

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ APRIL 5, 2016 ~ 6:00 P.M.

FORT SMITH PUBLIC SCHOOLS SERVICE CENTER

The meeting was called to order by Vice-Mayor Kevin Settle, presiding. Invocation was given by Reverend William Reeves of First United Methodist Church, followed by the Pledge of Allegiance.

On roll call, the following members of the Board were present: Directors Keith Lau, Andre' Good, Mike Lorenz, George Catsavis, Kevin Settle, Don Hutchings; absent – Director Tracy Pennartz. The Vice-Mayor declared a quorum present.

Vice-Mayor Settle inquired if any Board member had any item of business to present that was not already on the agenda. There was none presented.

The minutes of the March 15, 2016 regular meeting were presented for approval. Hutchings, seconded by Lorenz, moved approval of the minutes as written. The members present all voting aye, the Mayor declared the motion carried.

Vice-Mayor Settle announced Mayor Sandy Sanders and Acting City Administrator Jeff Dingman are out of town; therefore, he will preside and Director of Development Services Wally Bailey will serve as the administrative official for the meeting.

Vice-Mayor Settle announced this was the time and place set for a public hearing regarding the issuance of Industrial Development Revenue Bonds for Glatfelter Advanced Materials N.A., LLC. Notice of the public hearing had been duly published as required by law. Following the public hearing, consideration of an ordinance authorizing same would be given (Item No. 1 - ♦ *Future Fort Smith item*).

Mr. Bailey briefed the Board on the item advising the proposed ordinance authorizes the issuance of up to \$75 million in Industrial Development Revenue Bonds on behalf of Glatfelter

April 5, 2016 Regular Meeting

Advanced Materials N.A., LLC to acquire property, renovate an existing structure and install manufacturing equipment at 8201 Chad Colley Boulevard. Along with the capital investment, Glatfelter Advanced Materials N.A., LLC has indicated that such is anticipated to create eighty-three (83) full-time jobs with an average wage of \$25 per hour within three (3) years. Glatfelter Advanced Materials N.A., LLC will be solely responsible for the debt service payments of the bonds; therefore, the City maintains no obligation to make the bond payments. Approval of such supports the Board's stated priorities and economic development objectives included within the City of Fort Smith Comprehensive Plan; therefore, he recommended approval.

There being no individual present to address the Board, Vice-Mayor Settle closed the public hearing.

Lau, seconded by Hutchings, moved to suspend the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date. The members present all voting affirmatively, the Vice-Mayor declared the motion carried; therefore, the City Clerk read the ordinance by caption for its readings. Lau, seconded by Lorenz, moved adoption of the ordinance. The members present all voting affirmatively, the Vice-Mayor declared the motion carried. Hutchings, seconded by Lau, moved adoption of Section 12 the emergency clause. The members present all voting affirmatively, the Vice-Mayor declared the motion carried and the ordinance and emergency clause were adopted and given Ordinance No. 21-16.

Item No. 2 was an ordinance ordering the owners of a certain dilapidated and substandard structure to demolish same, authorizing the City Administrator to cause the demolition of such structure to occur, and for other purposes (*1916 North "J" Street & rear structure*) ♦ *Future Fort Smith item*

April 5, 2016 Regular Meeting

Mr. Bailey briefed the Board on the item advising the subject structure has been determined to be unsafe and detrimental to the public welfare; therefore, he recommended approval of the proposed ordinance. Upon approval, the property owners will have thirty (30) days to demolish the structure. Staff has been in contact with the property owner's son, who has indicated they do not have the financial means to bring the property into compliance.

Catsavis, seconded by Hutchings, moved adoption of the ordinance. The motion included suspending the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date.

Prior to the vote, Director Hutchings requested Building Official Jimmie Deer provide a brief explanation of the subject process.

Mr. Deer advised once the Neighborhood Services Division of Code Enforcement is made aware of the issue and the structure is determined to be in violation, the property is posted and the property owners, as well as all other parties that maintain a legal interest in the property, are notified by certified mail. The letter and notice contains information concerning the appeal procedure, which specifies they must file any appeal within fifteen (15) days from the date of service and a total of thirty (30) days is provided to bring the property into compliance. If no appeal is received and no action is initiated to bring the property into compliance, an ordinance authorizing the demolition of the structure is then presented to the Board for consideration.

Director Good inquired if the property owner has responded to the City regarding the subject action.

Mr. Deer advised he spoke with the property owner's son on February 22, 2016 whereby he advised the family does not have the financial means to bring the property into

April 5, 2016 Regular Meeting

compliance or to demolish the structure. Due to such, no objection was conveyed with the City moving forward with the proposed demolition.

The motion remaining on the floor, the City Clerk read the ordinance by caption for it readings. The members present all voting affirmatively, the Vice-Mayor declared the motion carried. Lorenz, seconded by Good, moved adoption of Section 5 the emergency clause. The members present all voting affirmatively, the Vice-Mayor declared the motion carried and the ordinance and emergency clause were adopted and given Ordinance No. 22-16.

Item No. 3 was a resolution authorizing Amendment No. 1 to the agreement with MAHG Architecture, Inc. for architectural services for renovation of the Library Annex Building for use as office space (\$9,956.79 / Utility Department / Not Budgeted – 2014 Sales and Use Tax Bonds) ♦ *Future Fort Smith item* • *Consent Agenda item*

Deputy Director of Utilities Lance McAvoy briefed the Board on the item advising such amendment is to authorize the inclusion of four (4) additional items not originally included in MAHG agreement. The items are as follows:

1. Certain secure areas required a fire rated safety corridor which separated work areas and allowed the building and renovation to come to Code.
2. Originally the renovations area contained approximately two-hundred-sixty (260) old style fluorescent lights. The number of light fixtures will be cut in half and replaced with energy efficient lighting.
3. Addition of handicap accessible restrooms on the first floor.
4. The original estimate was based on providing a data/communications outlet at each workstation and three (3) data/communications outlets in each office. After review, the ITS Department requested a second data cable to each workstation. Such would alleviate the need to pull additional cable in the future to accommodate new technology.

Lau, seconded by Hutchings moved adoption of the resolution.

April 5, 2016 Regular Meeting

Prior to the vote, Director Lau inquired if the compensation of ten and one-half percent (10.5%) of the cost of construction is a fair rate and why the first three (3) additional items were not included in the original estimate.

Mr. McAvoy advised such is the industry standard and was based on the Arkansas Building Authority minimum standards and such criteria is utilized throughout the State for government projects. The compensation is based on the dollar amount associated with the overall project and certain areas of the project that may add overruns. The compensation originally came in at eight and one-half percent (8.5%); however, due to the age of the structure, additional testing was necessary whereby asbestos was found. Due to such, the State allows for a two-percent (2%) addition to the compensation. He further advised the addition of the items requested is necessary because the original design had to change after identifying the necessity for additional security needs.

The motion remaining on the floor, the members present voted as follows: ayes- Good, Lorenz, Settle and Hutchings; nays – Lau and Catsavis. The Vice-Mayor declared the motion carried and the resolution was adopted and given Resolution No. 42-16.

The Consent Agenda (Item No. 4) was introduced for consideration, the items being as follows:

- A. Resolution authorizing the offering of Water and Sewer Revenue Bonds to refund all or a portion of the City's Outstanding Water and Sewer Revenue Bonds, Series 2007, and Water and Sewer Refunding and Construction Revenue Bonds, Series 2008; and prescribing other matters relating thereto
- B. Ordinance declaring an exceptional situation, waiving the requirement of competitive bidding and authorizing the Mayor to execute an agreement with the Fort Smith Housing Authority for certain services for inhabitants of the city of Fort Smith (\$33,000.00 / Planning Department / Budgeted – Personnel & Operating Accounts) ♦ Future Fort Smith item

April 5, 2016 Regular Meeting

- C. Resolution accepting the bid of and authorizing the Mayor to execute a contract with T-N-T Inc. for the Lake Fort Smith Water Transmission Line – Phase I, Retail Meter Relocations (\$816,940.50 / Utility Department / Budgeted – 2012 and 2014 Sales and Use Tax) ♦ Future Fort Smith item
- D. Ordinance declaring an exceptional situation requiring the waiving of the solicitation and review of written proposals for internet services and authorizing execution of service contracts between the City of Fort Smith, Arkansas, and AT&T Corporation (\$83,532.48 / Police Department / Budgeted: Administration and Support Services)
- E. Resolution authorizing execution of a contract with Zero Mountain, Inc. for firefighting assistance on an annual basis
- F. Resolution authorizing execution of a contract with Rheem for firefighting assistance on an annual basis
- G. Resolution authorizing execution of a contract with Harry G. Barr Company for firefighting assistance on an annual basis
- H. Resolution authorizing execution of a contract with Weatherford International, LLC for firefighting assistance on an annual basis
- I. Resolution authorizing execution of a contract with Hogback Exploration, Inc. for firefighting assistance on an annual basis
- J. Resolution authorizing execution of a contract with Wal-Mart Stores, Inc. for firefighting assistance on an annual basis
- K. Resolution authorizing execution of a memorandum of understanding of the City of Fort Smith, Arkansas, with the Federal Bureau of Investigation; Arkansas State Police Bomb Squad; Little Rock Fire Department Bomb Squad; Little Rock Police Department; North Little Rock Police Department; Conway Fire Department Bomb Squad; El Dorado Police Department Bomb Squad; Bentonville Police Department Bomb Squad; and, the University of Arkansas Police Department regarding a multi-jurisdictional response to improvised explosive devices

Regarding Items No. 4E through 4J, the following individual was present to address the

Board:

- David Harris
Fort Smith, AR

April 5, 2016 Regular Meeting

Re: Noted the subject businesses are located outside the city limits; therefore, they do not pay the same rate of property taxes or franchise fees as those located within city limits. Due to such, they should not be afforded the same benefits without equal financial contribution as those located within the city limits.

Hutchings, seconded by Lorenz, moved adoption of all consent agenda items.

Prior to the vote and regarding Item No. 4D, Director Lau questioned the circumstances constituting an exceptional situation.

Interim Police Chief Dean Pitts advised the Police and ITS Departments both have existing contracts with AT&T. The Police Department's current contract with AT&T expired on March 8, 2016; therefore, approval of such would allow them to avoid paying substantially higher rates, as well as align with long-term Board goals to merge internet services.

The motion remaining on the floor, the members present voted affirmatively on all items with the exception of Item No. 4D whereby Director Settle abstained and Director Lau voted "no". The Vice-Mayor declared the motion carried and the ordinances and resolutions were adopted with ordinances given Ordinance No. 23-16 and 24-16, and the resolutions given Resolution No. R-43-16 through R-52-16, respectively.

Vice-Mayor Settle opened the Officials Forum with the following comments offered:

➤ Vice-Mayor Settle

Re: 1. Requested the below items be placed on a future study session:

- Discussion regarding the condition of railroad crossings and cleanup or possible relocation of the railroad maintenance yard located at North "A" and "B" Streets
- Review feasibility of closing a portion of North "A" Street between Riverfront Drive and North 2nd Street

April 5, 2016 Regular Meeting

The request included that City staff contact railroad representatives and request they be present at the subject study session. Director Lorenz noted concurrence with the request. Placement of items on a future meeting requires the concurrence of two (2) directors; therefore, the items will be scheduled as requested.

2. Congratulated Pernod-Ricard on the launch of Smithworks Vodka, which is made with water from Lake Fort Smith and bottled in Fort Smith.
3. Reminded all that a Town Hall meeting will be held immediately following adjournment of the regular meeting.

➤ Mr. Bailey

Re: Reminded all of the spring city-wide cleanup, which is scheduled for Saturday, April 16 through Saturday, April 23, 2016. There will be one (1) dumpster located in each ward and the sites will be open from 11:00 a.m. – 7:00 p.m.

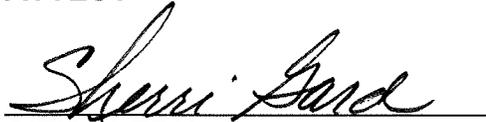
There being no further business to come before the Board, Hutchings moved that the meeting adjourn. The motion was seconded by Catsavis, and the members present all voting aye, the Vice-Mayor declared the motion carried and the meeting stood adjourned at 6:28 p.m.

APPROVED



MAYOR

ATTEST



CITY CLERK