

**CITY OF EUREKA SPRINGS
COUNCIL MEETING MINUTES
FEBRUARY 17, 2000**

The February 17, 2000 meeting was called to order at 7:22 p.m. by Mayor Beau Satori. It was held in the courtroom of the Western District Courthouse. The meeting followed a Public Hearing on Capital Improvement Revenue Bonds for the Police Station.

PRESENT: Mayor Satori, and Alderpersons Jeffrey, Schrader, Stoppel, Freeland, Sumpter and Taylor.

ALSO PRESENT: Susan Loume, Bob McVey, Diane Murphy, Bruce Levine, Ed Leswig, Carl Hyatt, Shep Russell, Dennis Hunt, Jay McCrary, Bill Eamgey, Elaine Van Natta, John Billings, Jack Byrne, Don Matt, Kim Dickens, City Attorney Tom Laub, and Clerk Lee.

PLEDGE OF ALLEGIANCE: Ms. Dickens led in the Pledge of Allegiance.

APPROVAL OF THE AGENDA:

Item #7 under New Business: Discussion regarding burying the power lines under Planer Hill, was postponed until the March 2nd Meeting. The motion was made and seconded to move items one through five to the very beginning of the meeting, before the State of the City Address. All were in favor, 6/0/0.

APPROVAL OF THE MINUTES:

The motion was made and seconded to approve the City Council Minutes of the January 20, 2000 meeting as amended. The amendments were noted. All were in favor, 6/0/0.

ITEMS ONE THROUGH FIVE OF NEW BUSINESS:

Ordinance No. 1831, amending franchise fees paid to the City by TCA/Cox:

The motion was made and seconded to place Ordinance No. 1831 on its first reading in its entirety.

Alderman Schrader asked why these ordinances were necessary. Mr. Russell explained that the ordinances do not in any way raise the fees. They are being reclassified as fees under a supreme court case ruling so that they can be pledged to bonds. He said he would read the ordinance with Cox Communications in it instead of TCA Cable. All were in favor of reading, 6/0/0.

Mr. Russell read the ordinance in its entirety.

The motion was made and seconded to approve. The vote on the first reading was 6/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1831 on its second reading by title only. The roll was called and the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. The vote on the second reading was 6/0/0.

The motion was made and seconded to further suspend the rules and place Ordinance No. 1831 on its third and final reading by title only. By roll call the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. The vote on the third and final reading was unanimous, 6/0/0.

Ordinance No. 1832, amending franchise fees paid to the City by Arkansas Gas:

The motion was made and seconded to place Ordinance No. 1832 on its first reading in its entirety. All were in favor, 6/0/0.

Mr. Russell read Ordinance No. 1832 in its entirety.

The motion was made and seconded to approve. All were in favor, 6/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1832 on its second reading by title only. The roll call vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. The vote on the second reading was 6/0/0.

The motion was made and seconded to further suspend the rules and place Ordinance No. 1832 on its third reading by title only. The roll call vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. The final vote was 6/0/0.

Ordinance No. 1833, amending franchise fees paid to the City by SWEPCO and Carroll Electric:

The motion was made and seconded to place Ordinance No. 1833 on its first reading in its entirety. All were in favor, 6/0/0.

Mr. Russell read the ordinance in its entirety.

The motion was made and seconded to approve. All were in favor, 6/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1833 on its second reading by title only. By roll call, the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. The vote was 6/0/0.

The motion was made and seconded to further suspend the rules and place Ordinance No. 1833 on its third reading by title only. By roll call, the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. All were in favor, 6/0/0.

Ordinance No. 1834, amend franchise fees paid to the City by SW Bell:

The motion was made and seconded to place Ordinance No. 1834 on its first reading in its entirety. All were in favor, 6/0/0.

Mr. Russell read Ordinance No. 1834 in its entirety.

The motion was made and seconded to approve. All were in favor, 6/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1834 on its second reading by title only. By roll call, the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. All were in favor, 6/0/0, on the second reading.

The motion was made and seconded to further suspend the rules and place Ordinance No. 1834 on its third and final reading by title only. By roll call, the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. All were in favor, 6/0/0.

Ordinance No. 1827, authorizing the issuance and sale of Capital Improvement Revenue Bonds for the Police Facility:

The motion was made and seconded to place Ordinance No. 1827 on its first reading by title only. Alderman Schrader then asked why there were blanks on page six. Mr. Russell said that it is usual to include in the ordinance the forms that will be filled out at the closing of the bonds. Since each bond holder may purchase a different amount, each form would be filled out accordingly.

The vote to read was, 6/0/0.

Mr. Russell said there were thirteen pages in this ordinance, so it would take a while and then he read the ordinance in its entirety, including the emergency clause.

The motion was made and seconded to approve.

The question was asked about reading the emergency clause and it will be voted on separately. Also, there was a question about the large principal payment at the end of the mortgage. The answer was given that it is standard to pay more interest in the beginning and more principal at the end.

Alderman Schrader asked about the part of the ordinance that said we should not do anything that would endanger the standing of these bonds which are tax-free municipal.

He wanted to know what would change the standing. Mr. Russell said the facility always has to be a public project. The Federal Government cannot be involved more than 10%, nor can private industry. You cannot take advantage for the purpose of speculation. This just applies to the interest on the bonds, and it is a standard for bond issues.

Alderman Schrader then said that the bonds were going to be sold as taxfree municipals and would carry a lower rate than something like WalMart. Are these considered long term bonds? Mr. Hunt said these are considered a series of bonds that are amortized each year. A long term bond is generally 30 years. This is a pretty low interest rate, and since this was put out, the company has seen a steady interest rate increase, so it is competitive.

Ms. Dickens announced that the bonds were bought 25% by First National Bank of Berryville; 25% by Community First Bank and 50 % by the Bank of Eureka Springs. The bonds were all bought locally.

Alderman Schrader said that the interest rates are much lower than they were when the subject was first brought up and the people who will be using the building will be the ones to pay for it and not leave it as a long term debt for another generation.

The vote on the first reading was unanimous, 6/0/0.

The motion was made and seconded to suspend the rules and place Ordinance No. 1827 on its second reading by title only. By roll call the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve. All were in favor, 6/0/0.

The motion was made and seconded to further suspend the rules and place Ordinance No. 1827 on its third and final reading by title only. By roll call, the vote was 6/0/0.

Mr. Russell read the ordinance by title only.

The motion was made and seconded to approve, 6/0/0.

Mayor Satori said that although he did entertain alternatives for the building of the Police Station, this is what the staff devised in the best interests of the project that we could achieve. The Council voted to pursue the project, and with that in mind, he would make every effort to make sure that we do the best we can and build the best base of operations for our Police Department that we can. After thirty four years of Alderman Stoppel's anticipation, the Mayor is relieved that the City can proceed with a new beginning and have another one of our departments stabilized in another location. These projects must be engaged, they have got to be decided upon and then acted upon. This is a credit to the Council and to the staff that this new project will proceed and that we build a new Police Station so that this issue can be laid to rest.

The motion was made and seconded to approve the emergency clause. All were in favor, by roll call, 6/0/0.

The motion was made and seconded to take a ten minute recess. All were in favor. The meeting recessed at 8:50 p.m. and reconvened at 9:10 p.m.

The Mayor then gave his second State of the City Address. It will be included at the end of the minutes.

COMMISSION, COMMITTEE, AND AUTHORITY REPORTS AND VACANCIES:
The Mayor made some nominations for vacancies on commissions.

Parks and Recreation Commission- Position 5—Kelly Simon
Parks and Recreation Commission- Position 7—Bill Featherstone
Historic District Commission-Position 5—Mary Springer
Hospital Commission- Position 3— Dr. James Gain. Mayor Satori said that Flo Fitzsimmons would continue to do minutes for the commission in an unofficial status.

The Mayor said he had met with some gentlemen who will be studying the needs of our community, and the economic viability of the Hospital. They were hired by Washington Regional.

DEPARTMENT HEAD COMMENTS:

Chief Hyatt thanked the Council. He said the citizens' concerns about the location of the new Police Building are unfounded. The distance is not very far and it is much easier to get out and away from that location than the present location. He said it seems like a long distance on Highway 62, but that is because Highway 62 doesn't go straight to anywhere. Grand Avenue is being finished this year, and that goes straight to the west side of town. This is a small town. Nothing is really that far away. Also, the calls are answered from Police Cars, mainly, and not from the station.

Parks Commission Chairman, Bill Eamgey gave a status report on the Parks.

Mr. Eamgey said that the Commission has recently spent nine meetings on the budget, and have revised it. The focus for the year 2000 is on community projects, and service. They are dedicated to saving every penny possible, and bringing those savings to the public through the bricks and mortar projects. They cut the general fund money spent in 1999 by 52%. That is a savings of \$146,235. The capital fund for 2000 for bricks and mortar projects has \$96,000. The projected combined general fund and capital fund money for the year 2000 including sales tax, donations, grants, and revenues is \$453,309. The expenses will be \$360,640 and that will include the Sportsplex money, which will cost about \$120,000 this year. There will be a surplus of \$92,669, which really won't be a surplus, because it will be start up money for the next year, and a savings account and money that can be used for more projects.

The focus this year is on about 6 projects.

Downtown springs and parks work will cost about \$36,000.

Basin Park will be gardened.

A horseshoe trail will be built to the old spring box with a \$25,000 grant that is called a T-21 grant. This grant is an 80%-20% grant with the Parks paying the 20%.

Lake Leatherwood City Park has had \$34,750 allocated.

The commission is going to renovate the bath house which will cost about \$30,000 on plumbing and a new roof.

\$2500 will be spent of improvements and maintenance of the trail system.

This year, the money raised at the March for Parks will be used for a skateboard park, which will be built this year. The design is not complete.

They are planning a 34 mile trail system. They are going to use the Harbin Plan as a Guide. They will need to apply for a T-21 grant which is another 80%-20% grant. It would extend around the town, to Black Bass Lake, and then to Lake Leatherwood. It is an ambitious plan and

may take several years to complete.

They will be surveying Minnehaha Spring. It is a 5 acre spring park. It extends from Mill Hollow Road almost to the Harvey Addition. It has two water falls and beautiful rock formations. Once the spring is surveyed, they plan to use community service work to clear it out and they think they have found a natural trail to enhance.

They plan to build two baseball and two soccer fields. There was mention of a frisbee golf course. It is a hot sport in some areas in the state. It is entirely possible that it could be approved for the Sportsplex.

The reason no work has been done on the Sportsplex is because when the State gave the Commission permission to spend the money, the commission didn't have the money. It was not until December that the Commission had the money to begin. Now that they have the money, there are problems. The plans are on a hazardous flood plain. In order to build the fields and the parking lots, the Commission needs permission from the Corps of Engineers to stabilize the creek. In order to get permission to stabilize the creek, they need a storm drain survey. No in depth environmental study was included at the time the plans for the Sportsplex were drawn up. There is very definite danger of polluting the lake.

Fertilizer for the fields, gas, oil, anti-freeze and other pollutants will go into the creek and down to the lake. There is a nine foot difference between one side of the creek and the other so there will be an extra bulldozing expense. There was no provision for flood insurance in the plan for the Sportsplex. Several things will have to be taken care of before the Commission can start.

The Sportsplex, the two baseball fields, the two soccer fields, lighting for night games, dug outs, roads, bridge, etc. will cost about \$490,000. It will be paid for by the Commission and the State, by an Outdoor Recreation Grant. The way the grant works is that the grant is \$100,000. The Commission spends \$100,000, and they are reimbursed \$50,000. If they can continue to get the grants, the cost to the Commission will be \$245,000, with the sales tax kicking in \$336,000. This is if all goes the way it is planned. The way the sales tax is set up by the Council is that the quarter-cent sales tax is divided one-eighth for Capital improvements and One-eighth for Operating and maintenance. The Sportsplex project is dependent upon using all of the tax money.

The Parks & Recreation Commission will be hiring contract labor to do their work.

They will hire a professional gardening service for planning, maintenance & clean up.

They will hire a contract construction manager for the Sportsplex project.

They have hired Worden & Worden to do the bookkeeping.

They have hired an engineering company. The Parks will be saving money and have expert help.

They will be advertising for a Parks Director. Mr. Earngey ended by stating that the Commission welcomes in-put from the community.

Kelley Simon was told that as a nominee, he can meet with commission members without the press being notified.

CITY ADMINISTRATOR'S REPORT:

Ms. Dickens reported that the codification books are in. There are five reserve sections. Title Eleven is one. The books will be handed out at the March 2nd, 2000 meeting.

Ms. Dickens received word from the attorney that it appears that the Smith Foundation is not allowed to collect the tax for the CAPC. They are 501-C3 status and are not allowed to collect the tax. The Attorney General asked Ms. Dickens to re-write the letter that she had sent to him and to send it to the State of Arkansas, Department of Finance and Administration. That is where the opinion came from—their legal council is Scott Smith.

She was asked to put it on the March 2nd, 2000 meeting agenda.

UNFINISHED BUSINESS:

Discussion regarding Ordinance No. 1829, amending Title 11 of the Municipal Code.

second reading. (Kim Dickens):

The motion was made and seconded to suspend the rules and place Ordinance No. 1829 on its second reading by title only. By roll call, the vote was 6/0/0.

Ms. Dickens read the ordinance by title only.

The motion was made and seconded to approve.

Alderman Schrader wanted to include a list of the things that people can do inside of their homes without permits. Ms. Dickens said that anyone could contact the Building Inspector and ask. She said they can paint and lay flooring. Alderman Schrader said it should be up to the City to make people feel like they are important and give them the answers. They shouldn't have to go looking for the answers.

Alderman Freeland said that the City is following Nation-wide guidelines.

The Mayor suggested that a supplemental brochure could be worked up to inform the people. Ms. Dickens said it could be produced at City Hall to pass out to those who need information. Ms. Dickens said that this text is changed very little from the last Title Eleven. The part about contractor's licenses was clarified a bit, and the fees were raised nominally. Alderman Schrader said that he would agree that a brochure would help. Ms. Dickens said it is not like it used to be at City Hall. All of this information is on the internet and anyone can view it.

Also, Ms. Dickens said that some of the definitions will be changed. There is a difference in an occupation license and a contractor's license.

Ms. Dickens said that surety bonds have always been required but it has not been enforced as strongly as it should. The general cost of a surety bond is about \$35.

The clerk said that she has surety bonds filed in her office for this year already. She said that many contractors know it needs to be done, and just do it. Ms. Dickens said that a contractor should bring his surety bond and his contractor's license when he comes in to obtain a license.

The vote on the second reading was 6/0/0.

Discussion regarding speed bumps on Flint Street:

Mayor Satori said the Council had voted to put the speed bumps in for 6 months, and they have been there for nine months. The decision needs to be made. Ed Leswig, Chairman of the Planning Commission, lives close to the stop sign on Mountain Street and he sees a lot of people run that stop sign. He suggested a yellow line be drawn and stop painted on the street and it might then be more visible, because there hasn't been one before.

The motion was made and seconded to remove speed bumps from Flint St.

It was suggested that stop signs might help in some cases.

After more discussion, the vote was 4/2/0, with Taylor and Schrader voting no.

NEW BUSINESS:**Destruction of audited obsolete records for 1994. (Clerk Mary Ann Lee):**

Clerk Lee explained the annual process of disposal of records that do not have to be kept.

The motion was made and seconded to approve disposal. All were in favor, 6/0/0.

Discussion regarding burying the power lines under Planer Hill. (Kirby Murray):

This subject was postponed until the March 2, 2000 Council Meeting.

Discussion regarding special election issues:

There were several items brought up that could be put on the ballot. No date was set.

Alderman Schrader mentioned two. One was packaged liquor sales on Sunday, and also, he suggested that Aldermen be elected only from their own wards. He believes that more people would run for the position if they only had to campaign in their own wards.

A discussion of special election issues will be continued at the March 2nd, 2000 City Council

Meeting.

Ms. Dickens said there are so many people who have bad information on the Leatherwood Dam that she would like to see a special workshop televised with a discussion so that people will have correct information on this subject. She suggested that perhaps someone from McClelland Engineering could come and Kirby Murray, and possibly John Sweeney from Arkansas Soil and Water. These are informed people.

Alderman Jeffrey asked if Ms. Dickens would make copies of the report on Leatherwood Dam and give the Council each one.

COUNCIL COMMENTS:

Alderman Jeffrey requested that a discussion of the Parks Commission be put on the March 2nd, 2000 agenda. He has received a number of calls about making the Commission a department. Alderman Schrader said the Commission is doing a wonderful job and he is very grateful to them. Last page of the February 17th, 2000 City Council Meeting Minutes.

The motion was made and seconded to adjourn. All were in favor. The meeting was adjourned at 11:10 p.m.

APPROVED:

Beau Zar Satori, Mayor

ATTEST:

Mary Ann Lee, City Clerk-Treasurer