

Mayor Dani Joy called the regular meeting of the Eureka Springs City Council to order at 6 p.m. Monday, Jan. 28, 2008, in the jury room on the second floor of the Western District Carroll County Courthouse.

PRESENT: Mayor Dani D. Joy, Aldermen Patrick Brammer, Rae Hahn, Kathy Harrison, Eric Scheunemann, Joyce Zeller, City Attorney Tim Weaver, Parks and Recreation Director Bruce Levine and City Clerk-Treasurer Mary Jean Sell CMC. There is one vacancy on the Council.

PLEDGE OF ALLEGIANCE TO THE FLAG:

Mayor Joy led the Pledge of Allegiance to the Flag.

APPROVAL OF THE AGENDA:

Mr. Brammer moved to approve the agenda. Ms. Harrison seconded.

Ms. Hahn said she wanted to add a discussion of procedures and protocol; having an ordinance prepared to prohibit joint meetings; a discussion of hiring outside legal help; and the letter from the Mayor to downtown businesses proposing the closing of Spring St. on Saturdays.

Mr. Brammer asked to move the discussion of the moratorium on subdivisions and Planned Unit Developments to the first items of New Business discussion because of the number of people at the meeting to speak to the issue.

On the motion to approve the agenda as amended, all voted aye. Motion passed 5/0/0

APPROVAL OF THE MINUTES: Jan. 14, 2008

Mr. Brammer moved to approve the minutes of the regular Eureka Springs City Council meeting Jan. 14, 2008. Mr. Scheunemann seconded.

Mr. Scheunemann said he wanted the word "elected" to replace the word "naming" in the opening paragraph regarding the Council's action to put Pat Matsukis in the Ward 2 Position 1 vacant alderman's seat.

On the motion to approve the minutes as amended, all voted aye. Motion passed 5/0/0

STATE OF THE CITY ADDRESS:

Mayor Joy read her State of the City Address aloud. The full text is attached at the end of these minutes.

DEPARTMENT HEAD AND COMMISSION REPORTS: None

PUBLIC COMMENTS:

Karen Lindblad spoke to the procedures regarding signing up to speak to the Council.

Micki Schneider spoke about Council behavior and Mr. Scheunemann's failure to return her telephone calls.

COMMISSION, COMMITTEE, AUTHORITY REPORTS AND VACANCIES:

Cemetery - Position 5, expiring 2/15/08 – Nominee Mary Ann Pownall

City Council 1/28/08 1

Mr. Brammer moved to approve the nomination of Mary Ann Pownall to Position 5 on the Cemetery Commission with the term to begin Feb. 15, 2008, and for her to serve a full three year term. Mr. Scheunemann seconded. All voted aye. Motion passed 5/0/0

Ms. Hahn said she wanted to have an ordinance drafted setting standards for persons, particularly that they be an elector of the town, who might be appointed to city commissions on the next agenda. Mr. Scheunemann seconded.

Historic District Commission – Position 2 – expires 11/30/10 Position 6 – expires 3/7/08 Mayor Joy nominated Dee Bright for Position 2 and Paul Faulk for Position 6.

Parks and Recreation Commission – Position 6 – expires 5/01/09

Mayor Joy nominated Bradley Banaszek to Position 6.

Planning Commission – Position 2 - expires 1/1/11

Transportation Committee: No report

Highway 62 Committee: Mr. Scheunemann said the committee has not met.

C.A.R.E.S. (Citizen Awareness Regarding Eureka Springs) - Mr. Scheunemann has met with this group. Topics they are interested in include: formation of an Auditorium Committee; report on the progress of the completion of the wastewater treatment plant; aldermen attending monthly department meetings; quarterly financial reports, including account balances, on the city's website; and Council packets available for public review prior to Council meetings.

OLD BUSINESS:

1. Discussion of Ordinance 2068 regarding removal of appointed officials

(Scheunemann, Harrison)

Mr. Scheunemann moved to discuss Ordinance 2068. Ms. Hahn seconded. Four voted aye. Ms. Zeller voted nay. Motion passed 4/1/0

Mr. Scheunemann said the C.A.R.E.S. group wants more public input on the issue.

Mr. Scheunemann moved to postpone consideration of Ordinance 2068 to the next regular Council meeting. Ms. Harrison seconded. Ms. Harrison, Ms. Hahn, Mr. Scheunemann voted aye. Mr. Brammer and Ms. Zeller voted no. Motion failed 3/2/0

There was some discussion about the need for a majority of the number of council members possible or the number of council members voting at the table to pass or fail a motion.

Mr. Scheunemann called for a recess at 7 p.m. to study the issue. Ms. Harrison seconded. Meeting resumed at 7:12 p.m.

Mr. Weaver said state law required a majority of the whole of the number elected, in this instance, four persons, to pass an action.

Mayor Joy read an opinion from Municipal League Attorney David Schoen saying four votes are required to pass an action.

Mr. Scheunemann moved to place Ordinance 2068 on its second reading. Ms. Harrison seconded. By roll call, Ms. Harrison voted aye. Mr. Brammer, Ms. Zeller, Ms. Hahn and Mr. Scheunemann voted no. Motion failed 1/4/0

City Council 1/28/08 2

2. Discussion of Resolution 552 supporting Parks grant application (Parks Director

Bruce Levine)

Mr. Brammer moved to discuss Resolution 552. Ms. Zeller seconded.

There was brief discussion with Mr. Levine about the grant and the proposed work.

Mr. Brammer moved to approve a \$15,000 grant match and to read and adopt Resolution 552. Ms. Zeller seconded.

Mr. Brammer, Ms. Zeller and Mr. Scheunemann voted aye. Ms. Harrison voted present. Ms. Hahn did not vote. Mayor Joy voted aye to pass the motion. Motion passed 4/2/0

3. Discussion of proposed Courthouse rent increase (Mayor)

Mr. Weaver said he and Mayor Joy met with Carroll County Judge Richard Williams to discuss the proposed increase. After reviewing all documents available regarding the leasing of the City Hall space in the Western District Carroll County Courthouse, it was Mr. Weaver's recommendation to agree to the increase rent and not to try to challenge it in

court.

Mr. Weaver said he had also examined the current lease agreement and it did not end in November of 2007. The back payments have been made.

Ms. Hahn moved to continue to lease the City Hall space and to enter into a two-year contract. Mr. Brammer seconded.

Mr. Brammer moved to amend the motion to pay 80 cents per square foot for the City Hall space. Ms. Hahn seconded. All voted aye. Motion passed 5/0/0

On the amended motion, all voted aye. Motion passed 5/0/0

NEW BUSINESS:

1. Discussion of 2008 budget (Mayor Joy)

Ms. Hahn moved to discuss the proposed 2008 city budget. Mr. Brammer seconded.

Ms. Hahn said she is not ready to approve this budget and asked for a special meeting at 3 p.m. Thursday, Jan. 31, to finish the budget.

She moved to postpone any action on the budget to the special meeting at 3 p.m. Thursday, Jan. 31. Ms. Harrison seconded. Ms. Harrison, Ms. Hahn, Mr. Scheunemann voted aye. Ms. Zeller and Mr. Brammer voted no. Motion failed 3/2/0

Mr. Brammer moved to place Ordinance 2076 outlining the 2008 budget on its first reading. Ms. Zeller seconded. Mr. Brammer and Ms. Zeller voted aye. Ms. Hahn, Mr. Scheunemann, Ms. Harrison voted no. Motion failed 2/3/0

Ms. Hahn moved to meet at 3:15 Tuesday, Jan. 29, to work on the budget. Mr. Scheunemann seconded. Ms. Harrison, Mr. Scheunemann, Ms. Hahn voted aye. Mr. Brammer and Ms. Zeller voted no. Motion failed 3/2/0

Mr. Brammer moved to return to a discussion of the budget as the last item on tonight's agenda. Ms. Zeller seconded. All voted aye. Motion passed 5/0/0

2. Discussion of recommendation from Planning Commission to extend moratorium on Planned Unit Developments (PUDs) and Subdivisions. (Chairman Ed Leswig)

(Note: Council members have been given a copy of a letter from the Planning Commission/Board of Zoning Adjustment, signed by Chairman Ed Leswig, recommending the continuation of the moratorium on subdivisions and Planned Unit Developments (PUDs) for another 120 days, starting Feb. 8 when the initial 160-day moratorium expires.)

City Council 1/28/08 3

Mr. Scheunemann moved to extend the moratorium 60 days. Ms. Harrison seconded.

Ann E. Martin said the city doesn't need another moratorium on subdivision development.

Genes Bland said he had no problem with a 60-day moratorium, but not 120 days, and he hoped the Planning Commission could get its work done.

Karen Lindblad said she would support a further moratorium.

Mr. Scheunemann suggested contacting the Municipal League's planning consultant Jim vonTungeln and ask if he could come to Eureka Springs to work with the Planning Commission in developing new subdivision and PUD ordinances. Mayor Joy said she would contact Mr. vonTungeln.

Mr. Scheunemann withdrew his motion to extend the moratorium. Ms. Harrison withdrew her second.

Mr. Scheunemann moved to place a 60-day moratorium on subdivisions and PUDs in the Historic District. Ms. Zeller seconded. Mr. Scheunemann, Ms. Hahn, Ms. Zeller voted aye. Mr. Brammer, Ms. Harrison voted no. Mayor Joy voted aye to pass the motion. Motion passed 4/2/0

3. Discussion of 2008 Sunday Market (Heather Quinney)

Ms. Quinney is the producer of the Sunday Market held in the parking lot between the Basin Spring Bathhouse, 1 Spring St., and the Greenlee Building.

Ms. Hahn moved to discuss the Sunday Market. Ms. Harrison seconded.

Ms. Quinney said she is planning to have the market in the same location this year. A suggestion had been made to move it to Center St., but she does not believe there is enough space without closing at least half of the street to traffic.

Karen Lindblad said people see the Market as an “extra” event on Sundays and enjoy coming to it.

Mickey Schneider said the merchants on North Main still have a problem with the location of the Market in that it takes too many parking spaces away from their customers.

Steven Gary said there should be a compromise to having the Sunday Market and parking spaces.

Darlene Schrum said the market should be moved to keep downtown customers happy.

Ms. Hahn moved to extend the Sunday Market as a city festival one more year and to have the situation monitored to see if the complaints are valid. Mr. Scheunemann seconded.

Ms. Hahn moved to amend her motion to keep the products and produce offered at the Sunday Market locally produced or grown. Mr. Scheunemann seconded. On the motion, four voted aye. Mr. Brammer voted no. Motion passed 4/1/0

On the amended motion, four voted aye. Mr. Brammer voted no. Motion passed 4/1/0.

4. Discussion of Ordinance 2073 setting date for referendum election on Ordinance

2051 regarding taxis/limousines (Mayor Joy)

Mr. Brammer moved for a recess at 9:30 p.m. Ms. Harrison seconded. Meeting Resumed at 9:45 p.m.

Mr. Brammer moved to place Ordinance 2073 on its first reading. Ms. Zeller seconded. All voted aye. Motion passed 5/0/0

Ms. Sell read Ordinance 2073 aloud.

Mr. Brammer moved to approve the first reading of Ordinance 2073. Ms. Zeller seconded. All voted aye. Motion passed 5/0/0

City Council 1/28/07 4

Mr. Brammer moved to suspend the rules and place Ordinance 2073 on its second reading by title only. Ms. Zeller seconded. By roll call, four voted aye. Ms. Harrison voted no. Motion passed 4/1/0

Mayor Joy read the title of Ordinance 2073 aloud.

Mr. Brammer moved to approve the second reading of Ordinance 2073 by title only. Ms. Zeller seconded. Four voted aye. Ms. Harrison voted no. Motion passed 4/1/0

Mr. Brammer moved to suspend the rules and place Ordinance 2073 on its third reading by title only. Ms. Zeller seconded. By roll call, Mr. Scheunemann, Mr. Brammer and Ms. Zeller voted aye. Ms. Hahn, Ms. Harrison voted no. Mayor Joy voted aye to approve the motion. Motion passed 4/2/0

Ms. Sell read the title of Ordinance 2073 aloud.

Mr. Brammer moved to approve the third reading of Ordinance 2073 by title only. Ms. Zeller seconded. Mr. Brammer, Ms. Zeller, Mr. Scheunemann voted aye. Ms. Hahn, Ms. Harrison voted no. Mayor Joy voted aye to approve the motion. Motion passed 4/2/0

5. Discussion of Ordinance 2074 setting date for referendum election on Ordinance

2047 regarding demolition by neglect (Mayor Joy)

Mr. Brammer moved to place Ordinance 2074 on its first reading. Ms. Zeller seconded. All voted aye. Motion passed 5/0/0

Mayor Joy read Ordinance 2074 aloud.

Mr. Brammer moved to approve the first reading of Ordinance 2074. Mr. Scheunemann seconded. All voted aye. Motion passed 5/0/0

Mr. Brammer moved to suspend the rules and place Ordinance 2074 on its second reading by title only. Mr. Scheunemann seconded. By roll call, all voted aye. Motion passed 5/0/0

Mayor Joy read the title of Ordinance 2074 aloud.

Mr. Brammer moved to approve the second reading of Ordinance 2074 by title only. Ms. Zeller seconded. . Four voted aye. Ms. Harrison voted no. Motion passed 4/1/0

Mr. Brammer moved to suspend the rules and place Ordinance 2074 on its third reading by title only. Ms. Zeller seconded. By roll call, Mr. Scheunemann, Mr. Brammer, Ms. Zeller voted aye. Ms. Hahn and Ms. Harrison voted no. Mayor Joy voted aye to pass the motion. Motion passed 4/2/0

5. Discussion of streamline tax (Harrison, Brammer)

There was some general discussion regarding the state legislature's passage of a "streamline tax" designed to collect sales tax on ordered items at point of delivery, rather than point of sale.

6. Discussion of meeting procedure.

Ms. Hahn moved to discuss meeting procedures. Mr. Scheunemann seconded.

There was general discussion regarding the purpose of sign up sheets, time limits and whether or not citizens could speak only on agenda topics or on any subject.

Ms. Harrison moved persons signing the sign-up sheet didn't have to apply only to agenda items or topics. Ms. Hahn seconded.

City Council 1/28/08 5

After discussion, Ms. Harrison withdrew her motion. Ms. Hahn withdrew her second.

Ms. Harrison moved that the sign-up sheet could be returned to the audience so citizens could sign up for each item of discussion. Ms. Hahn seconded. All voted aye. Motion passed 5/0/0

NEW BUSINESS: Continued from earlier in the meeting.

1. Discussion of 2008 budget (Mayor Joy)

There was additional discussion of budget items.

Mr. Brammer moved to place Ordinance 2076 on its first reading. Ms. Zeller seconded. Mr. Brammer, Ms. Zeller, Mr. Scheunemann voted aye. Ms. Hahn and Ms. Harrison voted no. Mayor Joy voted aye to pass the motion. Motion passed 4/2/0

Ms. Sell read Ordinance 2076 aloud.

Mr. Brammer moved to approve Ordinance 2076 on its first reading. Ms. Zeller seconded. Mr. Brammer, Ms. Zeller, Mr. Scheunemann voted aye. Ms. Hahn and Ms. Harrison voted no. Mayor Joy voted aye to pass the motion. Motion passed 4/2/0

Mr. Brammer moved to suspend the rules and place Ordinance 2076 on its second reading by title only. Ms. Zeller seconded. By roll call, Mr. Brammer, Ms. Zeller voted aye. Ms. Hahn, Mr. Scheunemann, Ms. Harrison voted no. Motion failed 2/3

Mr. Scheunemann moved to take a break at 10:50 p.m. Ms. Harrison seconded. All voted aye. Motion passed 5/0/0 Meeting resumed at 11:05 p.m.

Mr. Brammer moved to read Ordinance 2076 in its entirety. Ms. Zeller seconded. By roll call, Ms. Zeller, Mr. Brammer voted aye. Ms. Harrison, Mr. Scheunemann, Ms. Hahn voted no. Motion failed 2/3/0

Ms. Harrison moved to set a special meeting on the city budget for 3 p.m. Thursday, Jan. 31 and to have a workshop at 2 p.m. Mr. Scheunemann seconded. Four voted aye. Mr. Brammer voted no. Motion passed 4/1/0

AGENDA SETTING:

Ms. Hahn said she wants a committee to be appointed to study the recommendations in the Morgan Report about Black Bass Dam. She said the Council had voted Jan. 22, 2007, to have an ordinance prepared to prohibit joint commission meetings. She would like to see that done. Ms. Harrison seconded. Ms. Hahn wants to establish guidelines for residency requirements or for persons to be nominated to commissions to be registered voters. She also wants a discussion of licensing limousines on the next agenda. Ms. Harrison seconded.

Ms. Harrison said she wants department heads to make regular verbal reports to the Council and the public during meetings on a monthly basis.

Mr. Scheunemann said he wants to discuss having Council representatives meet with department heads.

MAYOR'S COMMENTS:

Mayor Joy distributed a letter and information from Dennis Hunt of Stephens Inc. recommending refunding of the Series 2002 Water and Sewer Revenue Bonds to realize a

City Council 1/28/08 6

savings of approximately \$65,000. She said this would be on the next agenda for discussion.

She read a list of coming events.

ADJOURNMENT:

Mr. Brammer moved to adjourn at 11:45 p.m. Ms. Harrison and Ms. Hahn seconded. All voted aye. Motion passed 5/0/0

This is the signature page for the minutes of the regular meeting of the Eureka Springs City Council Monday, Jan. 28, 2008.

Mayor Dani D. Joy

City Clerk-Treasurer Mary Jean Sell CMC

City Council 1/28/08 7

2008 STATE OF THE CITY

Mayor Dani D. Joy

Two weeks ago I was planning to deliver an address to the Council and to the City outlining our plans for 2008 and beyond. We had decided that we wanted to separate the State of the City Address - typically a summary of the year just passed - from anything that talked about our dreams, our aspirations and our plans for this community we call home.

This address did not have a special name or lofty title - simply, it was to have been a vision statement. We wanted to deliver it at the first meeting of the year...since State law requires the State of the City address to be given at the second meeting of the year.

Those plans were overshadowed, however, by events that continue to reverberate throughout town. What started out as a mission with a positive message denigrated into a word-fest of hair-splitting arguments where form seemed to be preferred over substance. Over the weeks since, the conditions of the "political" side of Eureka have deteriorated.

With all of this whirling around us, I was trying to focus on the positive. But then I was asked whether I was being disingenuous by ignoring the other parts of life in Eureka that were more problematic.

And you know - I was. I now realize that the State of the City Address needs to reflect the whole package - or, in everyday terms, the good, the bad and the ugly. The State of the City Address needs to be more than a litany of our accomplishments - it also needs to address areas where we have fallen short and what our plans are to do better. It needs to be a snapshot of what we really are, as well as a commitment to be what we want to be tomorrow. For that reason, I felt it necessary to preface my remarks with my assessment of the State of the City's political side.

In a nutshell, it is in turmoil - there's more drama here than in all of the daytime soap operas combined. And over what? Last time I looked nothing going on here rivaled the Israeli-Palestinian conflict, the war in Iraq, the loss of jobs in industrial states like Michigan and Ohio or even the still-struggling Gulf Coast. And yet we are brought to our knees all too often by camps competing for control.

What can we do? The answer is easy: get involved. This is an election year. There will be six city council seats open - now is the time to start laying the groundwork to get there. This is an open call to everyone within the city limits of Eureka Springs to look deep inside and to determine whether you - or someone you know - have the necessary maturity,

disposition and commitment to be an effective legislator for the whole community. Maybe next year in the state of the city address, we can look at the political side of Eureka and says it's getting better.

The economic side of town also is in need of help. The boom days of the early 90s are past. For everyone who expresses an opinion as to why – the answer is different. Some say it's because we changed the way the CAPC operates; some say it's because we began catering to groups that are inappropriate to what we've always been; some say it's because we have more competition than we used to have; and others say it's the economy.

My guess is that it's some of each of these reasons, plus about a dozen more, at the very least. We keep looking for the bad guy, the ultimate perpetrator, the one who is responsible for everything bad. Why? Well, I suppose that there is the impression that if we can find the bad guy we can punish him and that's going to make everything better.

Continued thinking like that will result in nothing more than what we already have so what's the point?

To make things better we have to start at home, with our own businesses, storefronts and displays, and in our guest rooms and on our front porches. Yes, this is a town with residents, but this is also a town that cannot afford to ignore the way we present ourselves to the outside world. Like it or not – we are dependent on the kindness of strangers.

I want my children to have a better life; and though I don't like to think of myself as being a slave to money, I realize that a certain amount of money is necessary to provide adequate food, accessible healthcare, safe living conditions and as dependable means to access it all. As hard as I have tried, mere wanting doesn't deliver.

And going without may get me extra points toward Heaven but it leaves me in a weakened state so that I am neither well nor strong enough to do what it takes to take care of my family and my community.

In short, there are those who have complained that I have sold out to the corporate establishment. But I believe that it is the duty of my administration to do everything in its power to guarantee that we have a revenue stream into this community adequate enough to give everyone here an opportunity – if they chose to pursue it – to achieve the quality of life to which they aspire.

We made a start last year with the Mayor's Taskforce on Tourism; and we will continue this year by taking further steps to get our welcome mat out to more people.

I realized years ago that our main driving financial source, tourism, and the perception of Eureka Springs was hurting.

Our lack of communication with the state was proving to be a major stumbling block in the promotion of Eureka on the state level. Last spring at the Governor's Conference on Tourism I spent some time with Richard Davies, director of the Department of Parks and Tourism, and Shelby Woods from CJRW, the advertising agency for the state. We discussed our strong points and our shortfalls and came to the agreement to set aside a few days for them to revisit Eureka. My hope was that they would fall in love with her again and see the beauty that we see everyday.

Out of those first initial moments came a 3-day meeting in Eureka. It wasn't your typical feel good and pat each other on the back meeting. It was brutal honesty. That hurt. But I swallowed my pride and focused on building a group that would work to repair communication with the state and in turn help our main industry, tourism.

By July at the request of the Department of Parks and Tourism, the Mayor's Tourism Taskforce was born. I am proud to say that this group has been one of the most proactive organizations to come out of our city in years. But being proactive isn't just taking the initiative to make things happen, it also means taking responsibility for our attitudes and actions. We agreed in the beginning to not dwell on the negative, but instead focus on the positive and begin the long road to recovery and the rebirth of our industry.

Since those first initial meetings:

Mayor's Taskforce Advisory Committee was formed including 30 people representing different groups to build a "branding statement" for the city. The Department of Parks and Tourism unanimously agreed that we had lost our brand. Out of the branding statement came a new logo for the city.

Because of the Tourism Taskforce, the state website was reviewed and subsequent plans made to repair shortfalls.

An agreement came from the state to start promoting weddings with the creation of a "weddings" page on Arkansas.com and the commitment of \$15,000 in support of The Knot, a major NY interned wedding site and magazine along with the WeddingChannel.com.

Their diligent work resulted in awarding the 2010 Governor's Conference on Tourism to Eureka Springs. This will be the first time in 15 years that we have held this honor.

These are but a few of the many accomplishments that have been achieved by this group and goes to show how

much can truly be accomplished when we focus on a positive agenda with our future in mind.

I am also proud to announce that the Tourism Taskforce has been selected as a finalist for the Henry Awards for this year's Governor's Conference. This means their hard work has not gone unnoticed by the state. They stand out in a sea of highly qualified professionals for their efforts on your behalf. I proudly applaud them all.

Out of the dialogue with the state the suggestion was made by them to try something different and make Spring Street a pedestrian mall following in Branson Landing's successful footsteps. The first communication on this started last week with a letter to the business owners on Spring Street to try and start a dialogue on the pros and cons of the proposal. I have had many comments on both sides. Unfortunately it appears that the chance even to approach this idea will not progress because of the fear of change.

This suggestion was not approached to try and hurt the Spring Street businesses. Quite the contrary. It was to drive more people up the hill, via our trolley, to see all the shops, not just the ones on Main Street. There was never a plan by the CAPC to get even with the retail businesses and force them into this or have vendors in front of the shops. That is merely a rumor, but sadly rumors seem to be easier to believe than fact.

The vision was to have street performers up and down Spring Street along with musicians. The Passion Play had even agreed to bring the chariots down with actors to participate. Students from the university would have been playing as well as local talent. It is a shame to see something die before it even had a chance.

I am encouraged however because I've seen people get involved at least on this one issue that usually never do. So in light of all of this, I challenge the retail sector to be at the Main Street meeting Wednesday night at 5:30 to hear Glenna Booth's proposals and suggestions from Main Street Arkansas. Since you don't have a vote on the CAPC because you no longer collect the tax it might be wise to get involved and look to the future of your town. We need to hunt for positive steps that can be made to insure the stability of Eureka.

If we keep doing the same thing we've always done, then we cannot expect a different result.

As far as the State of the City Government – overall, it's healthy; and it's working – every day. It is true that we are not without a Public Works Director, something that has saddened us greatly. First and foremost, Jay (Wilson) is a good man and an honest man. But he was put into a position that no one, even one with legitimate degrees and an arm's length resume, could have managed. He was behind the eight ball from the beginning, trying to make sense of a wastewater treatment project that was under funded even before the contract was signed, a project that had to be redesigned and even then, a major component was left out that resulted in the project being extended.

I tried to get Jay to stay. I offered to help relieve the stress and let him be the crew chief and bring in someone else to be the department head and deal with the paperwork and council. But he chose otherwise. So, that being what it is, we are looking for a replacement. In the meantime, the finance director and I are monitoring the department. Day to day operations are being handled by office manager Amy Williams and Crew Chief Steve Gordon. I will miss Jay. I wish him well and hope that he and his family finds the happiness and health that he deserves.

In other areas, the Transit Department will be bringing to fruition a public parking facility that was first talked about nearly 30 years ago. The finishing touches are now being applied to the Planer Hill Park and Ride Facility. We are very fortunate to have this beautiful entrance to our historic downtown. Thank you Lamont for all the work that you have done.

The Fire Department is functioning under a new Chief. As in anything new it takes some adjustment and time. Even thru this transition I have complete faith in our fire fighters and EMTs and their ability to provide the citizens of Eureka with the best care available. Thank you Eddie.

The Police Department continues to watch out for the safety and welfare of everyone – and everything – within our borders. It too faces a personnel shortage today, a result of an officer being injured in the line of duty. At times we tend to forget that crime does exist in our town. Mainly because we are kept from harm's way by some of the best police officers in the state. Thank you Earl.

Our Finance Department has gone through a lot of upheaval in recent years but there is stability now that has been needed for a long time. One of the most serious issues we faced last year – the under funding of the wastewater treatment plant project – might have been avoided altogether or at least lessened if there had been greater oversight of the financial records that were pertinent.

Unless we maintain a full-time financial officer who has that responsibility, we run the risk that duties are not sufficiently segregated to assure the necessary checks and balances on the handling of our financial resources. And I might

add...it is very easy to speculate as to the current financial stability of Eureka and the pending budget approval and start rumors that probably are unfounded. Our Finance Director, Yvonne Kline, is the most honest and forthright person that I know. We are very fortunate to have her.

And the Building Department – a department of one – continues to become every more efficient in the ways it monitors permits, licenses and code enforcement. Thank you Marion.

There is much of which we can be proud, but we know that we can do better. Though the Parks Commission and the CAPC are not city departments, their directors are still active members of our weekly department head meetings. What those commissions are doing is as much a part of how Eureka Springs' city government operates that it would be both unfair and irresponsible to exclude them.

What would I give as a grade for the State of the City – probably a B. While there are many things of which we can be proud, there are areas that need a lot of work.

Stimulating the economy is one area – and while we may not be able to control the cost of fuel or the rate of inflation – there are some things that we can control, like the face we put on when people come to pay a visit, or the way our property looks, or just the way we treat our guests as well as each other.

Getting involved is another area – again, remember that now is the time to start about the upcoming council elections in November. We get what we are willing to accept, and what we are willing to enable. We can choose to hold tight to our points of view and we end up with gridlock.

Or we can choose to argue our point of view with as much passion as we can muster, then listen to the other side, and finally try as hard as we can to find that kernel of consensus that might just grow into a compromise that all can live with. That is what leadership is about – the alternative is nothing but spending a lot of energy standing still.

I am proud of this City and I am full of hope. Nothing that has happened in the past year has dampened my belief in the goodness that exists here.

Author Steven Covey said: Change – real change – comes from the inside out. It doesn't come from gnawing at the fringes of attitude or behavior for a quick fix. It comes from striking at the root, the fabric of our thought, the fundamental, essential paradigms, which give definition to our character and create the lens through which we see the world and the world sees us.

To truly change our pattern, our destiny we have to change our views and focus on a positive future and work daily to that end. I challenge you the citizens to look past the anger and divisions and work towards the positive future that I believe we have been yearning for. The future we deserve. The future that Eureka Springs ought to have.

It's up to us.