance**

**CONSENT:**

**Approval of the Minutes:** Approval of the January 4, 2005, January 6, 2005, and January 18, 2005 City Council meeting minutes.

**Appointment of Building Official:** A resolution appointing a building official for the City of Fayetteville in accordance with A.C.A. § 14-56-202(2).

***Resolution 17-05 as Recorded in the Office of the City Clerk.***

**McClelland Consulting Engineers, Inc. Contract Amendment #1:** A resolution to approve amendment #1 of the contract with McClelland Consulting Engineers, Inc. in the amount of $25,100.00 for the Farmington Waterline Replacement Project.

***Resolution 18-05 as Recorded in the Office of the City Clerk.***

**Alderman Jordan moved to approve the Consent Agenda. Alderman Lucas seconded the motion. Upon roll call the motion passed 7-0. Alderman Marr was absent during the vote.**

**UNFINISHED BUSINESS:**

**Planning Commission Appeal (Crystal Goedereis):** An appeal filed by Crystal Goedereis regarding Planning Commission's denial of RZN 04-1333 (J.B. Hays) for property located at 1882 Starr Drive as submitted by Crystal Goedereis. ***This item was tabled at the January 18, 2005 City Council Meeting to the February 1, 2005 City Council Meeting.***

**Alderman Reynolds moved to table the appeal indefinitely. Alderman Cook seconded the motion. Upon roll call the motion to table indefinitely passed unanimously.**

**OMI Contract Amendment No. 11 (A):** A resolution approving amendment No. 11 (A) to the contract with Operations Management International (OMI) in the amount of $76,693.10 for extending the term of the agreement for operations, maintenance and management services and additional five (5) years; and approving a budget adjustment transferring $76,693.00 from Use of Fund Balance to PCP Operation Contract Fund. ***This resolution was tabled at the January 18, 2005 City Council Meeting to the February 1, 2005 City Council Meeting.***

**Mayor Coody:** We have new information that was handed out to us just before the meeting tonight. The reason that we received this tonight is that it has taken two weeks to get all this information put together from what I understand. We just received the last information from Burns & McDonnell this afternoon.

**Kit Williams:** I don't think anyone is expecting the Council to take action on it tonight.

**Matt Taylor with Burns & McDonnell:** This is a revision of the Contract Amendment No. 11 (A) that was questioned at the Agenda Session about three weeks ago. The initial question was whether or no the contract for OMI can be extended five years. Kit worked on that and it turned out that it couldn't be because it is already out to 2008. The original contract started in 1994 I believe. We talked to OMI about what our other options might be to expedite this and still keep it economical. OMI came back with a proposal for an amendment to their contract for 2005. Without an extension they will procure, administer, inspect construction and put this new generator into service. The new amount is $877,000 turn key.

I asked our electrical estimator to validate or qualify that number and make sure that it was a reasonable cost because we weren't going to be doing any advertising and competitive bidding. We wanted to make sure what OMI had was competitive and in the best interest of the City. I received that information back today. In the package there is an explanation why the generator out there is appropriate and the savings that it will generate over the next 10–15 years. The generator really has almost an indefinite life, I used 15 years just to show that there is little doubt that it will pay for itself rapidly.

In the packet is a memo from OMI that explains what steps they went through to try to get the best pricing or to find out what the best alternative was. The next several pages list out in general the scope. The $877,000 is I think a good number that is cheaper than what we really would get is we tried to design it, advertise it, take bids, get a contractor and pay an inspector. I think we would be significantly longer in time and ultimately we would probably spend more money doing it that approach anyway.

The idea is that this generator can be used during peak periods to keep the treatment plant from having to pay peak rates at any time during the year. That will ultimately happen on the other treatment at the west plant and the hamstring pump station that has 2,000 horsepower's of pumps. As long as this generator is in service and operable on June 1, 2005, the June, July and August months are the peak months for the plant. The rates paid for 2006 for electricity will be based on their peak usage during that three month period, so if it is in service by June 1, 2005 then the savings will be reflected starting January, 2006. If it comes on after June 1, 2005 then it will be 2007 before the savings will be reflected. That is the reason that it is kind of critical that this be expedited. OMI had initially said that a drop dead date for them to be able to get this in service is an approval in their hands by February 15, 2005.

**Mayor Coody:** If we get this in place by June 1, 2005 then the savings are estimated to be about $150,000 per year. It shouldn't take but six years or so for it to pay for itself and then we would still have the generator for another 10-20 years on top of that.

**Matt Taylor:** That assumes stable electrical rates. Obviously if electricity goes up the savings will be higher. I don't see any reason to think they are going to go down.

**Alderman Thiel:** It sounds like the way to go certainly. I think the question remains about adding on the 5 years.

**Matt Taylor:** There is no extension at all at this point.

**Mayor Coody:** The $800,000 would have been absorbed had we had a long extension but since we are only doing a one year extension and bringing them into compliance with our previous lease this is the way that they can justify doing this and the cost is essentially ours at this point. We won't have a five year extension with OMI.

**Alderman Lucas:** We will pay for it.

**Mayor Coody:** And reap the savings over time, yes.

**Alderman Marr:** Is there any type of guarantee that if we approve this by the 15th of February that we will for sure hit the installation date and if not what lead way has been built into the schedule to allow for the unexpected?

**Matt Taylor:** I don't believe there is any absolute guarantee just because there is a generator supplier involved, a switch gear supplier and several different parties involved.

**Billy Ammons, OMI:** We will do our best.

**Matt Taylor:** It was a realistic but aggressive schedule that went from the June 1, 2005 drop dead date and backed us up to February 15, 2005. So, there is no absolute guarantee but when that schedule was put together, everyone involved felt as long as things didn't go catastrophic that it should be workable.

**Dave Jurgens, Water and Sewer Maintenance Superintendent:** We wouldn't expect you to approve this tonight by any means because you just saw this information. What we would like to request is a brief Special City Council meeting immediately following the agenda session next week. That will give us one more week. We are at a time point where each week might be an issue if there are any glitches at all in the process of getting this put in with that firm June 1, 2005 date. That would be the expedite request that we would ask of you to consider this as a final item next Tuesday night after you have had time to look over it and ask any other questions.

**Mayor Coody:** Would that be acceptable to the Council?

**Alderman Ferrell:** Is there any place in our geographic area that has a system that has this installed that is comparable to our size and can you illustrate the savings?

**Matt Taylor:** I can't personally, there is some material that Mr. Boettcher had that I believe came form Ozarks Electric and electrical records that OMI had. I can get that and get out to everyone tomorrow.

**Mayor Coody:** I know that Rogers does this and I don't know who else, I have seen theirs in operation.

**Dave Jurgens:** Rogers, Carroll Boone Water, Beaver Water is procuring and in the process of constructing it as we speak, this is a pretty common large electrical user process that people are going through or have already done. Some of them have been in place for a long time. I think Rogers and Carroll Boone have been in place for quite a while and Beaver Water has been working on it for a while.

**Alderman Ferrell:** Are they realizing comparable savings?

**Dave Jurgens:** Yes sir. The savings that was estimated was a very realistic number.

**Mayor Coody:** When I saw Roger's system four years ago they were saving $60,000 with a smaller generator and a smaller plant.

**Matt Taylor:** The $150,000 is actually I think a pretty conservative estimate because the original spreadsheets showed a maximum likely savings of upwards of $220,000 or $230,000 per year. We backed that off because usage will decrease at the plant somewhat when the west plant comes on line and the flows are somewhat lower. We didn't want to make it overly optimistic and then have anyone feel like they were mislead, so we backed it off about a third from the numbers that Ozarks put together.

**Dave Jurgens:** We have to have backup power at the large lift stations and at the wastewater plants anyway so it is not as if we are installing the power generators where we wouldn't have one. We are simply putting in a larger one to allow us to carry that peak electrical load. If we have an electrical outage for any reason then the backup power is required to keep the plant in operation anyway. It is not that we are putting generators where we would not need them; it is just that we are getting a little larger generator to take the place of the one that we have to have as a minimum.

**Mayor Coody:** I don't know if I introduced Matt Taylor, he is with Burns & McDonnell and is working here until we replace Gregg Boettcher. He is basically making sure that our wastewater system stays on time and on budget.

**Alderman Jordan moved to table the resolution until a Special City Council meeting on February 8, 2005. Alderman Cook seconded the motion. Upon roll call the motion to table passed unanimously.**

**Highway 71 East Square Redevelopment District #1 Project Plan Amendment:** An ordinance amending the Project Plan for the Highway 71 East Square Redevelopment District Number One, finding the Plan is economically feasible and declaring an emergency. ***This ordinance was left on the first reading at the January 25, 2005 City Council Meeting.***

**Alderman Thiel moved to suspend the rules and go to the second reading. Alderman Reynolds seconded the motion. Upon roll call the motion passed unanimously.**

*Mr. Williams read the ordinance.*

**Kit Williams:** There is another resolution that is tied to this. It is a resolution that we will ask the City Council to place on the agenda. It is basically a resolution that authorizes the bond council and the underwriters to start working up the documents that we will need. It does not commit the City to issue bonds or anything like that. I would ask that after we get finished with the project plan that we place that on the agenda.

**Alderman Jordan:** I have questions constitutions have asked me. Why don't we go back and re-bid it and open it to other people.

**Kit Williams:** This project was actually brought to us by the developers and they requested us to do a TIF District in order to support the redevelopment of the Mountain Inn. It was never given out to bid. We do not own the Mountain Inn. Basically the only thing that is really before the Council is the Project Plan that was approved last year a couple of times. That had to do with removing the blighted Mountain Inn, purchasing the four properties, demolishing them and selling those properties for $300,000 to the developers and then hopefully having them build their hotel, parking deck, condominiums and convention facility. So you can go back to square one by not doing anything or you could do a raze and removal or something like that. That still remains an option if in fact you do not feel the plan is feasible or that you do not want to go forward with it.

**Alderman Jordan:** Would you explain the paragraph that states: *The City shall pay not more than $887,000 for demolition and site preparation work as shown on page 9. If this work does not require the full $887,000 the remainder shall be used to pay debt service on the primary TIF Bonds.*

**Kit Williams:** As you know there is a budget that was set forth in the Project Plan, about $2.6 million was for acquiring the four different properties, including the Mountain Inn, the Court Building, the vacant Niblock law office and the vacant Red Bird Café. That left $887,000 for the demolition and site preparation work. I think Mr. Nock said if the $887,000 was not enough to demolish and clear the site that the developers would then take over and still buy the property from us at the stated price. That is why there is this not to exceed $887,000 in there because that is all the money that we will have and that is all the money that we can pay. Maybe we will be lucky and the demolition and the site preparation will not cost as much, therefore if there is money leftover when land is ready to be sold this Council should determine what should be done with that money. By adopting this Project Plan that money would be used to help pay down the interest rather that for any other purpose.

**Alderman Jordan:** Professional Services on page 7, who pays for that.

**Kit Williams:** If the District engages then the District would pay, put there is not a lot of money in the District so we will not be paying very much. The bond counsel and underwriter will be paid out of the bond proceeds. This happens in virtually every bond issue that we do. This is just giving us authority.

**Alderman Jordan:** The economic feasibility study on page three states: *Arkansas Amendment 79 caps the growth of the assessed values of existing properties at 5% for owner occupied houses and 0% for homeowners over the age of 65 and disabled people and 10% for other properties. However when the new improvements are made the full appraised value of these properties is assessed in their first year and then in subsequent years these properties become subject to amendment 79 caps on in assessed value.* Would you explain that?

**Kit Williams:** Amendment 79 has to do with existing buildings basically. So if there is an existing building that is appraised at a certain amount, if it is a commercial building it can not go up more than 10% a year in taxes on that value. However, if there is a new structure that is appraised on what the new building is actually worth, that is captured immediately and is not subject to the 10% or 5% limitation that existing buildings are.

**Alderman Jordan:** So this does not indicate that taxes will go up in that area?

**Kit Williams:** Amendment 79 is a limitation on how taxes can go up.

**Alderman Jordan:** Page 4 states the Mountain Inn is assumed to come on the tax rolls in 2007 with an appraised value of $20 million and an assessed value of $4 million. What is that now?

**Kit Williams:** I am not sure exactly.

**Mayor Coody:** I think the tax receipts a few years ago were $10,000 a year and lately it has been $6,000 a year. So it is deteriorating in value.

**Kit Williams:** I would certainly think it would be under a million dollars at this point and it is being replaced by something that is 20 million plus. I think it is going to be a significant increase in property tax revenue.

We are not asking you to adopt the Project Plan tonight because it is going to be modified. We are waiting on some additional information. This week we did get a certification from the County Assessor so that the entire District now is being assessed as one. That is something that we absolutely had to have for this project plan. I would like to thank the County Assessor for her hard work in getting that completed and to us.

**Joe Robson a citizen** voiced his concern about the hiring of the consulting firm that conducted the charrettes. He stated out of 186 responses there were 2 regarding the Mountain Inn. He wanted to know how that is justified. He stated this could be viewed as a diverting of public funds which will eventually become a private use. There is a parking deck already there. Parking decks require $12,000 per individual space and we are going to tear one down and build another one.

**Mayor Coody:** On the Dover, Kohl plan it is not that one person thought the Mountain Inn needed to be replaced. It was made clear in the Downtown Master Plan that it needs to be dealt with. In the plan itself it pointed out that the Mountain Inn is the anchor that is holding the revitalization of Downtown Fayetteville back. For the first time in 20–30 years a group has come forward with a plan and the interest to do something with this. No one has ever come up before with a plan to do something with this. That is what has generated the interest. If these private developers had not stepped up to the plate and said they wanted to make a $20 million investment in that property, we would not be having these discussions and it would stay like it is. We would have to go through the raze and removal process which generates another set of problems until itself. The Mountain Inn is not only an eyesore it is an absolute danger to the Downtown area. Dover, Kohl pointed out what a problem this property is and based on the discussions around that, some innovative private people have come up with a plan to make a huge investment downtown. This is important to everyone in town.

The initial thought was to use that existing parking deck and add to it but upon further inspection they couldn't make the poor design and construction of that parking deck to work with the new design. Their thinking was it would be easier to remove it and build a new one with a better design, more convenient, a safer parking deck and larger to have more capacity.

We don't have any other options. Our options are to leave it alone which is the least favorable option, do a raze and removal or work to turn this into a really first class development for downtown. The third option is the one that I think is the best.

**Joe Robson** spoke of other projects that were listed as the most important issues to citizens to be completed. I would recommend that someone else would step up and handle this situation in a totally private way to where there are no legal issues.

**Mayor Coody:** We had $4 million in last year's transportation bill and the whole bill was scuttled so I am going to Washington to ask that be reinstated so we can do improvements to College Avenue and Yell.

**Joe Robson** spoke of another building that has been remodeled in Fayetteville.

**Mayor Coody** stated that public money went into that project too.

**Joe Robson** stated it was not TIF money.

**The Ordinance was Left on the Second Reading.**

**NEW BUSINESS:**

**Alderman Jordan moved to add Highway 71 East Redevelopment District Financing Cost to the agenda. Alderman Reynolds seconded the motion. Upon roll the motion to add Highway 71 East Redevelopment District Financing Cost to the agenda passed unanimously.**

<u>Highway 71 East Square Redevelopment District Financing Cost:</u> A resolution authorizing the preparation of certain documentation for the subsequent approval of the City Council related to the proposed issuance by the City of Fayetteville Tax Increment Bonds (Highway 71 East Square Redevelopment District Project), Series 2005, in a form and amount to provide a Project Fund of $3,500,000.00 (The "Bonds") for the purpose of financing the costs of acquisition and demolition of certain real property located within the District; and prescribing other matters relating thereto.

**Steve Davis:** This resolution is an inducement resolution that authorizes the development of a financing proposal that will enable the City to have a $3.5 million project fund to acquire the property and fund the demolition of the Mountain Inn site so that it can then be sold.

**Alderman Rhoads moved to approve the resolution. Alderman Marr seconded the motion. Upon roll call the resolution passed unanimously.**

***Resolution 19-05 as Recorded in the Office of the City Clerk.***

<u>Central Emergency Medical Services, Inc. Contract Renewal:</u> An ordinance waiving the requirements of formal competitive bidding and approving a contract for services in the amount of $250,000.00 between the City of Fayetteville and Central Emergency Medical Services, Inc. to operate and maintain an emergency ambulance service to serve the residents of Fayetteville.

*Mr. Williams read the ordinance.*

**Chief Bosch:** In the 2005 budgeting process we discussed the need for increased funding for Central EMS. This is the same basic contract with the same basic reporting and response requirements, those have not changed. The only thing that has significantly changed is the cost. These funds will help Central EMS to more effectively retain their employees and to stabilize a lot of the issues they are dealing with. We at the Fire Department are committed to working the Central EMS to maintain the best quality EMS system in the community and in the area. We are working with the County on the development of a public utility model. We believe this process will help us to build an even better system and enhance our service delivery on all levels. We anticipate 6-8 months to have that process complete. This contract is the next step for us in moving forward with that. The $250,000 for this contract does not include the cost of the consultant that we discussed. We set that aside separately in the budgeting process.

**Alderman Rhoads**: How did we come up with the $250,000?

**Chief Bosch:** That was a request from Central EMS.

**Alderman Rhoads:** How do we know if that is a good number?

**Chief Bosch:** We depend on Mr. Hickerson to let us know what his needs are for the year.

**Tony Hickerson, Central EMS:** We arrived at that by determining what we thought we might get from the County, the City and the charge to the users and collection of those charges.

**Alderman Rhoads:** Is there a profit margin that you put into the equation?

**Tony Hickerson:** We are looking at a possible gain of about $20,000 for the year but we don't have all the figures that we require to actually finalize that. We don't know what Medicare is going to reimburse us on all of our rates yet. Medicare changes their rates based on a number of issues. We don't know right know what Medicare will reimburse us for the patients that we bill them for.

**Alderman Reynolds:** You get money from the City of Fayetteville and the County, what about the other small towns. Do they pay to help you operate because you do service them from this area?

**Tony Hickerson:** We actually service them from several areas. The only additional assistance that we get is assistance in kind from Prairie Grove, Lincoln and West Fork that allows us to operate out of their fire stations.

**Alderman Ferrell:** When they have the need for an ambulance run are the rates charged there and the rates charged in Fayetteville comparable?

**Tony Hickerson:** All the rates are the same for the particular type of service. Their rates are a little higher because there is a mileage charge.

**Alderman Marr:** This contract appears to be almost identical to the one we did last year. What are the increased costs? Where is the new expense going to?

**Tony Hickerson:** Most of it is going to salary. That is something we have talked about in the past. Our employees are making considerably less than area fire department personnel are making and we were having a drain of our people to other area fire departments. That makes it difficult to attract and retain high quality people.

**Alderman Marr:** Do you conduct salary surveys to determine market to your pay?

**Tony Hickerson:** Yes.

**Alderman Marr:** Who did you use to do that this year?

**Tony Hickerson:** Rogers, Springdale, Bentonville and Fayetteville fire departments.

**Alderman Marr:** Their pay ranges?

**Tony Hickerson:** Yes and we are still under what they make. We didn't expect to match most of those but we expected to become closer. A lot of the people that come to work for an ambulance service are the same sort of people that would like to work at the fire department. Some people just felt that they couldn't stay at Central EMS as long as they would like to if they could move up the road and make an extra $10,000 per year.

**Alderman Marr:** Do you have a ball park about what percent of this increase is salaries?

**Tony Hickerson:** Probably 80%.

**Alderman Thiel:** What percentage of revenue that you generate comes from the fees that are charged?

**Tony Hickerson:** Our budget last year was about $4 million and we will take a loss on last year. Patient fee charges were close to $3.5 million. I don't have the exact figure on what we collected on that. Last year we collected a total of about 56% of our charges. Part of that is mandatory write off of Medicare and Medicaid patients which we have no control of. The rest of it is bad debt. Mandatory right offs were over $1 million and bad debt was about $700,000.

**Alderman Thiel:** I have a problem digesting servicing these small cities around us and them not contributing. The County is contributing how much?

**Tony Hickerson:** $497,000

**Alderman Thiel:** They are contributing for those small cities basically?

**Tony Hickerson:** In the past we did receive some funding from Prairie Grove and Goshen. That is something we have been discussing about whether or not we should pursue collecting from them. We thought we would leave that until the study has been completed, to see if it suggests a different type of mix or funding.

**Alderman Thiel:** The study is the consultant that we are hiring. Is the City of Fayetteville bearing all of that cost?

**Tony Hickerson:** You are sharing the cost with the County.

**Alderman Marr:** What was the contract amount last year?

**Chief Bosch:** $156,000.

A discussion followed on the different funding models they are looking at.

**Mayor Coody:** Basically what they are looking at is sole sourcing if this program is adopted and at that point it would be able to sustain itself without any dip into the General Fund.

**Tony Hickerson:** That is the long term goal and again a lot depends on the market size. We are looking at a model that would allow us to capture the non-emergency service that we do not get now. That would allow us to reduce that subsidy. We still will not have the market size that others have for total population which is important.

**Alderman Ferrell:** The non-emergency stuff would probably be the highest margin end of it?

**Tony Hickerson:** Yes. They can make a living at it. We get a lot of the phone calls after they have been called for patients that do not have insurance and we usually end up doing those calls.

**Alderman Jordan:** I don't feel real comfortable passing this tonight I would like to do a little more research if that is alright with the Council.

**Mayor Coody:** This was approved when we approved all the non-profit expenses in December. Although this is the next best time to ask questions, the best time would have been in December.

**Alderman Marr:** I don't have a problem with the number. Part of the issue is the amount of service and my concerns that we have transport trips that lengthen times. I won't be happy until we get away from average response time. I don't think an eight minute average response time is what you need in an emergency medical system. Last year we went to this and the Chief told us the average response time part of the discussion was going to be if we increase funding we might have an increase in services. It appears the majority of this is going towards payroll with the same service, which I don't disagree with. When you are having a heart attack an average eight minute response is not acceptable.

**Tony Hickerson:** We agree but the only way anybody has done that is with sole sourcing. You can't expect an ambulance service to provide a high level of service and a low response time if you allow other vendors to come in and take the resources out of the system that would allow you to have that response time. That is why we are looking at the study. The ambulance services that have what is called a fractile response time, which we have discussed and we agree is the appropriate way to measure response time, have no competition in their market. That's the way they can do that because of those resources that are now being taken out of the market. Hundreds of thousands of dollars per year is leaving the emergency market to go to a non-emergency side. Those dollars could be used to add the resources to improve the response time. That is our whole goal in this. We don't believe that we can be held to that higher level without being given the resources to meet those performance standards. Those resources are going to other for-profit ambulance services not to enhance emergency response.

**Alderman Rhoads:** What is fractile?

**Tony Hickerson:** That is measuring the response time by a certain percentage of calls within a certain time limit. Usually it is 90% of your calls. No system will ever be able to match 100%. The higher you go above 90% the much more expensive it gets for every percent.

**Mr. Hickerson** continued to explain different response times and how the response times are used.

**Alderman Rhoads**: Is there a since of emergency in approving this tonight?

**Tony Hickerson:** Well we are pretty thin on our margin and we are counting on that money to help us operate. If it means getting our funding yes.

**Alderman Rhoads:** If we don't approve it tonight and it gets approved two weeks from now what will be the consequence of that?

**Tony Hickerson:** We will probably have to borrow a little more money to get through that time period.

**Alderman Lucas:** We discussed this when we went through he budget. I am comfortable with it myself. I am looking forward to the study that is going to be completed. I would like to see the time not an average of eight minutes but no more than eight minutes and less if possible.

**Alderman Lucas moved to suspend the rules and go to the second reading. Alderman Thiel seconded the motion. Upon roll call the motion passed 6-3. Alderman Thiel, Cook, Marr, Rhoads, Lucas and Mayor Coody voting yes. Alderman Jordan, Reynolds and Ferrell voting no.**

*Mr. Williams read the ordinance.*

**The Ordinance was Left on the Second Reading.**

**Dychem International Contract Extension:** An ordinance to waive competitive bidding and award an extension of a contract with Dychem International through the end of 2005.

*Mr. Williams read the ordinance.*

**Alderman Thiel:** In the memo it states the Equipment Committee requested further information on the cost of the systems at their meeting in November. Why can't we go out for competitive bidding on this?

**Gary Dumas, Operations Director:** Early last year we begin researching other alternative wash techniques. None of them satisfied the requirements that we had. The main requirement was to get the vehicles clean including the tops of the vehicles. We are still trying to find a system that is affordable that will accommodate not just the dump trucks but the front load sanitation trucks. We have not been able to find one yet. We have not been able to find an appropriate vender.

**Alderman Reynolds:** They brought us a system to the Equipment Committee and the Equipment Committee asked them to go back to the drawing table and make sure this new system would do small vehicles. The one that we have now does not do that. The package that was brought to us was quite expensive and we didn't accept it. We hope you are still hunting for something that will work. Meanwhile we will keep the system we have until we find what we need.

**Alderman Thiel:** This is for another year.

**Alderman Reynolds:** Yes, for the current system.

**Gary Dumas:** If we find a system prior to that we will bring it to the Council. This has a termination clause in it also.

**Mayor Coody:** 30 day back out?

**Gary Dumas:** Yes.

**Alderman Rhoads:** Is it $72,000 for the full year?

**Gary Dumas:** All we are doing is buying the chemicals; we own the system already I believe.

**Alderman Thiel:** This is just for the chemicals?

**Alderman Rhoads:** Is that the estimated cost of the chemicals for a full year, $72,000?

**Gary Dumas:** Yes.

**Alderman Marr:** The other issue that the Equipment Committee has was that while the per wash cost looked to be lower it had a much longer term equipment lease option on it that we weren't comfortable signing for that long of a period.

**Alderman Rhoads moved to suspend the rules and go to the second reading. Alderman Marr seconded the motion. Upon roll call the motion passed unanimously.**

*Mr. Williams read the ordinance.*

**Alderman Jordan moved to suspend the rules and go to the third and final reading. Alderman Marr seconded the motion. Upon roll call the motion passed unanimously.**

*Mr. Williams read the ordinance.*

**Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.**

*Ordinance 4674 as Recorded in the Office of the City Clerk.*

**PUBLIC HEARINGS:**

**Mayor Coody opened the Public Hearing**

**First Class Car Service Certificate of Public Convenience & Necessity:** A resolution granting a Certificate of Public Convenience and Necessity to First Class Car Service for the operation of two (2) limousines within the city of Fayetteville, Arkansas.

**Captain Brown, Police Department:** They have been in business since July, 2004 and they are also licensed in Rogers. Their application states they will service Northwest Regional Airport and the hotels. They have asked for up to four vehicles however right now they only have two showing on their insurance. I do have their application, insurance and financial statement.

**Alderman Rhoads:** What do we currently have as far as approved in this category?

**Captain Brown:** Five cars.

**Alderman Rhoads:** One company, five cars?

**Captain Brown:** I think one company right now, yes sir.

**Alderman Reynolds:** I think one company has had four approved and one other operator has had one approved.

**Captain Brown:** I don't have the exact number with me. This would add two to it.

**Alderman Rhoads:** Do you believe that we need more?

**Captain Brown:** I don't know if we need more or not.

**Mayor Coody:** I think that is our policy decision. They just inspect and report back to us.

**Alderman Ferrell:** It would seem like if you only had four and you had an applicant with a couple of more it's going to add a few more and with a city of 60,000 people you would think that you could use a few more. I would think if he has passed inspection I would be in favor of it.

**Alderman Marr:** I would agree with Alderman Ferrell also. Unless you have a reason not to approve it to me it seems that free market should win.

**Alderman Rhoads:** Why don't we let the Police Department do the entire thing and cut us out of the picture?

**Alderman Marr:** I would support that amendment to our code.

**Alderman Rhoads:** We don't want to redo the code.

**Kit Williams:** Actually State law means that unless you form a new Board that would do this you are the Board that will grant the Certificate of Public Convenience and Necessity.

**Alderman Rhoads moved to approve the resolution. Alderman Reynolds seconded the motion. Upon roll call the resolution passed unanimously.**

***Resolution 20-05 as Recorded in the Office of the City Clerk.***

**Mayor Coody closed the Public Hearing.**

**Meeting Adjourned at 7:15 PM.**

Dan Coody

**Dan Coody, Mayor**

Sondra Smith

**Sondra Smith, City Clerk**