Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

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 - Conrad Odom
Ward 4 Position 1 - Shirley Lucas
Ward 4 Position 2 - Lioneld Jordan

City Council
Meeting Minutes
December 21, 2004

A meeting of the Fayetteville City Council was held on December 21, 2004 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, Odom, Lucas, Jordan, Mayor Coody, City Attorney Kit Williams, City Clerk Sondra Smith, Staff, Press, and Audience.

Pledge of Allegiance

City Council Special Resolution Recognizing the Fayetteville High School Student Council:

Kit Williams read the resolution.

Alderman Marr thanked the Council and the student council for bringing attention to the homeless in Northwest Arkansas and their need for help. He presented some additional funds to the group from city staff and congratulated them on their efforts.

Alderman Marr moved to approve the resolution recognizing the Fayetteville High School Student Council. Alderman Jordan seconded the motion. Upon roll call the resolution passed unanimously.

Resolution 207-04 as Recorded in the Office of the City Clerk.

Nominating Committee Report: Alderman Marr gave the Nominating Committee Report.

Board Appointments by the Mayor: Library Board: Daniel Ferritor

Board of Health: Dr. Anthony Hui
Dr. David Crittenden
Don Moore

		Jim Huffman
		Rick Johnson
Appointments by the City Council:	**Airport Board:**	**Vaughn Decoster**
	Env. Concerns:	**David Harsh**
		Sharon Ledbetter
	Parks Board:	**Jerry Bailey**
		Monroe Harrison
		Steven Langsner
		Jay Davidson
	Tree & Landscape:	**Beverly Melton**
		Fred Cusanelli
		Sarah Patterson
		John Crone

Alderman Jordan moved to approve the Nominating Committee Report and the Board Appointments of the Mayor. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

CONSENT:

Approval of the Minutes: Approval of the December 7, 2004 City Council meeting minutes.

The minutes were pulled from the agenda.

Drug Interdiction Grant: A resolution authorizing the Fayetteville Police Department to apply for and accept a grant from the Arkansas Alcohol and Drug Abuse Coordinating Council in the amount of $20,000.00 to support Drug Interdiction Operations; and approving a budget adjustment recognizing the grant revenues.

Resolution 208-04 as Recorded in the Office of the City Clerk.

Andritz, Inc. Agreement: A resolution to approve an agreement with Andritz, Inc. to lock in pricing of $672,157.00 for three belt filter presses by paying a security deposit of $33,607.85.

Resolution 209-04 as Recorded in the Office of the City Clerk.

TIF Bond Reimbursement: A resolution expressing the intent of the City of Fayetteville, Arkansas to reimburse certain expenditures of the City pertaining to financing, planning, acquisition and demolition in connection with the Highway 71 East Square Redevelopment District project with the proceeds of an issue or issues of tax-exempt bonds; and stating other matters pertaining thereto.

Resolution 210-04 as Recorded in the Office of the City Clerk.

Crews and Associates Bond Underwriter for TIF Bonds: A resolution accepting Crews and Associates as Bond Underwriter for any Tax Increment Financing Bonds issued through December 31, 2005.

Resolution 211-04 as Recorded in the Office of the City Clerk.

Community Access Television, Inc. Contract: A resolution to approve a contract with Community Access Television, Inc. to operate the Public Access Cable Channel throughout 2005 for $93,000.00.

Resolution 212-04 as Recorded in the Office of the City Clerk.

LEECO Fire Equipment Fire Apparatus Purchase: A resolution approving the purchase of one (1) Emergency One, Inc. (E-One) replacement pumper apparatus from LEECO, Inc. in the amount of $371,985.00; and approving a budget adjustment in the amount of $278,985.00.

Resolution 213-04 as Recorded in the Office of the City Clerk.

Meadows Enterprise, Inc. Land Swap: A resolution to approve a deed from the City of Fayetteville to Meadows Enterprises, Inc. for 1.95 acres to swap for similar acreage to enlarge a nearby city park.

Resolution 214-04 as Recorded in the Office of the City Clerk.

Alderman Jordan moved to approve the Consent Agenda as read with the minutes removed. Alderman Reynolds seconded the motion. Upon roll call the motion passed unanimously.

UNFINISHED BUSINESS

2005 Proposed Annual Budget and Work Program Adoption: A resolution adopting the proposed 2005 Annual Budget and Work Program. ***This resolution was tabled at the November 16, 2004 City Council meeting until the December 7, 2004 City Council meeting. This resolution was tabled at the December 7, 2004 City Council meeting until the December 21, 2004 City Council meeting.***

Kevin Springer summarized the budget process to this point. Staff began presenting the proposed budget and work program early in November. Various budget hearings were held with citizen input and budget staff has made several presentations on the City's general funds and operating funds. In the last two budget hearings some amendments were presented, including increased revenue in sales tax, in solid waste and in airport. Some salary related expenses were reduced and other changes made. An amendment to add three fire fighters starting in October was also added.

Alderman Lucas asked for clarification on addition of police officers.

Kevin Springer: The budget actually includes two additional officers. Two other officers will be added with the closing of the jail.

Kevin Springer: In response to a question from Alderman Jordan, he explained that in the General Fund, staff was able to reduce the projected use of reserves by about $400,000 (worst case scenario).

Alderman Reynolds asked if this budget would allow for the continuation of officers in the schools and the motorcycle patrol program.

Chief Johnson: For right now the school resource officers will be in the school, contingent on the school's agreement to sign the contract and financially support the program.

Mayor Coody: In a meeting with Superintendent Bobby New the school was presented with a proposal for the school to split the cost of the school resource officer program. He seemed amenable to the proposal and said he would add the numbers to his budget and present it to the school board. He explained that the COPS program, which supplied federal grant funding for school resource officers, was good for only three years. The grant funding has run out and these officers are now fully on the City's payroll.

Alderman Thiel asked if funding was in the budget for half the salaries of the school resource officers if the school agrees to support the program.

Chief Johnson: Yes. This is a popular program. The four new officers, however, will be hired as police officers, not school resource officers. The priority continues to be the officers on the street, not the officers in the schools.

Mayor Coody opened the floor to public discussion on the budget. There was none.

Kit Williams: It should be understood that the Council would be approving the budget as amended by the four items discussed in the last two budget sessions (just reviewed by Kevin Springer).

Alderman Rhoads moved to approve the resolution. Alderman Odom seconded the motion. Upon roll call the resolution failed 3-5. Alderman Thiel, Rhoads and Odom voting yes. Alderman Cook, Marr, Lucas, Jordan and Reynolds voting no.

Mayor Coody asked for input from the Council as to why the resolution failed. (There was no comment from the Council) The Mayor then asked for input from staff.

Steve Davis: The City will need some sort of budget approved prior to December 31, 2004 for operations to continue beginning January 1. State law provides City Council the opportunity to postpone approval of the budget until Feb. 28. However, if staff does not have authorization to spend money, checks cannot be written beginning Jan. 1, 2005.

Mayor Coody said at the last budget hearing four City Council members were present and there was no discussion. He said staff has been meeting for five months on budget issues and the first discussion with the Council was late in August. He again asked the Council if there was a particular reason they voted against the budget.

Alderman Jordan said his concern is the $1.8 million deficit. He has yet to see how we can address that deficit. How can that $1.8 million deficit be reduced? He knows they have talked about many ideas but nobody has proposed a solution.

Steve Davis: The plan to reduce the deficit is essentially a three-pronged approach. The first step is for the library to have its own operating millage and be taken out of the City's general fund. That will relieve approximately $1,400,000 from City expenses. The second phase is to remove CEMS from taxpayer support and rotate them into a public utility model. If that works, it will remove another $300,000. The third element would involve elimination of the $150,000 currently budgeted for Fayetteville Downtown Partners. It is their business plan to reduce their City subsidy from $150,000 in 2005 to approximately $50,000 in 2007. With those three items together, in 2007, with staffing proposed in the 2005 budget and allowing for inflation, we will have approximately a $41,000 deficit in 2005. This budget also provides the opportunity in 2006 and 2007, if any one of those three scenarios does not materialize, to address further strategies. The one thing that is City Council's control is employing discretionary millage to fund on-going operations for the general fund. Past City Councils, at least since 1992, have not chosen to do this. Another option is to increase the franchise fees that are currently below 4.25% up to 4.25%, generating approximately $800,000. There are user fees that can be adjusted, one of which would produce approximately $200,000. The user fee ordinance is before the Ordinance Review Committee and review is scheduled in January. New user fees could be in play by April 1, 2005. Taken together, these give the management ability to reduce our operating deficit. This does not take into account any contracts for reimbursement that may be made with the school district on school resource officers, nor does it take into account any reimbursement from the U of A or any other organization that utilizes police overtime for special functions.

Mayor Coody: The other option is to cut services and lay off personnel.

Steve Davis: Yes, that is the final option.

Alderman Reynolds said his concern is the $1.8 million shortfall. Before this is passed, he thinks the meeting next week should be used to come up with a solution to cut that deficit.

Mayor Coody asked Steve Davis how long this budget, with the deficit projection, has been discussed.

Steve Davis: He believes the first budget document presented to City Council that predicted we would be using reserves to fund operations was in 1998 or 1999. The City's finances have performed predictably since that time and we historically run about an $800,000 swing between budget ending fund balance and actual ending fund balance. The $800,000 swing is to the positive. That's primarily attributed to two factors. We always budget full employment and we historically have a 3% savings in personnel services; and our revenues tend to outperform our revenue budget on the whole. In the 2005 budget, we have already reduced our expenses $175,000 and we've increased our revenues $340,000, so we have already preprogrammed $500,000 of that $800,000 swing. Using history as a prediction of our future, we have another $300,000 swing that can be expected between budget expenses not being utilized or revenues outperforming estimates. We don't know which expenses will under-perform or which revenues will over-perform.

Alderman Jordan: So we can probably take another $300,000 off the $1.8 million.

Steve Davis: You can, but it becomes an off-balance sheet calculation because we don't know what expenses might not be there and we don't know what revenues in excess of budget are going to be there.

Alderman Lucas: This year, have we not used as much of the reserve as was predicted?

Steve Davis: That's correct. We predicted we would use $752,000 in reserves when the 2004 budget was adopted. It appears there will be a surplus of $56,000 to $57,000. We also spent $800,000 that was unprogrammed out of Wilson Springs proceeds and that had to come out of reserves.

Alderman Lucas: So we budgeted $750,000 use of reserves and this year we are predicting $1.8 million, increasing use of the reserves by $1.1 million?

Steve Davis: That's correct. Keep in mind that 85% of our expenses in general fund are "people" costs. All of our police officers and firemen get a step increase every year of 4.5%. There was also a pay range adjustment for the police department that was approved at the end of 2003 to go into effect in 2005, which added $200,000 to our costs.

Alderman Lucas: Did we not also have an increase in the money coming in?

Steve Davis: Yes, we did.

Mayor Coody: But we also had unexpected expenditures that we had to budget for, approved by the City Council. One was $195,000 for fuel costs because of the spike in gasoline prices. There was another $300,000 increase, making almost a half a million dollars increase in costs that we had to deal with.

Steve Davis: In response to a question from Alderman Rhoads, he said the total reserves at the end of 2004 would be $14 million. Of that amount, $4.4 million is designated for Wilson Springs. A little over $10 million is available for general operations.

Alderman Rhoads asked what the rule-of-thumb for reserves is.

Steve Davis: Sixty days is our minimum number. Sixty days would be approximately $5 million.

Mayor Coody: We passed a resolution saying we would keep a floor of 60 days reserve. The reason for passing that resolution was to allow expenditure of the reserve to put it back on the street. The circumstances aren't ideal, of course.

Alderman Thiel wanted to make a correction. Regarding the Wilson Springs proceeds, $50,000 went to purchase the Fay Jones property next to the library and $50,000 from the Tree and Trails Lawsuit Settlement Fund also went to purchase of that property. Then $50,000 from the Tree and Trails Lawsuit Settlement Fund went to buy the South Duncan property. No Wilson Springs proceeds went toward the South Duncan property.

Mayor Coody thanked Alderman Thiel for the correction and apologized for the error.

Alderman Cook said he is frustrated by the deficit. He said we are experiencing boom times in Fayetteville and it doesn't make sense to run a $1.8 million deficit. Our numbers should be looking good. He said he doesn't see how long we can keep going on with these deficits. He understands the spend-it-down philosophy but doesn't want to spend it down to the limit, leaving

future Council members and staff to figure out what to do. At some point cuts will have to be made. While he does think we should diversify our revenue, he believes we should also look at things where we can cut back. He said he didn't have a problem with the property tax but would not vote for it when it was presented because he felt it wasn't right to not give the public an opportunity to comment. However, he said he supports the idea of using property taxes to support some of the basic services that the City provides.

Alderman Marr said his issue is not the $1.8 million deficit. He said he is convinced that should be spent down. His concern is with where it is going. He would like to see more of it in police and in planning. He said he does support a property tax. He thinks what is missing is diversified revenue. But he thinks if extra money is going to be spent and we are going to the people with a property tax consideration because we need more police officers and another fire station, the money being spent should be going to those core services. He said he has said that at every budget meeting he has attended. There are things he really likes in the budget but one of the big items missing is the police and public safety aspect.

Alderman Lucas said she agrees. She is concerned that we have not looked at police and fire needs. To go from $750,000 last year to $1.8 million this year concerns her. She asked Steve if a few years ago he had projected a balanced budget by 2005.

Steve Davis said there was a scenario presented that required certain things to fall into place, which did not happen.

Alderman Lucas: It disturbs her that we are not getting the police and fire protection but we are going backwards into reserves.

Alderman Thiel: Responding to Alderman Lucas' comment about going backwards, she said when she first came on the Council in 2000 the Council went through a process of learning about the need to switch the percentage of sales tax that is dedicated to operations. At that time the Council was presented with projections that indicated we would have a much worse deficit than we have right now. Even after switching the sales tax to 50/50, there were projections made and we are ahead of those projections. She said in discussions of the 2004 budget there were discussions of property tax millage and other things that would have balanced the budget. Those were not passed. She feels the City is in better shape than what has been projected. The Council has been told all along, up to 4 years ago, that in 2009 the sales tax ratio would have to be reviewed once again because of growth in the City and the cost of operations unless there was some diversification in the revenue stream. She said she doesn't feel that tonight is the night to do that. She said she thinks the City has done a pretty good job staying within what the projections have been.

Alderman Lucas: If we do look at user and franchise fees and things like that, we need to do it right away instead of waiting until the budget is being discussed. Through the year, the discussions of those revenue sources seem to get lost or tabled.

Steve Davis: The user fee study is 18 months late. Most of that delay has been with the contractor, though some is with City staff. The user fee study is one of the strongest policy documents that City Council can adopt because it relates to how much of a general tax subsidy selected services are going to receive, if any. He agrees that it does take deliberation. The Ordinance Review Committee will look at in January. He hopes to have it before the City Council and have the 30-day referendum run to allow for implementation around April 1.

Steve Davis: At Mayor Coody's request he stated the 2004 adopted budget projected a $750,000 deficit. We are looking to end at $56,000.

Mayor Coody wanted that repeated in response to a statement that we had a $750,000 deficit this year. It was projected that we would have that deficit but we ended up in the black. We may not be in the black in 2005, but it will certainly be better than it appears now. We always project very conservatively. We have been discussing this for four months and have had many opportunities to refocus the staff onto fire and police. We've had opportunities to change the structure of funding, make cuts, and lay people off. It surprises him that the Council would vote the budget down now.

Alderman Rhoads said if the concerns are with the $1.8 million deficit and not enough money being spent in certain areas, it would seem that there would have to be some fairly drastic cuts to assuage both concerns. He asked fellow Council members what they would like to cut. Eventually if a budget is to be approved, this is the decision the Council will have to make.

Alderman Marr: Responding to that, said if the projected budget for last year was $750,000 deficit and we are coming in at $56,000 in the black, then we have a million more in spending in this projected budget, which he thinks is the library...

Steve Davis: The big chunks are increased funding for the library and increased funding for fire overtime because we used the Fire Station #7 staffing to reduce the overtime in 2004. Now we have a full staff there and that bump to the budget was around $350,000. The pre-approved step pay plan adjustment for police and the conscious decision to use overtime to fund the staffing for fire station #7 for 2004 makes a half a million dollar bump. Then there is the $350,000 to $400,000 bump for library operations and a $150,000 bump for Fayetteville Downtown Partners. The previous entity (DDEP) had been budgeted $40,000 but the money was never used because there was no contract.

Alderman Marr: If our philosophy is to spend down our reserve and our number one reason for needing a property tax is for police and fire, then why isn't some of the projected reserve that is being spent down going to that, if in fact we don't have the time to implement the property tax, and then replace it in future years. Spending down money means you're going to spend it down on something that isn't necessarily reoccurring every year. Otherwise, at some point you're going to spend it down and not have anything new coming in.

Steve Davis: That's correct.

Alderman Marr: So if we have a plan of diversifying revenue, why isn't that the avenue we are looking at to spend this money. Of those items mentioned by Steve, the projections for expenditure go down. He said he takes exception to the comment that nobody knows we have been talking about police. He said he has said it to multiple people. He does think the mayor has a point in saying you are over-collecting if you maintain a huge reserve. But he doesn't see the money going to increase in officers.

Steve Davis: Part of the conversation that has gone on throughout the budget process has been the police chief's desire to take a few months next year and develop a master plan to deliver police services in the most cost-effective, efficient manner possible. He is a new police chief and

as the head of a very vital service, he needs to be afforded that time to make sure he is comfortable with whatever the service levels are before he asks for additional resources.

Alderman Marr: Weren't we going to do 2.5 mils, with half of it going toward that item? So obviously a need was identified or we wouldn't have been talking about a property tax. He read that to indicate there was a major item of need. Now we're going back to the original budget of two new and four reallocated officers. He doesn't buy the argument of studying it further. How did we pick the number of 10 officers needed in the discussion last week? Is that the priority?

Steve Davis: Increasing patrol services to reduce Code Zero situations is a priority. How we get there is the question. There are numerous services which, if we had the ten additional officers proposed last week, we would have taken those ten into account and would have factored into other services that the police department doesn't deem as critical to delivery to Code Zero calls. As it stands now, to increase police force presence and to reduce Code Zero situations there are certain services that are being evaluated by the police chief as we speak. Our next best effort is in coming to a successful negotiation with the school district on a cost share for the existing school resource officer program. Once we get that contract approved by both the school board and City Council, the discussion can turn to utilizing those resources to increase police staffing.

Mayor Coody added that although Chief Johnson is reevaluating the efficiency of the department, no matter how efficiently the department runs it will still need more manpower. If twelve new positions were available (two in the budget and ten proposed last week), patrol on the street would be increased about 30%.

Alderman Rhoads asked if he is right in thinking that something has to be cut. Is there any other way to solve this disagreement?

Alderman Thiel said she is not in favor of cutting anything. In fact she has some grave concerns about budget cuts in some divisions. She agrees with Alderman Rhoads in that she doesn't know where the Council is going with this. Some aldermen are stating a concern about the need for more police and fire but they don't want the deficit. Where would cuts come from? Though there are things in the budget that are not perfect, she feels the citizens of Fayetteville appreciate the services that are provided. The Council could discuss this again in a week but that would not give staff enough time to come up with a solution to reduce the deficit unless they just go in and reduce all the non-profits. There were some conservative suggestions from staff regarding some of these non-profits earlier in the year that this council actually increased. She said she doesn't know what could be cut or, at this point, where revenues could be increased.

Alderman Marr said his point was that a $2.2 million deficit was originally projected. That had been cut by $400,000 but it was not reallocated to what later was identified as one of the top two issues.

Mayor Coody: Reallocate the $400,000?

Alderman Rhoads: Reallocate the $1.8 million. And maybe that's because there wasn't enough support for reallocating it.

Alderman Marr: Which is why we don't all have to agree to vote on every item. Aren't we debating what we think is important based on what is presented? He thinks the administration said that is an important item. What he is hearing is we have to wait a year to get it.

Alderman Thiel said she doesn't disagree about adding police. She said some of the aldermen are saying they are concerned about the deficit but Alderman Marr is saying he wouldn't mind increasing the deficit in order to add personnel that are needed. She said she is confused and is sure the staff is confused about what direction to take.

Alderman Lucas: In thinking further about this, she agrees. The $1.8 million deficit wouldn't bother her as much if we had the police, fire and safety core services increased. But it bothers her that we are going to have to look for other revenue just to get those core services. She would be happy with having even a higher deficit for the police and fire.

Steve Davis: In response to a question from Alderman Jordan, he said that we are predicting a reserve of $14 million. Four million is set aside for Wilson Springs. He said he is not suggesting that we spend that down to the minimum of 60 days reserve. He does state that if you are going to spend your reserves, you want to do it in a manner where you land gently when you get to the time where you can't use reserves any longer. The City is not there even through 2007 under the existing budget presented. If we move the items discussed off of City funding, then the general fund becomes all core services.

Alderman Jordan clarified that Mr. Davis is saying we can spend $1.8 million and we will be all right for about three years, if we have to continue that trend.

Steve Davis: That is correct. If we want to cap the use of reserves at $1.8 million and want to add police and fire staff above what is already proposed, we would have to go in and cut some other service.

Alderman Rhoads: He had the impression that police performance had been very good this year.

Chief Johnson: The monthly and quarterly performance measures are mostly self-initiated activities – tickets, warnings, accidents investigated, calls answered, etc. We do a very, very good job, mostly because of the individual performance of the officers. They know what is expected day-to-day. It is not like we have an option to not answer a call or say it can wait until somebody has more time. When the calls come in, the department responds to them and we do a very good job. However, we are at a point right now where we are simply not able to respond to all the calls in a timely manner. Some of those calls are priority one calls. There are situations when every officer is busy doing what he or she is supposed to be doing and there is not anyone else to send. There are performance expectations that we do a very good job with but what we are unable to do is adequately staff the shifts in such a way where the department can respond to all the calls in a timely manner. A couple of years ago if you asked a citizen how long it took an officer to respond to their call, the answer would have been around 15 or 20 minutes. It could take 45 minutes now.

Alderman Rhoads: If you look at the traffic patterns in Fayetteville, even if you had more officers right now, it would still take a greater time to get to a call just because of the traffic. The crime rate has been very favorable in Fayetteville. He thinks that is a very good indicator of a safe community.

Chief Johnson said he agreed but that is a slippery slope. Is that the same as saying if the crime rate goes up, he'll bear some responsibility for that? He said he cannot predict criminality. He

would prefer not to use crime rates to base performance. He said the PD would take some credit for the reputation Fayetteville has for criminals being less likely to commit offenses in Fayetteville thinking that they are more likely to be arrested than in other jurisdictions. But when it comes down to it, he doesn't know if they can take blame or credit for the crime rate.

Alderman Rhoads said he thinks the department educates the public pretty well and that has a lot to do with the crime rate. There are a lot of things that you can do and he feels the crime rate is a good measure of whether you need to add more people, more education, more squad cars, bigger guns, more motorcycles.

Chief Johnson: We have been doing that through the years. The budget request he submitted during the budgeting process was specific to officer positions. He presented the Council with some of the things that have been proposed to be cut and what the responses have been: Dickson Street bike patrol: No, don't touch it. SRO program: No, don't touch it. The Joint Terrorism Task Force: an officer assigned to the FBI specifically to assist them in what they do in anti-terrorism and their programs pulled from that unit effective the first of the year. Our officer assigned to the DEA – looking at removing him. Mall bike program: Don't touch it. Our community oriented policing program was specifically assigned to work with the neighborhood associations with code enforcement: cut. All this was done to add officers on the street. He said he has done what he can internally. Other things they are looking at: unlocks; private property accidents; looking at not completing reports on some non-injury accidents; trying to develop a policy on working with some of the alarm companies and what can be done to reduce the number of false residential alarms; not doing some misdemeanor theft reports. It comes down to reducing the number of Code Zero calls. There are times when people call the police department and need an officer when there is no officer to send. He has done everything he can to take out other services to create more time for the officers. The rest is up to the Council.

Alderman Thiel asked Chief Johnson to clarify what has actually been cut and which of those he listed will not be cut.

Chief Johnson: Some of the items have been discussed internally in order to put more officers on the street. But there are some favored, popular programs that will not be cut yet. These are operation issues. In some ways it is a decision the Council makes through the budgeting process but he is still responsible for making sure there are enough officers on the street to answer calls. There are times when there are more officers in the schools than there are on the street. But that is a favored program. It's not that he doesn't like that program, but it has to be balanced and cannot be at the expense of officers on the street.

Alderman Rhoads said that if he had a life or death emergency and called the police during a Code Zero situation, he would bet the dispatcher would try to figure out a way to stop a policeman from going to a less important call in order to respond to his. He doesn't think he buys into the fact that we have to have enough police standing and waiting to go on a call.

Chief Johnson: I understand what you mean. They are never standing and waiting for a call because they go from call to call. He said he has no other reason to come to the Council and ask for more officers. If it is the Council's decision not to fund it, the department will deal with it. He stated that the department does prioritize calls and will certainly leave one call to go answer another and then return to the first call. That happens frequently. If the aldermen feel that the number of officers on the street is adequate, that is fine. We hopefully will continue to have a

community that will continue to have a reputation of being safe, but you may have to wait awhile on calls. That's just the cost of doing business.

Mayor Coody said from his perspective, if he were in a position to make a decision, he would say that Chief Johnson should continue to make his department run as efficiently as possible and the administration and Council would continue to try to find ways to fund more policemen, with as little pain to the taxpayer as possible. He says he doesn't see how the Council can argue against a deficit and also argue for hiring more police and fire without making other cuts. He expressed his concerns about the Council waiting until this time to vote down the budget when there has been four months to discuss how to make up the shortfall. Staff gets criticized for projecting very conservatively yet the conservative number is used as a reason to vote against the budget. We know it won't be as bad as projected at the end of the year. Staff presents a budget to the Council and the Council approves or turns it down. With all the staff has done and all the options we know are before us, we need to make a decision either to raise taxes to fund more police and fire personnel, make broad cuts or we need to accept the budget before us which maintains the status quo as efficiently as we can. There is no way the staff can come back in one week or ten days with some new revenue stream to make up the difference. And this Council is not going to want to make the broad cuts in services it is going to take to balance this budget. He asked for the Council to let staff know what they wish to do.

Kit Williams: In response to a question from an alderman, Mr. Williams explained the Council's options. The budget can consider the budget at any called meeting. There are some special provisions in emergency situations where a city is allowed to go forward and not have to do the final budget prior to the end of the year, but you still have to do something to authorize spending.

Alderman Rhoads: Tonight, if you are in the majority, can you ask for consideration?

Kit Williams: You can ask for a motion to reconsider if you voted with the majority.

Alderman Lucas said she would make that motion because she felt some information has been brought forward. But she did want to say that she has talked to both the mayor and Steve Davis about franchise fees and has been asking about it since May. She has also talked about safety and fire all year. She doesn't think that is a surprise to the staff. But we do need to function as a City government.

Alderman Lucas moved to reconsider the resolution. Alderman Jordan seconded the motion.

Alderman Jordan asked that other revenue streams be really considered. He also wants to look at ways to tighten our belt. He wants something brought forward to the Council in the next two or three months to be reviewed, such as user fees, franchise fees and possible property taxes.

Alderman Rhoads: If the vote is not changed, either the Council has to decide what will be cut or figure out what deficit we are comfortable with, figure out what we want to add to police and fire and with that number in hand, take a percentage off every department to get to that number.

Mayor Coody said we want to provide good services to the City of Fayetteville. This staff and administration is very fiscally conservative. We have the lowest property tax of any city in Northwest Arkansas. We do not collect a property tax for operations and maintenance. If we

matched the next lowest taxing city in Northwest Arkansas we would likely see a $4.2 million dollar surplus instead of a deficit. He is very pleased with the staff working very hard every day to make sure the money we have gets spent wisely and the belt is tight. It is amazing what our City employees have been able to accomplish on such a limited budget.

Alderman Reynolds said he knows we do need to tighten our belts but he is glad the Council has come around to talking about ways of funding. He would like to see something done by March to get the fire and police we need. He said he would vote for the budget if we could promise to have something done by March.

Kit Williams: In response to Alderman Marr's question, he explained that this vote would simply bring this issue back on the table; it would not pass the resolution.

Upon roll call, the motion passed unanimously.

Kevin Springer: In response to Alderman Marr's question, he stated that it takes $53,000 to fund the first three officers and $89,000 for the fourth. That includes the purchase of a Crown Victoria.

Alderman Marr moved that the budget be amended to add $392,208 for six police officers. Alderman Reynolds seconded that motion.

There was some discussion about numbers and how much it would take to fund six officers.

Alderman Odom: If we pass this budget tonight, not amended, is it true that the budget can be amended at any meeting?

Mayor Coody: Yes.

Alderman Odom: Rather than trying to figure out roughly what the amount would need to be, he encouraged the Council to take a slower approach and know exactly what the proposal is and what it is going to mean before an amendment is made without due consideration.

Alderman Jordan: Whatever the cost is, it has to come from somewhere. If we fund the police, we're going to have to look at taking more money out of reserves rather than cutting personnel.

Alderman Marr: We started with a projected budget with a $2.2 million deficit. We have cut that to $1.8. If you add $392,000 (six officers) it roughly puts it at the original projected budget and gets us one half of what we discussed in terms of property tax.

Alderman Rhoads encouraged Alderman Marr to reconsider and realize that we can tinker with this in way to perhaps find some areas to cut and still add the police and do that 30 days from now.

Alderman Jordan said his concern has been that they have looked at the deficit but never really discussed any way to address the deficit. Ideas have been kicked around but nothing concrete has been done. Now he feels the Council has made a commitment to that so that takes care of his concern.

Alderman Reynolds: He thinks the citizens of Fayetteville expect a fire truck in under seven minutes and they expect a policeman under forty-five minutes. We've paved, put in sidewalks and trails and he thinks the people want police available when they are called. If this is what it takes to get them, then we need to do it.

Mayor Coody: He respects Alderman Marr's proposal and is glad to see Council support for the police department. However, he likes Alderman Odom's suggestion, as it would give the staff a chance to come up with a workable solution. If this proposal is turned down, staff could come back in the second meeting in January with a proposal to add six more policemen in 2005.

Alderman Thiel said she agrees with Conrad. She thinks everyone feels like there is a need for additional police officers. Her concern is that funding this at this point will not allow the staff to come up with workable solutions to funding these positions. She thinks it might be better to wait until January and look at it with a little more input from the staff and administration. She added that she probably would not vote against the motion because she doesn't want to send out the message that she is opposed to adding police officers.

Alderman Cook said he would support this amendment. He is against the deficit and would vote no on the budget as it is. But if we are going to spend it, we should at least spend it on the core services people want to see.

Alderman Lucas said she agrees. She feels this will put the emphasis on the Council to come up with something to fund what they feel are the priorities.

Alderman Rhoads said he would not support the motion. There is flexibility in the process and a decision can be made after Chief Johnson provides a plan or after further discussion and a further look at other revenue sources. To go from a $1.8 million deficit after beating up on the staff to take it from a $2.2 million deficit and add on to it to bring it back to $2.2 confuses him. He said he wants to look at the budgeting process and try to rethink what has been done and how, after at least six meetings, the group wasn't able to address the disagreement and not wait until the last minute. He is surprised at the outcome of this meeting and would have thought the budget would have passed easily.

Mayor Coody said he understands that and asked if there was any further conversation.

Mayor Coody asked shall the motion pass. Upon roll call, the motion passed on a vote of 5 to 3, Aldermen Cook, Marr, Lucas, Jordan and Reynolds voting yes and Aldermen Thiel, Rhoads and Odom voting no.

Alderman Rhoads moved that the $392,000 be divided up and that amount taken out of every other area of the budget evenly across the board to get the budget back to a $1.8 million projected deficit.

The motion failed for lack of a second.

Alderman Reynolds moved to approve the 2005 Annual Budget and Work Program. Alderman Thiel seconded the motion.

Upon roll call the motion passed on a vote of 7-1, Aldermen Thiel, Cook, Marr, Odom, Lucas, Jordan and Reynolds voting yes and Alderman Rhoads voting no.

Resolution 215-04 as Recorded in the Office of the City Clerk.

NEW BUSINESS:

Amend Title XI: Chapter 117, Article IV: Taxicabs, and Article V: Limousines: An ordinance amending Title XI: Chapter 117, Article IV: Taxicabs, and Article V: Limousines of the Code of Fayetteville.

Kit Williams read the ordinance.

Kit Williams explained that these were the amendments suggested by the City Council at the last meeting. In answer to an inquiry from Alderman Reynolds regarding placement of the decal he explained that the current version of the ordinance indicates the decal must be placed on the rear window at the request of the police.

Alderman Reynolds asked if the taxi drivers should be required to have a CDL license.

After verification from Lt. Tabor of the Police Department that that was a requirement according to the City Prosecutor's office, Mr. Williams said it would be added to the ordinance.

Alderman Reynolds asked for clarification of the difference between a chauffeur for hire permit and a CDL license.

Lt. Greg Tabor: A CDL is on a vehicle over a certain weight, carrying over 15 or 17 people. A chauffeur's license is for any car for hire. He assumes that test is done through the State police like any other driver's license.

Alderman Reynolds moved to amend the ordinance to reflect the changes discussed. Alderman Lucas seconded the motion. Upon roll call the amendment passed unanimously.

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

Kit Williams read the ordinance.

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

Kit Williams read the ordinance.

Alderman Odom wanted to state for the record that he does have a problem with Code 117.33 (Liability Insurance), specifically with provision B. From his experience, he has had difficulties in collecting for people who have had damages as a result of someone's negligence when they were self-insured. He doesn't think the citizens of Fayetteville are adequately protected with this particular provision.

Alderman Odom moved to amend the ordinance to remove the self-insurance clause. Alderman Reynolds seconded the motion.

Kit Williams: In response to a question from Alderman Thiel, he explained that a previous approval to allow Tony C's to operate under self-insurance was conditional upon the Council amending the Code of Ordinances to allow self-insurance. The Code does not currently allow self-insurance.

Alderman Odom wanted to make sure that Tony C's position also be made clear although he doesn't agree with it. Tony Catroppa has said it would be difficult for him to operate a taxi service with the requirement that he have an insurance policy.

Upon roll call the amendment passed on a vote of 6-2 with Aldermen Thiel, Cook, Odom, Lucas, Jordan and Reynolds voting yes and Aldermen Marr and Rhoads voting no.

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

Ordinance 4661 as Recorded in the Office of the City Clerk.

Sensus Metering Systems Bid Waiver: An ordinance waiving the requirements of formal competitive bidding and approving the purchase of ten (10) hand-held touch-read meter reading devices with communication accessories from Sensus Metering Systems for the Meter Operations Division in the amount of $41,062.50.

Kit Williams read the ordinance.

Alderman Jordan moved to suspend the rules and go to the second reading. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Kit Williams read the ordinance.

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

Kit Williams read the ordinance.

Mayor Coody asked Greg Boettcher to come to the front. He thanked him for his service and all he has done for the City. Mr. Boettcher introduced Matt Taylor with Burns and McDonnell to the Council. Mr. Taylor will be present at City Hall for an interim period until Mr. Boettcher's replacement is hired to ensure continuity with the water and wastewater capital project.

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

Ordinance 4654 as Recorded in the Office of the City Clerk.

University of Arkansas Consulting Contract: An ordinance waiving the requirements of formal competitive bidding and approving a master contract with the Board of Trustees of the University of Arkansas to provide the City of Fayetteville with specific consulting and study services.

Kit Williams read the ordinance.

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

Kit Williams read the ordinance.

Steve Davis: In response to a question from Alderman Cook he stated that the University has been scheduled to present the studies they have completed at the work session scheduled for January 11, 2005.

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

Kit Williams read the ordinance.

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

Ordinance 4655 as Recorded in the Office of the City Clerk.

ANX 04-1222 (Doris Roberts): An ordinance annexing that property described in annexation petition ANX 04-1222 annexing to the City of Fayetteville, Arkansas, certain property owned by Doris Faye Roberts located at the south end of Roberts Road containing approximately 47.13 acres.

Kit Williams read the ordinance.

Jeremy Pate, Planning Division: The petitioner for this item is requesting an annexation of approximately 47 acres located at the intersection of Goff Farm Road and Roberts Road. Staff recommends approval of this request. The Planning Commission voted to approve the annexation and there has been no significant public comment.

Mayor Coody opened the floor for public comment. There was none.

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

Kit Williams read the ordinance.

Alderman Thiel even though she has no opposition to this request, she feels it should be left on the second reading to make sure the public is totally aware of it before a final vote is taken.

Ordinance 4656 as Recorded in the Office of the City Clerk.

RZN 04-1280 (Doris Roberts): An ordinance rezoning that property described in rezoning petition RZN 04-1280 for property located on Roberts Road south of Highway 16 East containing approximately 47.13 acres from R-A, Residential Agricultural to RSF-4, Residential Single Family, four units per acre.

Kit Williams read the ordinance.

Alderman Thiel asked if she could make a motion to reconsider the last item as the applicants were not specifically asked if there was an emergency or real need for getting this passed this year.

Kit Williams: With the consent of the Council the petitioners can be allowed to speak.

Charles Harwell spoke as a representative of Ms. Roberts and stated the contract had been under contract since April and it would benefit the family greatly if the matter could move forward. He said there had been a good deal of public comment and given the staff's recommendation he urged the Council to move the matter along.

Kit Williams: Stated that suspending the rules on the annexation ordinance is allowable.

Alderman Rhoads moved to suspend the rules and move the annexation ordinance to the third and final reading. Alderman Marr seconded the motion. Upon roll call the motion passed unanimously.

Kit Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the annexation ordinance passed on a vote of 7 to 1 with Aldermen Thiel, Marr, Rhoads, Odom, Lucas, Jordan, Reynolds voting yes and Alderman Cook voting no.

Alderman Odom moved to suspend the rules and go to the second reading of the rezoning ordinance. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Kit Williams read the ordinance.

Alderman Reynolds moved to suspend the rules and go to the third and final reading. Alderman Thiel seconded the motion. Upon roll call the motion carried unanimously.

Kit Williams read the ordinance.

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

Ordinance 4657 as Recorded in the Office of the City Clerk.

VAC 04-1255 (Hanks): An ordinance approving VAC 04-1255 submitted by Tim Maddox for property located on the east side of 2553 Ferguson Avenue as described on the attached map and legal description.

Kit Williams read the ordinance.

Jeremy Pate, Planning Division: The applicant is requesting to build an addition to their home. The Transportation Division has inspected and field verified where the line is located and has

stated that the easement vacation will not impede their ability to maintain the line. The existing utilities are within the easement but there is adequate room for access to the line.

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

Kit Williams read the ordinance.

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

Kit Williams read the ordinance.

Mayor Coody opened the floor for comment from the public. There was none.

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

Ordinance 4658 as Recorded in the Office of the City Clerk.

VAC 04-1279 (Pearson): An ordinance approving VAC 04-1279 submitted by Wyma & C.T. Pearson for an alley located at Block 3, Rosehill Addition as described on the attached map and legal description.

Kit Williams read the ordinance.

Jeremy Pate, Planning Division: Staff recommends approval of this vacation request and the Planning Commission voted 6-1 in favor of the request. In response to a request from Alderman Thiel for clarification as to why the staff recommends approval, he explained that continuing this alley and the streets on the west and east sides of it on to North Street is not a likely scenario because of the drop between the alley and North Street. The applicant currently owns all but one parcel of the property surrounding this area. Very likely a development will occur and allow a more feasible use of the property.

Alderman Thiel: Could the applicant not use the alley to some extent if it was not vacated?

Jeremy Pate: Yes, ma'am.

Alderman Thiel: At this time the City maintains ownership and with a vacation would lose that. She will not support vacation.

Jeremy Pate: In response to a question from Alderman Cook, he said if this property is developed, it will come through the City's planning process and will have to meet ordinance requirements. It would likely not come through as a large-scale development.

Alderman Marr: This property and the property around it is zoned RMF-40 but actually the use appears to be more residential as opposed to multi-family.

Jeremy Pate: This area was platted as single family residential many years ago. It has changed in character somewhat and the majority of the development is now multi or two-family.

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

Kit Williams read the ordinance.

Alderman Thiel moved to suspend the rules and go to the third and final reading. Alderman Odom seconded the motion. Upon roll call the motion passed unanimously.

Kit Williams read the ordinance.

Mayor Coody opened the floor for public discussion. There was none.

Kit Williams: In response to a request for clarification on the facts of finding on vacations, he explained the rules and on what the Council could base its decision.

Jeremy Pate: Said he could attest to the fact that the alley has never been constructed or utilized.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed on a vote of 6 to 2, with Alderman Cook, Marr, Rhoads, Odom, Jordan, Reynolds voting yes and Aldermen Thiel and Lucas voting no.

Ordinance 4659 as Recorded in the Office of the City Clerk.

ADM 04-1303 Amend Chapter 166.04 Street Standards: An ordinance amending Title XV: §166.04, Unified Development Code, of the Fayetteville Code of Ordnances, to require city street standards for the subdivisions within one (1) mile of the city limits.

Kit Williams read the ordinance.

Tim Conklin, Planning Division: The staff is bringing this ordinance forward to amend the City's subdivision regulations to require City street standards within our planning area within one mile of the City limits. This will allow developments that occur to install city streets that meet our standards for curb, gutter, sidewalks and streetlights. If these areas are annexed into the City in the future, they will meet City standards. Planning Commission recommended approval of this amendment.

Alderman Rhoads: He said he thought the largest reason to annex property into the City was to prevent the building of substandard subdivisions. If we are able to do something like this amendment, why do we annex?

Tim Conklin: There are other issues beyond the streets such as septic systems that are being built within these areas. There's also no land use control. During annexation meetings they looked at development occurring just outside the City that included liquor stores, mini-storage and churches that were not meeting our development or zoning standards. In response to a question from aldermen, he said the City's planning area averages a mile to two miles outside the city limits.

Mayor Coody opened the floor for public comment. There was none.

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

Kit Williams read the ordinance.

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

Kit Williams read the ordinance.

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

Ordinance 4660 as Recorded in the Office of the City Clerk.

PUBLIC HEARINGS:

Dynasty Limousine; Certificate of Public Convenience and Necessity: A resolution granting a Certificate of Public Convenience and Necessity to Dynasty Limousine for the operation of a limousine service within the City of Fayetteville, Arkansas.

Mayor Coody called the public hearing to order.

Lt. Greg Tabor: Mr. Ross Curry, owner of Dynasty Limousine, has provided all the appropriate paperwork. In response to a question from Alderman Reynolds he said that to pass inspection the limousines would have to have for-hire tags on them.

Mayor Coody opened the floor for public comment. There was none.

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

Mayor Coody closed the public hearing.

Resolution 216-04 as Recorded in the Office of the City Clerk.

There was discussion about a meeting with area legislators scheduled for Thursday. Four aldermen would be able to attend. Kit Williams will check with the legislators to see if they are still interested in coming.

Meeting Adjourned at 8:40 PM.

Sondra Smith

Sondra Smith, City Clerk

Dan Coody

Dan Coody, Mayor

Nominating Committee Report
Meeting: Monday, December 6, 2004
Room 326, City Hall 4:00 p.m.
Members Present – Kyle Cook, Shirley Lucas, Don Marr, Robert Rhoads

The following was not presented to the Council. It was prepared by the City Clerk's Office for future reference. Don Marr, Nominating Committee Chair read the names of the nominees to the Council at the December 21, 2004 City Council Meeting and they were approved.

Airport Board
Vaughn Decoster, One Pilot term ending 12/31/09

Audit Committee
No applicants

Environmental Concerns Committee
David Harsh, One Citizen-At-Large term ending 12/31/07
Sharon Ledbetter, One unexpired Citizen-At-Large Term ending 12/31/06

Parks and Recreation Advisory Board
Jerry Bailey, One term ending 12/31/06
Monroe Harrison, One Term Ending 12/31/06
Stephen Langsner, One Term Ending 12/31/06
Jay Davidson, One term ending 12/31/06

Tree & Landscape Advisory Board
Beverly Melton, One Citizen-At-Large term ending 12/31/06
Frederick Cusanelli, One Citizen-At-Large term ending 12/31/06
Sarah Patterson, One Forestry term ending 12/31/06
John Crone, One unexpired University Representative term ending 12/31/05

Youth Activities Committee
No applicants

Listed Below are the names of the appointees selected by the Mayor which were also read at the December 21, 2004 City Council Meeting and approved.

Board of Health
Dr. Anthony Hui - One Physician term ending 12/31/08
Dr. David Crittenden - One Physician term ending 12/31/08
Don Moore - One Citizen-at-Large term ending 12/31/08
Jim Huffman - One Citizen-at-Large term ending 12/31/08
Rick Johnson - One Citizen-at-Large term ending 12/31/08

Library Board
Daniel Ferritor - One unexpired term ending 04/01/08