Mayor Lioneld Jordan

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

Aldermen

Ward 1 Position 1 – Adella Gray
Ward 1 Position 2 – Brenda Thiel
Ward 2 Position 1 – Kyle B. Cook
Ward 2 Position 2 – Matthew Petty
Ward 3 Position 1 – Robert K. Rhoads
Ward 3 Position 2 – Robert Ferrell
Ward 4 Position 1 – Shirley Lucas
Ward 4 Position 2 – Sarah E. Lewis

City of Fayetteville Arkansas
City Council Meeting Minutes
October 5, 2010

A meeting of the Fayetteville City Council was held on October 5, 2010 at 6:00 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Mayor Jordan called the meeting to order.

PRESENT: Alderman Thiel, Cook, Petty, Rhoads, Ferrell, Lucas, Lewis, Mayor Jordan, City Attorney Kit Williams, City Clerk Sondra Smith, Staff, Press, and Audience.

ABSENT: Alderman Gray

Pledge of Allegiance

Mayor's Announcements, Proclamations and Recognitions: None

City Council Meeting Presentations, Reports and Discussion Items: None

Agenda Additions: None

<u>Consent:</u>

Approval of the September 7, 2010 and September 21, 2010 City Council meeting minutes.

Approved

RFP #10-04 (Regions Insurance Inc.) Insurance Brokerage Services: A resolution approving RFP #10-04 and authorizing a contract with Regions Insurance Inc. in the amount of $14,000.00 with four one year automatic renewal options for the provision of insurance brokerage services.

This resolution was removed from the Consent Agenda for discussion.

2010-2011 Selective Traffic Enforcement Program (STEP) Grant: A resolution authorizing acceptance of a 2010-2011 Selective Traffic Enforcement Program (STEP) grant award in the amount of $103,200.00 with a $79,200.00 local match, and approving a budget adjustment.

Resolution 169-10 as recorded in the office of the City Clerk.

Citizen Donation Revenue: A resolution approving a budget adjustment in the amount of $1,000.00 to recognize revenue from a citizen donation for purchasing microchips for the pet wellness expo event.

Resolution 170-10 as recorded in the office of the City Clerk.

Department of Justice Community Oriented Policing Services (COPS) Grant: A resolution authorizing acceptance of a U.S. Department of Justice Community Oriented Policing Services for Technology Program (COPS) non-matching grant award in the amount of $750,000.00, and approving a budget adjustment.

Resolution 171-10 as recorded in the office of the City Clerk.

Bid #10-50 (Sivad, Inc.) Educational Equipment: A resolution awarding Bid #10-50 and authorizing a contract with Sivad, Inc. in the amount of $95,714.00 for educational equipment and learning systems related to weatherization, energy efficiency and other green initiatives.

Resolution 172-10 as recorded in the office of the City Clerk.

Bid #10-55 (Rick Pershall Building Company) Animal Shelter Dog Runs: A resolution awarding Bid #10-55 and authorizing a contract with Rick Pershall Building Company in the amount of $46,410.00 for refurbishment of dog runs at the Fayetteville Animal Shelter, and approving a project contingency of $3,112.00.

Resolution 173-10 as recorded in the office of the City Clerk.

Bid #10-57 (N.E.C. Inc.) City Compost Facility: A resolution awarding Bid #10-57 and authorizing a contract with N.E.C. Inc. in the amount of $77,500.00 plus applicable sales tax for concrete pad construction at the City Compost Facility, and approving a 10% project contingency.

Resolution 174-10 as recorded in the office of the City Clerk.

Alderman Cook moved to approve the Consent Agenda with RFP #10-04 (Regions Insurance Inc.) Insurance Brokerage Services removed for discussion. Alderman Lewis seconded the motion. Upon roll call the motion passed 6-0. Alderman Petty was absent during the vote. Alderman Gray was absent.

The following resolution was removed from the Consent Agenda for discussion:

RFP #10-04 (Regions Insurance Inc.) Insurance Brokerage Services: A resolution approving RFP #10-04 and authorizing a contract with Regions Insurance Inc. in the amount of $14,000.00 with four one year automatic renewal options for the provision of insurance brokerage services.

Alderman Ferrell stated he asked that the item be pulled from Consent because there was a businessman here in town that bid on this and he wanted to understand how the whole thing worked.

Peggy Vice, Purchasing Manager: This was selected with a request for proposal. The items that were considered were qualifications, experience, competence, and capacity for performance, proposed method of doing work, past performance, and price. The selection committee received six proposals that ranged from $13,000 to $95,000. We have worked with Regions for about 10 years. They are ranked the 20th broker in the United States.

Alderman Ferrell: The fact sheet says Regions Insurance was unanimously selected by the committee with Easton Insurance selected in second place. Ten percent of it is price, so you have 90% in other factors that are considered for your choice.

Peggy Vice: Correct. State law sets out the different criteria that you have to use when you are considering requests for proposals. Purchasing puts in different criteria, different percentages, and then the Selection Committee reviews it and changes it or approves it.

Alderman Rhoads moved to approve the resolution. Alderman Cook seconded the motion. Upon roll call the resolution passed 7-0. Alderman Gray was absent.

Resolution 175-10 as recorded in the office of the City Clerk.

Unfinished Business: None

New Business:

RZN 10-3633 (Willy Berchtold): An ordinance rezoning that property described in rezoning petition RZN 10-3633, for approximately 2.45 acres, located at 2409 Huntsville Road from C-2, Thoroughfare Commercial, RSF-4, Residential Single Family, 4 units per acre, and R-A, Residential Agricultural, to CS, Community Services Zoning District.

City Attorney Kit Williams read the ordinance.

Jeremy Pate, Internal Services and Development Director gave a brief description of the ordinance. He stated Staff and Planning Commission both recommend approval of the rezoning.

Alderman Thiel: I don't suppose there were any neighbors that voiced concerns about it because that whole area is already commercial. It is adjacent to residential. I don't have a problem with it.

Alderman Ferrell moved to suspend the rules and go to the second reading. Alderman Lucas seconded the motion. Upon roll call the motion passed 7-0. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Alderman Thiel moved to suspend the rules and go to the third reading. Alderman Ferrell seconded the motion. Upon roll call the motion passed 7-0. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Mayor Jordan asked shall the ordinance pass. Upon roll call the ordinance passed 7-0. Alderman Gray was absent.

Ordinance 5357 as Recorded in the office of the City Clerk

RZN 10-3642 (Gardens on Persimmon): An ordinance rezoning that property described in rezoning petition RZN 10-3642, for approximately 11.18 acres, located at 4405 Persimmon Street from RSF-4, Residential Single Family, 4 units per acre to P-1, Institutional.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the ordinance. Staff recommended approval of the zoning. Planning Commission voted 8-0 in favor of the request.

Alderman Lucas moved to suspend the rules and go to the second reading. Alderman Lewis seconded the motion. Upon roll call the motion passed 7-0. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Alderman Lucas moved to suspend the rules and go to the third reading. Alderman Lewis seconded the motion. Upon roll call the motion passed 7-0. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Mayor Jordan asked shall the ordinance pass. Upon roll call the ordinance passed 7-0. Alderman Gray was absent.

Ordinance 5358 as Recorded in the office of the City Clerk

Illinois River Watershed Partnership (IRWP) Contract for Watershed Education: An ordinance waiving the requirements for competitive bids and approving a contract with the Illinois River Watershed Partnership in the amount of $10,000.00 for watershed educational and planning services.

City Attorney Kit Williams: The ordinance that was originally handed out at Agenda Session needed to be amended. I have submitted the amended ordinance to you. I would ask for a motion to amend the ordinance.

Alderman Lewis: I need to recuse myself from this discussion.

Alderman Thiel moved to amend the ordinance as proposed by City Attorney Kit Williams. Alderman Lucas seconded the motion. Upon roll call the motion passed 6-0. Alderman Lewis recused. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Sarah Wrede, Staff Engineer gave a brief description of the ordinance.

Alderman Thiel moved to suspend the rules and go to the second reading. Alderman Petty seconded the motion. Upon roll call the motion passed 6-0. Alderman Lewis recused. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Alderman Thiel moved to suspend the rules and go to the third reading. Alderman Lucas seconded the motion.

City Attorney Kit Williams read the ordinance.

Dr. Delia Haak, Executive Director with the Illinois River Watershed thanked the City Council and the City of Fayetteville for their leadership in the watershed. She stated it is a priority watershed in the State of Arkansas and Fayetteville is the largest city in the urban area. The watershed has done a wonderful job in supporting education and outreach. She also recognized Alderman Sarah Lewis and stated she has been a great friend and supporter of the partnership, the work in education, and outreach in the watershed.

Mayor Jordan thanked Delia for her hard work.

Upon roll call the motion passed 6-0. Alderman Lewis recused. Alderman Gray was absent.

City Attorney Kit Williams read the ordinance.

Mayor Jordan asked shall the ordinance pass. Upon roll call the ordinance passed 6-0. Alderman Lewis recused. Alderman Gray was absent.

Ordinance 5359 as Recorded in the office of the City Clerk

Bid #10-52 (Total Environmental Systems, Inc.) Fire Department Generators: A resolution awarding Bid #10-52 and authorizing a contract with Total Environmental Systems, Inc. in the amount of $96,900.00, plus a 10% project contingency, for the purchase and installation of electrical generators for the Fayetteville Fire Department.

David Dayringer, Fire Chief requested that the proposal be tabled. They will go out for bid again on the project as it has been amended by the Equipment Committee.

Mayor Jordan: Is there a recommendation on how long it will take?

Don Marr, Chief of Staff: Mayor we recommend you table it indefinitely because the proposal will change.

Alderman Cook: Can I ask what the discussion was for the amended proposal?

Alderman Ferrell stated the amended proposal is going to be to change the estimate. They wanted three generators and the Equipment Committee recommended two. They are going to have to extract part of the installation.

Paul Becker, Finance Director: It was a removal of one of the generators, the one that was requested for the Fire Marshall's office. It changes the bidding process so we have to go out for bid.

Alderman Ferrell moved to table the resolution indefinitely. Alderman Petty seconded the motion. Upon roll call the motion to table passed 7-0. Alderman Gray was absent.

This resolution was tabled indefinitely.

2010 Millage Levy: An ordinance levying a tax on the real and personal property within the City of Fayetteville, Arkansas for the year 2010 Fixing the rate thereof at 1.3 mills for general fund operations, 0.4 mills for the Firemen's Pension and Relief Fund, 0.4 mills for the Policemen's Pension and Relief Fund and 1.0 mill for the Fayetteville Public Library; and certifying the same to the County Clerk of Washington County, Arkansas.

City Attorney Kit Williams read the ordinance.

Paul Becker: This is not an increase in any tax. This is the same property tax that we had last year. The City's portion of the property tax would stay the same. We need to have the millage set by October 31.

We had a discussion of the General Fund budget in September, at that point in time we looked at the General Fund budget in the context of what we would need for a millage. We are going to project that the revenue will be the same next year as we are receiving this year. That means we are going to receive about $850,000 to $900,000 less next year than we are this year. Administration looked at programs and reductions that we could make and we came up with net reductions of about $500,000. This would leave us a shortfall of approximately $1.4 million. There are several ways of closing that gap and getting revenues in line with expenditures. We could reduce expenses which we have done. Any further reduction in expenses is going to have to address services to the public. We could discuss the capital budget. The third way is to increase property taxes which the administration is not recommending at this time. The other way to close that is to use available reserves of $1.4 million. The 2009 budget was $35.8 million. This budget will be $33.8 million. That is two million dollar reduction in the General Fund budget over time. The request at this time is to maintain the same millage level for next year for the City which would be 1.3 mills.

Alderman Lucas: You said we anticipate having $1.4 million in the discretionary.

Paul Becker: That's correct.

Alderman Lucas: So we don't have it now.

Paul Becker: Yes, we do. I assume we will have it at the end of the year based on the expenditure pattern at this point in time. I feel we are going to have the same level of reserves at the end of the year that we have right now based on the expenditure patterns. I say anticipate because we never know.

Alderman Lucas: You are saying we will still have it at the end of the year.

Paul Becker: Yes, I'm projecting we are going to fall at the same rate between now and the end of the year.

Alderman Lewis: Can you talk about the county activities?

Paul Becker: About some of the information that has been in the paper at the county level?

Alderman Lewis: Yes and how that affects the City's budget.

Paul Becker: The Quorum Court has had budget discussions and during those budget discussions they talked about decreasing the road millage. The road millage is shared with the municipalities. In our case we get 80% of the road millage levied on citizens in Fayetteville.

The county has talked about reducing the county road millage and increasing their general fund millage to resolve their budget issues. We would receive $600,000 less to run the street program. We are talking about the general fund but that would reduce the money available in the street program.

Alderman Lewis: But that is outside the general fund.

Paul Becker: The census will be filed approximately in March and at that point in time we are going to see what happens to the county sales tax. The county sales tax is distributed based on population. It is anticipated that the proportion that the county gets will be less because they will lose population because of annexation over time and most of the municipalities will grow including Fayetteville. From their estimates we would increase in the county portion of the sales tax to help defray that cost. We have no idea what affect that will have on Fayetteville.

Don Marr: The County Budget Committee will be meeting on October 11th at 4:30 p.m. The Mayor, Paul and I have been invited along with the Mayor and his various management individuals from the City of Springdale. I would encourage the Council to attend. I encourage the Council to have discussions with the JP's that are specific to the areas of Fayetteville that are part of the county and express your concerns. We have received calls from a couple representatives who have been seeking input on that particular discussion.

Alderman Cook: I want to follow up on my comments from our first discussion on the millage. We looked at the three options and my comment was can we do a blend of those options. My concern was if we use all the reserves to cover the shortage we have tapped it out at that point. I'm concerned that we might see this again next go around. I propose a millage increase of .3 mills to cover a piece of that deficit. As we move forward I have some other proposals as far as changes in the budget and anything we can't cover we take out of reserves. My goal in that is to try to maintain a little left in the reserve fund so if we have to go through this again next year we will still have some reserves left. If we tap that out this year then all we are going to have left is millage or make some very drastic cuts.

Mayor Jordan: Unless the economy comes back.

Alderman Cook moved to increase the millage by .3 mills. Alderman Thiel seconded the motion. This motion was not voted on. It was tabled until the next City Council meeting.

Alderman Cook: I don't like taxes anymore than anyone else. It's never a good time to ask for it. We've had this discussion many years in a row and there are a lot of reasons not to support it but I think we should at least put it on the table.

Alderman Lucas: How much will it bring?

Paul Becker: Approximately $400,000.

Alderman Lucas: We brought this up at a Ward 4 meeting for people to think about. I thought the consensus at that time was that they didn't want us to deplete the discretionary reserve completely. They like the idea of having some from both areas. That is why I'm going to support this.

Alderman Thiel: How much will that amount to per year for a $100,000 home?

Paul Becker: I would estimate $20.

Alderman Thiel: I have rental property and almost every parcel I have has gone down in the appraised value due to reassessment. It may be a push as far as it costing a whole lot for the effect it will have on our budget and being able to maintain what we are doing now in the level of providing services.

Alderman Ferrell moved to table Alderman Cooks motion to the October 19, 2010 City Council meeting. Alderman Cook seconded the motion.

Alderman Petty: I'm willing to discuss this and consider Alderman Cook's suggestion but I would prefer that we table it.

Alderman Lewis: As a result of the Ward 4 meeting and conversations that I have had with citizens I appreciate the opportunity to discuss it.

Upon roll call the motion to table the increase in millage passed 7-0. Alderman Gray was absent.

Announcements:

Alderman Ferrell announced the upcoming Ward 3 Clean up at the Elks Lodge and Vandergriff Elementary School.

Alderman Lewis announced First Thursday.

Don Marr reminded the Council that as part of First Thursday the City will be conducting a public input session on the 2030 Master Plan at the Bank of Fayetteville.

Alderman Lucas stated the Ward 4 meeting is going to be a Town Hall meeting at the Boys and Girls Club on October 25th at 7:00 p.m.

Don Marr announced the Pancake Breakfast at Central Fire Station on Center Street 5:00 a.m. to 12:00 p.m.

Mayor Jordan stated the Tree give away is Saturday starting at 7:00 a.m.

Don Marr also announced Art in the Park at Wilson Park.

Paul Becker announced a budget discussion after Agenda Session next Tuesday.

Alderman Ferrell stated the Street Committee is going to have a meeting on site to illustrate the plans for the remainder of Block Street.

Meeting adjourned at 6:45 p.m.

Lioneld Jordan
Lioneld Jordan, Mayor

Sondra E. Smith
Sondra E. Smith, City Clerk/Treasurer