

Mayor Dani Joy called the regular meeting of the Eureka Springs City Council to order at 6 p.m. Monday, March 17, 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, Finance Director Yvonne Kline, Public Works Director Dwayne Allen, Planning Commissioners Lany Ballance and Ken Pownall, Dennis Hunt of Stephens, Inc. in Fayetteville, and City Clerk-Treasurer Mary Jean Sell CMC.

**PLEDGE OF ALLEGIANCE TO THE FLAG:**

Mayor Joy led the Pledge of Allegiance to the Flag.

Mayor Joy announced Eureka Springs had swept the awards from the recent Governor's Conference on Tourism in Rogers. She presented and introduced: Director of Operations at the Great Passion Play Marvin Peterson who was inducted into the Tourism Hall of Fame; Tanya Smith of Turpentine Creek Wildlife Refuge, winner of the Bootstrap Award; and Bill Ott, winner of the Tourism Volunteer Award.

**APPROVAL OF THE AGENDA:**

Ms. Hahn moved to approve the agenda. Ms. Harrison seconded.

Ms. Harrison asked to remove Old Business Item #3 - Discussion of Alderman position Ward 2 Position 1.

Mr. Brammer asked to remove New Business Item #2- Discussion of election of Mayor Pro Tem for 2008.

Ms. Hahn asked to add a discussion on rules and procedure as Item #5 under New Business. Ms. Harrison seconded.

Mayor Joy said she would like to move New Business Item #1 - Discussion of Ordinance 2079 refunding 2002 Water, Sewer Bond Issue – to the first item on the agenda to accommodate Mr. Hunt.

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

**APPROVAL OF THE MINUTES:** Feb. 25, 2008

Ms. Hahn moved to approve the minutes of the regular City Council meeting of Feb. 25, 2008. Ms. Harrison seconded. Four voted aye. Ms. Hahn voted no. Motion passed 4/1/0

**DEPARTMENT HEAD AND COMMISSION REPORTS:** None

**PUBLIC COMMENTS:**

**Beverly Blankenship** asked the Council to consider setting four-year staggered Council terms.

**Michelle McDonald** congratulated Eureka Springs on the good showing at the Governor's Conference on Tourism.

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**Amanda Banaszek** said rules of behavior in Council meetings need to be followed by the public and the Council.

**COMMISSION, COMMITTEE, AUTHORITY REPORTS AND VACANCIES:**

Historic District Commission – Position 6 – expires 3/7/08

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

**NEW BUSINESS:**

**1. Discussion of Ordinance 2079 refunding 2002 Water, Sewer Bond Issue** (Mayor Joy)

Mr. Hunt said the Council had agreed on Feb. 11, 2008, to have him look into the possibility of refunding the 2002 revenue bonds. In going through the due diligence process looking at financial records and revenues, he had determined that the city does not have the revenue available to adequately cover the needs of the bond issues. He cannot proceed with the refunding at this time.

He said it is necessary to take steps to address revenues for the continued operation of the (water and sewer) system either by increasing revenues or reducing expenses.

He said the city's interest income on investments had dropped by approximately 50 percent in the past year and is no longer adequate to cover many of the expenses.

Mayor Joy said the water rates have not been raised since 2003. She said Finance Director Yvonne Kline is working with the state auditors to get information together on what will be needed.

**COMMISSION, COMMITTEE, AUTHORITY REPORTS AND VACANCIES:**

**Black Bass Dam** – Ms. Hahn said there is a recommendation in Mr. Morgan's letter that new trails be set back at least 15 feet from the edge of the water. Ms. Ballance had photographs showing the trails closer than that to the water. Ms. Hahn asked for some documentation that it is all right to build the trail closer than 15 feet to the water.

**OLD BUSINESS:**

**1. Discussion of Ordinance 2078 regarding water rate increase (3<sup>rd</sup> reading)** (Mayor Joy)

Mr. Brammer moved to suspend the rules and place Ordinance 2078 on its third reading by title only. Ms. Zeller seconded. Four voted aye. Mr. Scheunemann said he would not vote. Motion passed 4/1/0

Mayor Joy read the title of Ordinance 2078 aloud.

Mr. Brammer moved to approve the third reading of Ordinance 2078 by title only. Ms. Zeller seconded. Four voted aye. Mr. Scheunemann said he would not vote. Motion passed 4/1/0

Mr. Brammer moved to read the emergency clause. Ms. Zeller seconded. Four voted aye. Mr. Scheunemann said he would not vote. Motion passed 4/1/0

Mayor Joy read the emergency clause aloud.

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**2. Discussion of Ordinance 2075 amending HDC procedures (2<sup>nd</sup> reading)** (Mayor Joy)

Ms. Hahn moved to place Ordinance 2075 on its second reading. Mr. Brammer seconded. Four voted aye. Mr. Scheunemann said he would not vote. Motion passed 4/1/0

Ms. Sell read Ordinance 2075 aloud.

Mr. Brammer moved to approve Ordinance 2075 on its second reading. Ms. Harrison seconded.

Mr. Scheunemann moved to postpone discussion until the first City Council meeting following the May 20 special referendum election. Ms. Hahn seconded. Ms. Harrison and Ms. Hahn voted aye. Mr. Brammer and Ms. Zeller voted no. Mr. Scheunemann did not vote. Motion failed 2/3/0

Mr. Brammer moved to postpone the vote on the second reading of Ordinance 2075 to the next Council meeting (March 31). Ms. Hahn seconded. All voted aye. Motion passed 5/0/0

**3. Discussion of Alderman position Ward 2 Position 1** (Scheunemann, Harrison)

Mr. Scheunemann moved to discuss. Ms. Harrison seconded. Ms. Harrison and Mr. Scheunemann voted aye. Mr. Brammer, Ms. Zeller and Ms. Hahn voted no. Motion failed 2/3/0

**NEW BUSINESS:**

**2. Discussion of Farmers' Market in Planer Hill Park and Ride Lot** (Harrison, Hahn)

Transit Director Lamont Richie said this is the third year this has come up. He said that since the property was purchased with federal funds, using a portion of it for a twice-weekly farmers' market would not be allowed under the federal guidelines.

Ms. Hahn asked him to get an opinion from the Federal Transit Administration (FTA). She also wants to hear from Patrice Gros, coordinator for the market.

**3. Discussion of occupation taxes and licenses** (Hahn, Harrison)

Ms. Hahn moved to open discussion. Ms. Harrison seconded. Ms. Hahn and Ms. Harrison voted aye. Mr. Brammer and Ms. Zeller voted no. Mr. Scheunemann did not vote. Motion failed 2/3/0

**4. Discussion of rules and procedures.**

Ms. Hahn moved to open discussion. Ms. Harrison seconded. Ms. Hahn and Ms. Harrison voted aye. Mr. Brammer and Ms. Zeller voted no. Mr. Scheunemann did not vote. Motion failed 2/3/0

**AGENDA SETTING:**

**Ms. Harrison** asked for a Hospital Commission report at the next meeting. She asked if the Planning Commission is working on a new subdivision ordinance, as requested, and what the progress is.

**Mr. Scheunemann** asked for a Hospital Commission quarterly report at the next meeting. He asked for a workshop to review the *possible* (added by Mr. Scheunemann during the March 31 Council meeting) sewer plant misappropriations and audit.

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Ms. Hahn added during the March 31 Council meeting: *On Nov. 5, 2007, City Attorney Weaver said any action regarding taxis and limousines should wait until after the May 20, 2008, referendum vote.*

**ADJOURNMENT:**

Mr. Brammer moved to adjourn at 7:21 p.m. Mr. Scheunemann seconded. Four voted aye. Ms. Harrison voted no. Motion passed 4/1/0

This is the signature page for the minutes of the regular March 17, 2008, meeting of the Eureka Springs City Council.

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Mayor Dani D. Joy

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City Clerk-Treas. Mary Jean Sell CMC

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