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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Conway, Arkansas  
Tuesday, 6:30 pm  
May 23, 2017

On this date the City Council of the City of Conway, Arkansas met in regular session. The following members being a quorum were present and acting: Alderman Hawkins, Alderwoman Mehl, Alderwoman Smith, Alderman Jones, Alderwoman Isby and Alderman Ledbetter. Also, present and acting: Mayor Bart Castleberry, City Clerk Michael Garrett and City Attorney Chuck Clawson. Alderman Grimes and Alderman Pruitt were not present.

**Call to Order: Mayor Bart Castleberry**

**Roll Call: Michael O. Garrett**

**Minutes: May 9, 2017**

Alderwoman Smith motioned to approve the **May 9, 2017** minutes as submitted. Alderwoman Isby seconded the motion. There was no discussion. The motion passed 6-0.

**Approval of Monthly financial Report ending April 30, 2017:**

Tyler Winningham, CFO, reviewed the financial reports for General, Street, Sanitation, Airport and Special projects for the Council. He began by stating that the General Fund did not look good for April, but that it was nothing to be alarmed about as it is the period just before the City receives the first large ad valorem tax collection from the County. He added that in May the General Fund would look much better. He explained that while sales tax was flat this month, we are up over 4.25% for the year. He said that expenditures all looked great. In April you would expect to be a third of the way through the budget, most departments are at 24%-27%. He said the Street Fund, Sanitation and Airport Fund are all showing positive balances. Alderwoman Smith moved to adopt the monthly financial reports ending April 30, 2017. Alderwoman Isby seconded the motion. There was no further discussion. The motion passed 7-0.

**1. Report of Standing Committees:**

**A. Public Hearings:**

**1. Public Hearing/Ordinance to close a portion of the 20 foot utility easement on Lot 5 of McCracken Subdivision.**

**O-17-56**

Mayor Castleberry opened the Public Hearing. John Strange with Hope Consulting was present to address the Council. He stated that the request for closure of the easement was the result of a change in footprint of the building and has been approved at the Planning level and by all utility companies. Alderwoman Isby made a motion to waive the three readings and Alderwoman Smith seconded it. The motion was passed 6-0. Alderwoman Smith made a motion to adopt the Ordinance and Alderwoman Isby seconded it. The Clerk called the roll with the following voting "Aye": Alderwoman Mehl, Alderwoman Smith, Alderman Hawkins, Alderman Ledbetter, Alderwoman Isby and Alderman Jones. The motion to adopt the Ordinance passed 6-0.

**2. Public Hearing/Ordinance to discuss the renaming of a portion of Highway 25.**

Mayor Castleberry declared the Public Hearing Open. There was no one present to speak for or against this item. The Mayor referred the Council to the list of suggested names, stating that the only opposition to names came from the Post Office with the name "Friendship Road" because of numbering issues. There was some discussion among the Council. Alderman Hawkins made a motion

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to table the item until the other Council members could be present. Alderwoman Smith seconded the motion. The motion passed 6-0.

**3. Public Hearing to discuss rates to be charged for services for the electric system for Conway Corporation.**

**a. Ordinance to discuss rates to be charged for services for the electric system for Conway Corporation.**

**O-17-57**

Mayor Castleberry open the Public Hearing. Mr. Brett Carroll, CFO Conway Corporation was present to address the Council in favor of the rate increase. He stated that Conway Corporation has incurred a sharp increase in transmission expenses. He said that the last rate increases were over 10 years ago, and while the increased costs for transmission have been absorbed by Conway Corporation, recent professional rate analyzations have shown that an increase in rates is necessary. Mark Beauchamp, a representative of Utility Financial Solutions was present to explain the Municipal Utility Rate Design that has been approved by the Board of Conway Corporation to the Council, and to present the information in the provided materials, the *2017 Electric Rate Study Executive Summary*, which indicate that modest, systematic adjustments to rates over a three year period would keep the utility financially stable and prevent inevitable larger increases at a later time. There was some discussion among the members of the Council. Ritchie Arnold, CEO of Conway Corporation was also present to address the Council. He stated that in his 39 year tenure, Conway Corp has experienced four rate increases and one decrease. He reiterated that the present rate increase that is being sought is a direct result of an increase in transmission rates over the last few years. Mr. Arnold praised the Utility's record of low rates, and stated that even with the present increase, Conway Corporation's rates would still be among the lowest in the state, and asked that the Council support the presented rate increases. Mayor Castleberry closed the Public Hearing and directed the Council's attention to the Ordinance. As the first reading of the Ordinance took place at the previous Council meeting, Alderwoman Smith made a motion to waive the second and third readings and Alderman Jones seconded the motion. The motion passed 6-0. Alderman Jones moved to adopt the Ordinance and Alderwoman Isby seconded the motion. The Clerk called the roll with the following voting "Aye": Alderman Hawkins, Alderwoman Mehl, Alderman Jones, Alderwoman Isby, Alderman Ledbetter and Alderwoman Smith. The motion to adopt the Ordinance passed 6-0.

**4. Public hearing to discuss an adjustment in the water rates for residential customers.**

**a. Ordinance amending Ordinance O-16-46 establishing water rates for residential customers who have a separate water meter for private fire protection.**

**O-17-58**

Mayor Castleberry opened the Public Hearing. Mr. Tracy Moore was present to address the Council. He explained to the Council that a number of years ago as part of the planning process for several subdivisions it was required that a private fire protection meter be installed for those residences. There are currently 43 customers that fall under this requirement. There has not been a rate established for private fire protection meters and as a result it is believed there has been some undue costs applied to these customers. Therefore it is being asked of the City to establish a rate of \$5.00 per month, no minimum charge, and the consumption rate applied would be only in the event of a fire. This rate would cause these customers to see a decrease in their monthly water bills. Mayor Castleberry asked Mr. Moore to confirm how many neighborhoods this situation applied to and he answered that there are two- Turnberry and Cambridge Village. There was no one else present to speak for or against the ordinance. Mayor Castleberry declared

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the Public Hearing closed. Alderwoman Smith made a motion to waive the three readings and Alderwoman Isby seconded it. The motion passed 6-0. Alderwoman Smith made a motion to adopt the Ordinance with the emergency clause and Alderwoman Isby seconded the motion. The Clerk called the roll with the following voting "Aye": Alderman Ledbetter, Alderwoman Isby, Alderman Hawkins, Alderwoman Mehl, Alderman Jones and Alderwoman Smith. The Ordinance with the emergency clause passed 6-0.

### **B. Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets & Conway Housing Authority)**

- 1. Resolution requesting the Faulkner County Tax Collector to place a certified lien on property located at 1224 Sutton Street as a result of incurred expenses by the City.**

#### **R-17-22**

Alderman Hawkins presented Item B1 to the Council. There was no one present to speak to this matter. Mayor Castleberry clarified that the expenses incurred by the City were a result of the total demolition of the structures on the property. Alderwoman Smith made a motion to adopt the Resolution and Alderwoman Isby seconded the motion. There was no further discussion. The motion passed 6-0.

- 2. Ordinance appropriating funds for the cost of a geophysical study for the Lollie Levee.**

#### **O-17-59**

Alderman Hawkins presented Item B2 to the Council. Josh Zylks, Airport Manager was present to address the Council. He stated that they have the opportunity participate in a study of the Levee with Faulkner County and the State to ensure its continued function into the future. The cost for the City's portion of the study is \$10,000. Alderwoman Isby made a motion to waive the three readings and Alderwoman Smith seconded the motion. The motion passed 6-0. Alderwoman Isby made a motion to adopt the Ordinance and Alderwoman Smith seconded the motion. The Clerk called roll with the following voting "Aye": Alderwoman Smith, Alderman Ledbetter, Alderwoman Mehl, Alderman Jones, Alderman Hawkins and Alderwoman Isby. The Ordinance passed 6-0.

- 3. Ordinance appropriating funds for the cost of a new wind cone and pole for the Conway Airport.**

#### **O-17-60**

Alderman Hawkins presented Item B3 to the Council. Josh Zylks explained to the Council that the hinges on the pole for the large windsock at airport were broken recently during routine maintenance. The funds requested will purchase a new pole and new style of windsock that was not available when the airport was built. Alderwoman Smith made a motion to waive the three readings and Alderwoman Isby seconded it. The motion passed 6-0. Alderwoman Smith moved to adopt the Ordinance and Alderwoman Isby seconded. As there was no further discussion, the Clerk called the roll with the following voting "Aye": Alderwoman Isby, Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Jones and Alderman Hawkins.

- 4. Consideration to enter into an agreement with Temple Inc. for the adaptive traffic signal system on Dave Ward Drive for the Street and Engineering Department.**

Alderman Hawkins presented Item B4 to the Council. Finley Vinson was present to address the Council. He stated that this agreement was applied for in 2013 and that the State has chosen a provider and approved the contracts. He added that the contract had been reviewed by the City Attorney and State authorities. Alderwoman Smith moved to approve the agreement and Alderwoman Isby seconded. The motion was approved 6-0. Alderman Hawkins asked Mr. Vinson to

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clarify that the funds for the contract were already budgeted. Mr. Vinson state that they were, and that he had budgeted \$200,000 in 2015 for the system for spending in 2016, but the necessary approvals had been delayed. The motion to enter into the agreement with Temple, Inc. was approved by Council 6-0.

**5. Consideration to amend conditional use permit No. 1366 for Jack's Ultra Sports located at 655 Equity Avenue.**

Alderman Hawkins presented Item B5 to the Council stating that this item had been reviewed and voted on unanimously for approval by the Planning Commission to modify condition #2 and remove the condition stated in #3. Alderman Hawkins moved to approve the consideration and was seconded by Alderwoman Smith. The motion to approve the consideration passed 6-0.

**6. Consideration to amend conditional use permit No. 1223 for Caruso & Company for a day spa located at 523 Locust Avenue.**

Alderman Hawkins presented Item B6 to the Council and moved to approve the consideration, stating that it was reviewed by the Planning Commission at an earlier date and was voted unanimously to forward to Council with the recommendation for approval, with the below listed modification to #5:

- 1) No external sound system allowed.
- 2) Any outside lighting is to be inward, downward cast and shrouded
- 3) Hours of operation are limited to 8:00 am to 8:00 pm, Monday through Saturday, and closed on Sundays.
- 4) One monument sign\* similar in construction to the brick monument sign located near Stroud Otolaryngology clinic may be erected. *\*already built*
- 5) Conditional use is only applicable to this ~~applicant, business and~~ structure.

Alderwoman Smith seconded the motion made by Alderman Hawkins. The motion to approve the consideration was passed 6-0.

**7. Ordinance to rezone property located south and west of Central Baptist Church, south of Dave Ward Drive and west of Campbell Cove PUD from A-1 to R-1.**

**O-17-61**

Alderman Hawkins presented Item B7 to the Council, stating that it was reviewed by the Planning Commission at an earlier date and it was voted unanimously to forward to Council with the recommendation for approval. Alderwoman Smith made a motion to waive the three readings and Alderwoman Isby seconded the motion. The motion was approved 6-0. There was no further discussion. Alderwoman Smith moved to adopt the Ordinance and Alderwoman Isby seconded. The Clerk called roll with the following voting "Aye": Alderwoman Mehl, Alderman Ledbetter, Alderwoman Smith, Alderman Hawkins, Alderwoman Isby and Alderman Jones. The Ordinance passed 6-0.

**8. Ordinance to rezone property located south of Dave Ward Drive, west of South Salem Road and north of Pheasant Road from R-1, RU-1, and MF-1 to MF-3.**

Alderman Hawkins presented Item B8 to the Council. Brent Salter was present to address the Council. He asked to hold this item until a later date due in order to meet with the property owners and obtain further documentation for the Council. Alderman Hawkins moved to pull the item from the Agenda and Alderman Ledbetter seconded. The motion to pull the item from the Agenda was passed 6-0.

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C. Personnel

1. **Consideration to approve a mid-year increase in the medical benefits for the City of Conway and an Ordinance appropriating funds for the Arkansas Municipal Health Benefit fund premiums for the City of Conway.**

**O-17-62**

Mayor Castleberry presented Item D1 to the Council. Lisa Mabry-Williams was present to address the Council on this matter. She stated that the Arkansas Municipal Health Fund has presented the City with a rate increase mid-year. The premium rates will increase approximately 10.5% and is due to our claims experience. Our current claims percentage is running at 146%. Alderman Hawkins asked what the rate increase was at the end of last year and Ms. Williams responded that it was approximately 11%. Mayor Castleberry made a recommendation that the City absorb this cost increase, stating that the City is receiving a worker's comp payment in the amount of \$15,300. Ms. Williams stated that if the City absorbs the increase it would be a cost of \$140,000 compared to the cost if it is split with employees of \$114,000. Mayor Castleberry informed the Council that there is a committee working along with Ms. Williams that is researching health insurance and options available to the City. Alderman Hawkins asked how many individuals are on the committee. Ms. Williams answered that there are two individuals from each department across the City as well as a retiree participating and that it has been very beneficial to the effort. Alderwoman Mehl made a motion to waive the three readings of the Ordinance and Alderwoman Isby seconded it. Alderwoman Smith moved to adopt scenario #2, with the City absorbing the additional cost of the Health Benefit Fund premiums and appropriating total funds of \$184,644 from the Fund Balances of the below listed funds:

General	\$ 140,241
Street	\$ 11,583
Sanitation	\$ 31,212
Airport	<u>\$ 1,608</u>
Total	\$184,644

Alderman Jones seconded the motion. The Clerk called the roll with the following voting "Aye": Alderman Jones, Alderwoman Isby, Alderman Hawkins, Alderman Ledbetter, Alderwoman Smith and Alderwoman Mehl. The Ordinance passed 6-0.

There was no further discussion. The meeting was adjourned.

**Adjournment**

*PASSED this 23rd day of May 2017*

**APPROVED:**

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*Mayor Bart Castleberry*

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*City Clerk Michael O. Garrett*