A MEETING OF THE FAYETTEVILLE CITY COUNCIL

A meeting of the Fayetteville City Council was held on Tuesday, October 20, 1998, at 6:30 p.m. in the Council Room of the City Administration Building, 113 W. Mountain, Fayetteville, Arkansas.

PRESENT: Mayor Fred Hanna, Alderman Daniel, Alderman Pettus, Alderman Schaper, Alderman Trumbo, Alderman Williams, Alderman Young, City Attorney Jerry Rose, City Clerk/Treasurer Heather Woodruff, Staff, Press, Audience

ABSENT: Alderman Miller

CONSENT AGENDA:

MINUTES: Approval of minutes from October 6, 1998, meeting.

LAKE FAYETTEVILLE BOAT DOCK: A resolution awarding a contract to Jim Black, Lake Fayetteville Marine, to operate the Lake Fayetteville Boat Dock. The contract is for one year with five, one year renewals.

RESOLUTION 135-98 AS RECORDED IN THE CITY CLERK'S OFFICE

AIRPORT LIGHTING: A resolution approving a contract with Robert Bailey Electric, Inc. In the amount of $386,907.40 for the Airfield Taxi Lighting Rehabilitation Project and approval of a $38,690 contingency.

RESOLUTION 136-98 AS RECORDED IN THE CITY CLERK'S OFFICE

IN-HOUSE PAVEMENT IMPROVEMENT PROGRAM: A resolution approving a budget adjustment for $120,000 and $92,000 to reimburse and supplement the In-House Pavement Improvement Program.

RESOLUTION 137-98 AS RECORDED IN THE CITY CLERK'S OFFICE

The motion was made by Alderman Williams to approve the Consent Agenda. The motion was seconded by Alderman Daniel. Upon roll call, the motion carried with a vote of 6-0-0.

OLD BUSINESS:

REAL AND PERSONAL PROPERTY TAX RATES: Mayor Hanna reintroduced an ordinance adopting real and personal property tax rates for 1998 for the Police and Fire Pension Funds. The rate to be adopted is 0.5 mils for both real and personal property. There is no millage proposed for general government operations. The ordinance was left on the second reading at the October 6, 1998, meeting.

October 20, 1998

City Attorney Rose read the ordinance for the third time.

Kevin Crosson, Administrative Services Director, noted that Council members have information on the most recent actuarial reports on both police and fire pensions, the relevant code relating to Board responsibilities, and information on the property tax itself. He related that Pete Reagan of the fire department, and Steve Davis, Budget Coordinator, who worked on the Amendment 59 issue for the city, were in the audience to answer questions.

Alderman Pettus asked Mr. Davis to address the Amendment 59 issue.

Steve Davis, Budget Coordinator, said Amendment 59 allows a 10% increase. Assessment for this year is about 4.5%. In response to a question from Alderman Pettus, he affirmed that only this year's increase is at issue, not any prior year's increase.

Mr. Rose confirmed that his understanding was the same.

Mayor Hanna asked for additional questions for Mr. Davis. He then invited Pete Reagan to address the Council meeting.

Mr. Reagan stated that he had made a detailed presentation at the Agenda meeting, but would be happy to answer any questions the Board might have.

Alderman Pettus wondered how long the fund would be needed.

Mr. Reagan replied that the best estimate they could make was at least 50 years more. This estimate is based upon consideration that the pension is for firefighters, widows and dependents of firefighters, as well as police officers.

Kevin Crosson mentioned that there is a total of 59 active/retired policemen (and women) and a total of 61 active/retired fire service personnel; therefore, 50 years would be a very minimum guess, and we may be looking far into the future before the fund is no longer active.

Alderman Pettus inquired if it is estimated that the current tax would fully fund the pension.

Mr. Reagan stated that the tax is just one funding source. The tax has been collected for many years - a full mil per fund at one time, then rolled back to .5 mil for each (fire and police).

Mr. Crosson commented that, once the tax amount is decreased, it takes a vote of the people to increase it again.

In response to the question of how much in dollars will be needed, Mr. Crosson estimated it would be a quarter of a million dollars for half a mil for each fund. The money cannot be spent for anything other than firemen's and policemen's pension funds. The further point was made that, as demands on the fund go down, future city councils could reduce the millage accordingly.

Alderman Daniel thanked Mr. Reagan and the department for doing a good job, and especially for their work in fire prevention which is so important.

Alderman Williams asked Mr. Rose if he felt like the interpretation of Amendment 59 has any impact upon millage rollback, or the mil proposed for a vote tonight.

Mr. Rose believed there was no relevance to the mil under discussion at this meeting because of the information just provided by Steve Davis - it doesn't nearly approach 10%. He followed with comments about a related experience in Crawford County, having to do with Act 758 which was passed by the Arkansas Legislature in 1995 and repealed in 1997.

Alderman Pettus wished to clarify her understanding that, if an adverse decision should be obtained in the current case, it would not affect the particular tax that would be voted on tonight.

Mr. Rose said the case had no relevance to this particular tax.

Mayor Hanna asked if there were more questions for Mr. Reagan, then thanked him. He asked if anyone in the audience wished to address the fire and police pension fund issue.

Charles Seifert, 3125 Warwick Drive, Fayetteville, shared with the Council that he felt the firemen's and police pension tax should go through without any question.

A motion was made by Alderman Trumbo and seconded by Alderman Daniel to pass the ordinance. Upon roll call, the motion carried with a vote of 6-0-0.

ORDINANCE 4123 AS ON FILE IN THE CITY CLERK'S OFFICE

PRE-EXISTING NONCONFORMING SIGNS: Mayor Hanna reintroduced an ordinance amending Section 161.21, Design Overlay District, of the Code of Fayetteville, to add Subsection D.5.f., Pre-existing Nonconforming Signs, to provide for the removal of pre-existing nonconforming signs within a period of five years; and to amend Section 161.21 to add Subsection 5 to exclude signage as an exemption. The ordinance was left on first reading at the October 6, 1998, meeting.

City Attorney Rose read the ordinance for the second time.

Mayor Hanna asked the Council for discussion.

Alderman Trumbo stated that he was not in favor of the amendment. He felt that, when rules are changed, people tend to ignore them, and this issue should have been addressed when the

Overlay District guidelines came in to play.

Alderman Williams agreed with Mr. Trumbo that it would not be wise to change the rules now. He felt that the beauty, integrity and economic vitality of the city were considered when the Design Overlay guidelines were developed. At the same time there was an effort to be fair to property owners. The decision was carefully considered at the time, and even though complete uniformity would be nice, it would not be wise to change the rules now.

Alderman Schaper commented that, when these exceptions were granted, they were granted largely on the basis of pre-plotted commercial subdivisions and the fact that a required amount of green space clearly diminished value for property owners who had already plotted lots and expected a certain amount of building space on the lots. He thought the sign provisions "went along for the ride." When we have one set of rules for people who were there before, and another set of rules for people who build now, it's introducing a level of unfairness along the corridor, and a desire to create further exceptions.

Alderman Schaper continued that there are really two kinds of businesses - businesses with repeat local customers who know where the business is located, and transient people who come through, who need to know what kinds of services are at which exits. Those kinds of notifications are best handled by highway information signs put out by the state highway department, rather than huge pole signs. He proposes pulling down the existing pole signs after a 5-year amortization period, thus creating a uniform playing field, and a corridor which is clean and appealing.

Alderman Daniel did not want to change the rules at this point. She commented that we had an agreement and should stick to it. She did agree, however, that if a business is shut down for 60 days, the sign should be removed.

Alderman Schaper withdrew the ordinance from the agenda, rather than leave it for a third reading.

NEW BUSINESS:

Mayor Hanna stated that the Council on Aging item was removed from the agenda at Agenda Session.

TURTLE CREEK SUBDIVISION WAIVER REQUEST: Mayor Hanna introduced a waiver request from the Park Land Dedication Ordinance requesting the Council to accept money in lieu of a park land dedication.

Mayor Hanna said there had been two or three requests at Agenda Session.

Alderman Williams mentioned the need to have some kind of easement right to access the creek in case there is eventually a trail and asked if it would be on the final plat.

Alett Little replied that it would be in the form of a current plat and would be on the final plat as well.

Dave Jorgensen, Project Engineer, repeated that, at Agenda Session, the owner had requested approval to give money instead of land, and he believed that was the Council's decision. In regard to providing an easement along the property line (so the street could be accessed as well as connect with a possible trailway) the owner preferred not to do this, but if the Council requested, would reconsider. It seemed impractical because of the terrain. The Parks Department seemed to indicate that it is not the best location for a trail as it would be difficult to construct and maintain.

Alderman Williams stated that the Council was not so much looking for an exact location, as looking for some access to the sidewalk from the creek easement.

Mr. Jorgensen felt sure that could be worked out.

Alderman Schaper noted that the location was close to a school but the children had no way of walking instead of having to be bussed. He stated there would eventually be two schools in the area as the middle school will be located there, too.

Mayor Hanna stated that the Council is not trying to dictate that a trail be built, or how it is built. The concern is just making sure that, if it is built, there is access to it.

Alderman Williams summarized that all the Council is trying to do is provide an easement between two lots so that a trail can be developed at some future time.

Alderman Young wondered if the discussion is about easement or an actual dedication of a pedestrian right-of-way.

Mayor Hanna clarified that an easement was talked about.

Ms. Little, in answering how an easement across someone's lot works, responded that the city has been taking easements, and, in conversation with the Parks Department, learned that they are having some trouble maintaining those easements as some fences, decks, gazebos, etc. have been constructed. She would like to talk to the Parks Department to find out what they think would be most appropriate. She pledged to work with the developer to find a good location. She assured Mr. Jorgensen that a large amount of property is not at issue. If Parks is very comfortable with an easement, that's fine, but it might need to be a right-of-way in order to keep it open.

Alderman Trumbo stated that the developer would get credit if it is a right-of-way, because the city would be taking property, so the amount they would be paying would be reduced.

Ms. Little remarked that they are also able to claim that on their income tax anytime they donate land to the city.

Alderman Trumbo stated he is in favor of money instead of land. He wondered if, once the city takes an easement, are they responsible for maintaining the land.

Mr. Rose said that was a difficult question. He was not sure there is a legal responsibility to do so, but there may well be a moral responsibility - a good faith obligation.

Mayor Hanna commented that this is a new subdivision, and easements and utility easements exist all over these new subdivisions. Generally, adjoining property owners mow them when they mow their yards.

Alderman Trumbo noted that the city has 50 plus parks and not enough money to maintain them, and we keep adding more easements and more trails. He felt that, if the city is going to continue adding little parks and trails, more money needs to be allocated for maintenance throughout the year.

Alderman Schaper remarked that it is important to plan for some form of connectivity when temporary cul-de-sacs are placed in new subdivisions.

Alderman Williams moved to approve the waiver request with the conditions set forth. The motion was seconded by Alderman Pettus.

Mayor Hanna accepted public comment:

Charles Seifert commented on the necessity for sidewalks for students to walk to school.

Alderman Schaper stated that he believed all streets would be built with sidewalks in accordance with regulations.

Mayor Hanna stated that a motion had been made and seconded to approve the waiver and asked for roll call. The motion carried with a vote of 5-1-0. Alderman Trumbo voted nay.

RESOLUTION 138-98 AS RECORDED IN THE CITY CLERK'S OFFICE

LEASE AGREEMENT: A lease agreement for property located at 1060 S. Township Drive to be used for an antenna tower, building, equipment cabinets, and communication equipment.

Alderman Williams wondered if Mr. Rose had been able to look at the lease.

Mr. Rose commented on the two items of concern - use of antennas and liability determination. In Mr. Rose's opinion, it was a pretty limited waiver in regard to liability and he had no qualms about recommending that the Council accept it.

Mayor Hanna invited further comments about the lease agreement.

Charles Seifert, Fayetteville resident, mentioned there had been owner complaints in regard to driving across private property to access the antenna.

Kevin Crosson commented that there is an easement to take care of that.

Alderman Williams moved that the lease be approved. The motion was seconded by Alderman Schaper. Upon roll call, the motion carried by a vote of 6-0-0.

CAPITAL IMPROVEMENT PROGRAM: Mayor Hanna introduced a resolution approving the 1999-2003 Capital Improvement Program. He announced that there would be a short presentation by Staff - basically a chance to receive comments and answer questions.

Kevin Crosson began the discussion by noting that this is the 10th anniversary of CIP's. The process was begun in 1988, and the CIP Document is one of the major financial planning and management tools for the city. He stated that the document is available for citizens to view in the offices of the mayor and city clerk, the Fayetteville Public Library, Chamber of Commerce and on the City's Website

It was agreed at the Agenda Session that the Council would not try to vote on the matter at this meeting, but would just have presentation and discussion.

Steve Davis presented a summary description and purpose of the Capital Improvement Program document.

Kevin Springer and Kevin Crosson discussed how the Program is funded and summarized the various projects, resources and requests.

Staff from the Public Works Department were present to answer questions.

Alderman Williams had information that the Street Department had a significant amount of money which had been budgeted for sidewalks for this year and had not been spent. He wondered what the plans are for spending the money that was appropriated, not only for this year but for next year. He commented that he had heard from many constituents around town about the need for sidewalks to be installed, replaced, and repaired.

Charles Venable stated that the plan is to get as many sidewalks as possible constructed next year. They are working on an overall program right now. They anticipate spending a large portion of the money on improvement projects which have been programmed..

Mayor Hanna added that they are concentrating on improving the areas around schools as a first priority.

Alderman Williams asked if the plan is to roll over the money not spent this year to next year.

Mr. Venable responded yes.

Alderman Pettus asked about the prioritization of the potential Gregg Avenue extension from Dickson to North, or North to Dickson Street. There was some talk about moving that up from 2001 to sooner. She noticed it hadn't been done.

Mr. Venable responded that the Gregg Street improvement has been moved up from where it was originally.

Alderman Young noted that the project was unfunded last year, and was not even in the CIP.

Alderman Williams recalled that the improvement was talked about, but there was no specific agreement as to what year it would occur. There are some physical problems on land and right-of-way acquisitions. That issue needs a lot of study.

Alderman Young asked where that connection would go.

Mr. Venable responded that the engineering work has not been done at this point.

Alderman Young stated that he asked the question because he had recently met with SWEPCO representatives. Just west of the railroad tracks on Cleveland is the location for their $100,000 power pole. He questioned if there was a plan for anything to go down the west side of the road.

Alderman Pettus stated that she was in favor of moving the engineering up for that site because it is an important connection that we don't have, and she thought the Council had talked about rearranging some priorities in order to do that - the Old Wire Road Project was one that might be delayed.

Alderman Schaper commented that another project in need of acceleration is the Research & Technology Park which is to be developed on the NW corner of the bypass. He was dismayed to find the R&T Park money in the unfunded projects. He believes it to be one of the most critical things we could do for our city. He stated that this town needs higher income jobs which would be generated by the Research & Technology Park. If we don't have folks with disposable income, the big shopping developments won't generate sales tax revenue. He asked Jim Crider to come up and discuss that project further.

Mr. Crider, Chamber of Commerce, confirmed Alderman Schaper's belief that, once some infrastructure is in place, we can get someone in to build a building - and we can start to get occupants for that R&T Park.

Mr. Crider told the Council that, based on the initial 122 acres of development of the 300 acre site, there would be just over one million square feet under roof when combining all the different buildings. Within the confines of those buildings (that square footage) you could expect to have about 2500 employees. In terms of average income on a national basis, you'd be looking at jobs that would average about $45,000 per year.

Alderman Schaper noted that many of our college graduates, especially in engineering, have to leave the area to locate jobs, especially in high tech businesses. He believes that Fayetteville is the most attractive city in the NW Arkansas region and is nationally known, but we don't have a place for those kinds of businesses to come and locate here. He believes the project should be moved out of the unfunded projects category, and moved into a permanent category. It would be wise to get this road built this coming year, so we can start to get those kinds of companies moving in here.

Mr. Venable estimated that it could be started for about $600,000. Another $300,000 would be needed in this year's budget to get that going. By the time the road is designed and built, the buildings would probably not come along until the next year. $200,000 might be available from the Old Wire Road to Joyce project . Some of the engineering is set up but it is not set in the CIP for 2 or 3 years. That could get it started and do the engineering on it.

Alderman Schaper stated that it is extremely important for the economic health of this city to get high tech, high paying jobs moving into the city. He would really like to make that change in the CIP. If that is a reasonable change to make, the project could get started this coming year.

Alderman Williams noted that the CIP has $200,000 for 2000-2001 for the research park, under the Mayor's administration for grant match. He wondered what that means.

Mr. Venable replied that they were hoping to get some kind of federal grant. He has asked for grants from several sources, but does not know if funds will be forthcoming.

Alderman Trumbo suggested using some money allocated for CMN Development to get the Technology Park work started as it will take CMN a couple of years to build out and funds could be replaced by the time they are needed.

Alderman Daniel agreed that the industrial park would help attract industry to the area, but she wondered which should come first, the industry for which to build a park, or build the park and hope we get some industry.

Alderman Schaper stated that Mr. Crider is convinced he can get a builder to build a building. He also referred to the University's Genesis Technology graduates who have nowhere to go. High Tech industries have a unique perspective. They want a spot that is highly visible. This pocket in the NE corner of town, with the airport opening in Highfill, is a wonderful location where industry can grow. He mentioned a semi-conductor company relocating from California to Rogers and inquired, What is Rogers doing right? Why aren't they here? The university is here.

Bob Brandon, resident of Wilson Park area, spoke about the Cleveland Street Project, and the connector between Dickson Street and North Street. He confirmed that the university does have in its Master Plan, an extension of Arkansas Avenue to the North to an unknown extent. He requested that we not proceed with the Cleveland Street, Arkansas Ave, Gregg Street, Dickson Street connector piecemeal, but wait until a unified plan can be developed. That could push that on down the line a little further and free up some money in the short run.

Alderman Pettus inquired if Mr. Venable had talked to the university.

Mr. Venable discussed the University of Arkansas Master Plan as it affected the City's Street Plan.

Alderman Williams stated that there is a large sum of money in the CIP for next year for the Cleveland Street extension project. He agreed that Mr. Brandon's proposal had merit, and if the project needs to be postponed for awhile, it would free up some money for the Technology Park.

Mr. Venable stated that he had no problem with delaying the Cleveland Street project if that was the consensus opinion of the Council.

Alderman Willians wanted the citizens to know that next year's street budget is going to be tighter than normal because of having to commit 2.2 million dollars to the Dickson Street Enhancement Project. A lot of the money will be paid back to the city from the federal government .

Mr. Venable explained that the funds are set up under the T-21 Act. The money is reimbursed to the city over a six year period. There is a payback each year, so you have until 2003 to get full reimbursement.

Mr. Brandon told the Council his suggestion is to tie the engineering and design of Cleveland Street to the North-South connector and do all the engineering at one time.

Alderman Schaper inquired of Mr. Venable if the engineering is underway right now.

Mr. Venable stated that some engineering is being done on Cleveland Street, but Mr. Brandon wants to tie everything together. It would take a separate contract to do it that way.

Alderman Schaper asked if detailed engineering is needed on those things, or just figure out where things are going to go - kind of preliminary engineering. He thinks that is what Mr. Brandon means in terms of coordinating the program. This doesn't mean that projects need to be held up as a result.

Mr. Venable's understanding of Mr. Brandon's proposal was that he didn't want Cleveland built until the others are built.

Mr. Brandon explained that you can't do detail engineering on part of it when you have no concept of what the remainder will be. We should at least get a unified concept before starting with additional engineering that has not been done.

Mr. Venable stated that delaying the Cleveland Street project was no problem as far as he is concerned.

Alderman Schaper commented that that would generate money for the Technology Park.

Alderman Young emphasized to everyone, including the audience, that this CIP is a planning document and the projects aren't actually being approved. Each project would have to be approved separately from approval of the planning document itself.

Mayor Hanna invited discussion of issues other than streets.

Alderman Schaper asked if we really need another expansion at Drake Field, especially in light of the opening of the new airport and the fact that one expansion was just completed.

Alderman Williams responded that a new 20-year master plan for the airport has just been completed. The study indicated that there is still a shortage of terminal space; and the advisors thought the expansion should be left in the CIP.

Brenda Moss, Financial Coordinator at airport, stated that, in planning, they looked at the "high side." If another airline should come in, there would not be enough terminal space, so they planned for a productive future and if they have to back down, they will.

Alderman Schaper stated that the expansion is in the plan for 2000 and 2001, so we are not committing to do it immediately. We just want to be sure we are prudent and build what we need, but not what we don't need.

Ms. Moss indicated that they are very much aware of that, but their projections are based on anticipating all their needs in the next five years.

Alderman Schaper reflected that it is an optimistic projection from which we can back off if necessary.

Kevin Springer offered to answer any questions the aldermen might have, or meet individually with any of the staff regarding specific details they might be interested in discussing prior to the next meeting of the Council.

City Attorney Rose complimented the staff on being very diligent and articulate, and would like for the citizens of Fayetteville to be aware of all the time and effort expended on this work.

Mayor Hanna asked for further questions, then stated that the discussion would be continued in two weeks.

There were several announcements regarding scheduled meetings later in the week.

The meeting adjourned at 7:55 p.m.