

PLEASE TURN OFF ALL ELECTRONIC DEVICES AS THEY INTERFERE WITH RECORDING EQUIPMENT

**CITY OF EUREKA SPRINGS
COUNCIL MEETING**
Thursday, January 5, 2012 6 p.m.

AGENDA

CALL TO ORDER

ROLL CALL, ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE TO THE FLAG

APPROVAL OF THE AGENDA

APPROVAL OF THE MINUTES: December 1, 2011 and Special Meeting December 15, 2011

COMMISSION, COMMITTEE, AUTHORITY REPORTS AND EXPIRED TERMS:

Planning – Pos. 1- Mickey Schneider - 7/1/11. Pos. 6 - vacant - 1/1/12. Pos. 7 – Deni Flaherty – 1/1/12

CAPC – Pos. 1- vacant - 7/1/12. Pos. 3 - Lynn Bridwell – 6/30/11. Pos. 5 - Butch Berry - 12/31/11.
Pos. 6 – James DeVito – 12/31/11

Hospital – Pos. 4 – Pamela Crockett – 6/1/11

Parks – Pos. 5 – vacant - 5/1/11

HDC – Pos. 4 – Doug Breitling - 11/30/10. Pos. 5 – Greg Moon – 11/30/11

Cemetery

Yellow Bag Research Committee

Deer Hunt Committee

PUBLIC COMMENTS:

RULES AND PROCEDURES FOR COUNCIL:

UNFINISHED BUSINESS:

1. Dog control update/recommended Code changes -- Mayor Pate
2. Non-conforming Off-Premise Signs – Postponed until Code references are corrected – Planning Commission
3. Hospital Audit report/Hospital lease – Mr. Pownall and Ms. Ballance
4. Auditorium Commission ordinance review – Mr. Berry and Mr. DeVito
5. Discussion of State law 14-235-206 Sewer Committee, 14-234-116, 14-235-207 – Mr. Pownall and Ms. Ballance
6. Ray Dotson's list for loading and unloading passengers – Dr. Kirkpatrick and Ms. Ballance
7. Handicap parking regulations ordinance – Mayor Pate for the Planning Commission
8. Petition for right to regulate on State Highways in Eureka Springs – Mr. DeVito and Ms. Ballance

NEW BUSINESS:

1. Doug Milligan's vehicle damage – Mr. DeVito and Mr. Pownall
2. McCune St. easement for Jim McEvoy – Mayor Pate
3. Joe Gunnels Tours application for Group Tour Franchise – Mayor Pate
4. Making Memories Tours application for Group Tour Franchise – Mayor Pate
5. Setting dates for 2012 Council meetings – Mr. Pownall, Mr. Berry, and Mr. DeVito
6. Setting date for 2012 Council goals workshop – Mr. Pownall, Mr. Berry, and Mr. DeVito
7. Council approval of destruction of 2006 records – Mayor Pate
8. B&B license fee ordinance – Mayor Pate
9. Expiration of the moratorium on Digital/Electronic signs – Mayor Pate
10. Ordinance to regulate Limousines – Mr. Weaver will notify Mayor when ready -- Mr. DeVito and Mr. Pownall
11. Setting date for workshop to review/rewrite Animal Drawn Vehicle requirements – scheduled to set date during the first meeting in February -- Mr. DeVito, Ms. Ballance, Mr. Berry
12. Mandated 3% water rate increase – Mayor Pate
13. Parking lot lease resolution – Mayor Pate
14. Pro tem for 2012 – Mayor Pate

AGENDA SETTING

CITY COUNCIL COMMENTS

MAYOR'S COMMENTS

ADJOURNMENT

Mayor Morris Pate called the regular meeting of the Eureka Springs City Council to order at 6 p.m. Thursday, January 5, 2012, in the jury room on the second floor of the Western District Carroll County Courthouse.

PRESENT: Mayor Morris Pate, Aldermen Lany Ballance, Dean Kirkpatrick, James DeVito, Butch Berry, Ken Pownall, Parker Raphael, City Attorney Tim Weaver, and City Clerk/Treasurer Ann Armstrong

PLEDGE OF ALLEGIANCE TO THE FLAG:

Mayor Pate led the Pledge of Allegiance to the Flag.

APPROVAL OF THE AGENDA:

Mr. DeVito moved to approve the agenda. Mr. Berry seconded. Mr. Pownall requested moving New Business item #5 to Public Comments. Mr. DeVito seconded. Mr. Pownall also suggested combining New Business items # 3 and 4. Dr. Kirkpatrick seconded.

The amended agenda was approved 6/0/0.

Mayor Pate added appointment of the Mayor Pro tem for 2012 to New Business.

APPROVAL OF THE MINUTES: December 1, 2011 and Special Meeting December 15, 2011

Mr. Pownall moved to approve the minutes from the December 1, 2011 Council meeting.

Mr. DeVito seconded.

Motion carried 6/0/0.

Mr. Pownall moved to approve the minutes from the December 15, 2011 Special Meeting.

Mr. DeVito seconded.

Motion carried 5/0/0 with Mr. Berry abstaining due to absence.

COMMISSION, COMMITTEE, AUTHORITY REPORTS AND VACANCIES:

Mayor Pate stated there would be no nominations for vacancies due to the length of the agenda.

Written reports were received from Fire and Police.

Planning – Position 6 – expires 1/1/12. Position 1 – expired 7/1/11.

Planning Chair Beverly Blankenship stressed the importance of an updated zoning map. She noted the January 10 Public Hearing for 2 Oregon.

CAPC – CAPC Chair Charles Ragsdell said the budget and quarterly financial statement have been submitted. He noted the re-nomination of Lynn Bridwell. Applications are being solicited for Position 1. This seat is one of the four tourism-related positions.

Hospital

Parks – Position 5 – expired 5/1/11

HDC – Position 4 – expired 11/30/10

Cemetery

Yellow Bag Research Committee – Ms. Ballance said she had just received information from the Solid Waste Director and requested postponement.

Deer Hunt Committee – Mayor Pate said a date for a meeting will be set this month.

PUBLIC COMMENTS:

Fred Osborne, new owner of the funnel cake shop, said he believes he may have over-stepped by agreeing to allow Ray Dotson to use the curb for embarking and disembarking for his carriage.

Tom Tharp, owner of Olden Days Carriage, said the Ozark Mountain Carriage application is still not accurate and, therefore, not valid. There is no list of pick-up and drop-off points.

Jerry Landrum, 19 Kimberling, spoke about the greenhouse gas reduction plan and provided a handout from Dr. Nick Brown. Mr. Landrum summarized the projects list and the net benefits to the City. He requested this topic for the next agenda.

Mr. Pownall moved to discuss Council organization (moving New Business item #5 up). Mr. Berry seconded. Mr. Pownall motioned to move the Council meetings to the second and fourth Thursdays of the month. Discussion followed wherein Mr. Berry noted a conflict on Thursdays and Ms. Ballance confirmed that Thursday is the only weeknight she has available from work. Mr. DeVito favored Mondays.

The motion failed 3/3/0. Mr. DeVito, Mr. Berry, and Mr. Parker – “No”.

Mr. Berry motioned to meet on the second and fourth Tuesdays of the month. Mr. DeVito seconded. Ms. Ballance reiterated the conflict with her work schedule. A roll call vote followed. Mr. Berry and Mr. DeVito – “Yes”. Mr. Pownall, Ms. Ballance, Dr. Kirkpatrick, and Mr. Raphael – “No”.

Motion failed 2/4/0.

Mr. DeVito motioned for meetings on the first and third Mondays and then amended to the second and fourth Mondays. Mr. Berry seconded. A roll call voted followed. Mr. DeVito, Mr. Raphael, Mr. Berry, and Mr. Pownall – “Yes”. Ms. Ballance and Dr. Kirkpatrick – “No”.

Motion carried 4/2/0.

Mr. Pownall moved to open nominations for the two Council positions on the CAPC. Mr. Berry seconded. Mr. Pownall nominated Mr. Berry. Mr. DeVito seconded.

Motion carried 5/0/0 with Mr. Berry abstaining.

Mr. Berry nominated Mr. DeVito for the second position. Mr. Pownall seconded.

Motion carried 5/0/0 with Mr. DeVito abstaining.

Mr. Pownall moved to use Roberts Rules of Order Revised or the Arkansas Municipal League Guide for Conducting Meetings for the purpose of discussion. Mr. DeVito seconded. Mr. Pownall noted that Roberts Rules includes the ability to add items to the agenda at a meeting, for discussion. Mr. DeVito moved to adopt Roberts Rules of Order Revised. Mr. Berry seconded.

Motion carried 6/0/0.

Mr. Pownall moved to have Department Heads and Commission Chairs present at meetings on a quarterly basis. Mr. DeVito seconded.

Motion carried 6/0/0.

Mr. Pownall motioned that, when committees are established for action items, the person who volunteers to chair or is appointed by the Mayor basically takes over that workshop. (He/she) sets up the meetings and coordinates through the Mayor’s Assistant. Mr. DeVito seconded.

Mr. Pownall spoke about the purpose of his motion and recommended listing target dates under Commission, Committee reports. He favored having workshops in the Jury Room.

Motion carried 6/0/0.

Mr. Pownall made a motion to continue the current procedure of reading resolutions for the purpose of discussion, assigning a number, and approving as read or amended. Mr. DeVito seconded.

Motion carried 6/0/0.

Mr. Pownall made a motion to add to the agendas the status of all ordinances currently assigned to the City Attorney and projected dates when they will be ready. Mr. Raphael seconded.

Motion carried 4/2/0 with Mr. Berry and Mr. DeVito voting “No”.

Mr. Pownall moved for Commission members to reapply when a term is expired or to indicate when they are not intending to reapply. Ms. Ballance seconded.

Motion carried 5/1/0 with Mr. DeVito voting “No”.

Mr. Pownall motioned for Department Heads and Commission Chairs to be present when agenda items affect them. Ms. Ballance seconded.

Motion failed 3/3/0. Dr. Kirkpatrick, Mr. DeVito, and Mr. Berry – “No”.

Mr. Pownall said he would like to reconsider “open mike night” limiting public comments to three minutes. If a person wants to comment on an agenda item, (he/she) could do so at the beginning of the agenda

item. Ms. Ballance seconded and amended the motion to “three minutes per citizen”. Mr. Raphael seconded. Following discussion, Mr. Pownall clarified his intention to have people sign up and address Council on an agenda item when it comes up. He indicated they could speak on all agenda items of concern at any meeting. Ms. Ballance withdrew her amended motion. Her second remained. A roll call voted followed. Mr. Pownall, “Yes”. Ms. Ballance, Mr. Berry, Mr. Raphael, Dr. Kirkpatrick, and Mr. DeVito – “No”.

Motion failed 1/5/0.

Mr. Berry made a motion to keep Public Comments as is, with three minutes per person. Mr. DeVito seconded.

Motion carried 6/0/0.

Ms. Ballance moved for a five-minute break. Mr. Pownall seconded.

Motion carried 6/0/0.

When the session resumed, a roll call vote was taken for having the next meeting on Monday, January 9. Mr. Raphael and Mr. Berry – “Aye”. Mr. Pownall, Ms. Ballance, Dr. Kirkpatrick, and Mr. DeVito – “No”. It was agreed the next meeting will be Monday, January 23.

UNFINISHED BUSINESS:

1. Dog control update/recommended Code changes

Mr. Pownall moved to discuss. Mr. DeVito seconded. Mr. Pownall said he does not have an update from the City Attorney. He said that Chief Hyatt indicated there would be no (funds for) more hours for the Animal Control Officer. Mr. Weaver said the ordinance should be ready for the next meeting. He also noted that four dog ordinance violations were taken care of last month through the Court.

2. Non-conforming Off-Premise Signs

Mr. Pownall moved to discuss. Mr. Raphael seconded. Mr. Pownall said changes to Code will be only in numbering, an administrative clean-up. He favored three readings at one meeting. Mr. DeVito moved to postpone. Mr. Berry seconded.

Motion carried 6/0/0.

3. Hospital Audit report/Hospital lease

Mr. Pownall moved to discuss. Ms. Ballance seconded. Mayor Pate recommended attending the Commission meetings rather than having (Commissioner) at Council. Mr. Pownall spoke for the presence of the Commission Chair and a representative from the company at Council. Mayor Pate noted the Commission has difficulty having the administrator come to their meetings as he’s said to be a very busy man. Mr. Pownall asked for written response and Mayor Pate agreed to enquire.

Mr. Pownall moved to postpone until the next meeting. Mr. DeVito seconded.

Motion carried 6/0/0.

4. Auditorium Commission Ordinance review

Mr. DeVito moved to discuss. Mr. Berry seconded. Mr. DeVito said the A&P is onboard for providing personnel for the Auditorium and having the City pay the utilities. The CAPC and the Auditorium Committee favor forming a commission to oversee the Auditorium. Mr. Pownall noted the expiration of the previous agreement. Mayor Pate said there is a draft of a new agreement. Mr. Berry said the Committee also considered asking Council to endorse a ¼ cent sales tax. He expressed the need for oversight of activities and noted CAPC willingness to provide staff during a limited transition time. Mr. Raphael, Dr. Kirkpatrick, Ms. Ballance and Mr. Pownall did not favor a new commission.

Ms. Ballance moved to not establish an Auditorium Commission at this time. Dr. Kirkpatrick seconded. Mr. Weaver confirmed he wrote the proposed ordinance for an Auditorium Commission. Following discussion, Mr. DeVito motioned to table until an agreement with the CAPC is reached. Mr. Berry seconded.

Motion carried 4/3/0 with Mr. Raphael, Dr. Kirkpatrick, and Ms. Ballance voting “No” and Mayor Pate voting “Yes”.

5. Discussion of State law 14-253-206, 14-234-116, 14-235-207

Mr. Pownall moved to discuss. Mr. Raphael seconded. Mr. Weaver said he had looked at the

document forwarded by Mr. Pownall and sees no technical errors or legal ramifications if Council passes it. Ms. Ballance noted two potential elements of conflict. Mr. Pownall motioned for the ordinance as reviewed by the City Attorney to be brought to the table at the next meeting. Mr. DeVito seconded.

Mr. Berry observed there are at least three options. Mr. Raphael suggested discussion during the goals workshop. Mr. Pownall withdrew his motion. Mr. DeVito withdrew his second. Mr. Raphael made a motion to combine this with the goals workshop. Mr. DeVito seconded.

Motion carried 6/0/0.

6. Ray Dotson's list for loading and unloading passengers

Dr. Kirkpatrick moved to discuss. Ms. Ballance seconded. Mr. Dotson said he was not clear what Council wanted but he "would try to indulge you as much as possible". Mr. Dotson said Chief Hyatt told him the list of pick-up and drop-off points wasn't necessary. Mr. Dotson said he is in "negotiations for a few contracts with a few people" and that he can pick up in loading zones and at trolley stops. He said he has a letter from a Lumberyard owner who is willing to lease.

Mr. DeVito referenced the franchise agreement regarding not overlapping other routes. He also noted the City's right to regulate commerce. Mr. Dotson spoke at length about an opinion from the Highway Department, a pending opinion from the Attorney General, and his interpretation of the ordinance. Ms. Ballance noted Council's right to rescind a franchise. Mr. DeVito noted the difference between use of the highway and commerce on the highway. He requested an opinion from the Municipal League.

7. Handicap parking regulations ordinance

Mr. Weaver indicated the ordinance is not ready for Council. Mr. Pownall moved to defer. Dr. Kirkpatrick seconded.

Motion carried 6/0/0.

8. Petition for right to regulate on State Highways in Eureka Springs

Dr. Kirkpatrick moved to discuss. Mr. DeVito seconded. Dr. Kirkpatrick moved to postpone until an opinion is (obtained) from the Municipal League. Mr. Pownall seconded.

Motion carried 6/0/0.

NEW BUSINESS:

1. Doug Milligan's vehicle damage

Mr. Pownall moved to discuss. Mr. DeVito seconded. Mayor Pate confirmed the \$625.71 repair claim. Mr. Weaver reminded Council this would be considered a tort action and the City is immune under State law unless (the City) is insured. (The City) is not insured in this case. It was suggested (the City) look into insurance that would cover this kind of event. Mr. DeVito moved to take no action at this time. Dr. Kirkpatrick seconded.

Motion carried 5/0/1 with Ms. Ballance abstaining.

2. McCune St. easement for Jim McEvoy

Mr. Pownall moved to discuss. Mr. DeVito seconded. Mr. McEvoy confirmed the necessity for action so as to ensure a loan for his home. Mr. Weaver noted the first ordinance is for the purpose of transferring responsibility from Parks to Council. Mr. DeVito moved to assign a number to the ordinance and place it on its first reading. Mr. Pownall seconded. A roll call vote followed. All voted "Aye".

Motion carried 6/0/0. Ordinance No 2147 AN ORDINANCE AUTHORIZING THE CITY COUNCIL, PURSUANT TO CHAPTER 12.08.01 (E) OF THE MUNICIPAL CODE OF THE CITY OF EUREKA SPRINGS, ARKANSAS, TO RECLAIM JURISDICTION OVER CERTAIN PROPERTY COMMONLY KNOWN AS PARTS OF McCune Street was read. Mr. DeVito moved to approve Ordinance No. 2147 on its first reading. Dr. Kirkpatrick seconded. Typos were noted and corrected.

Motion carried 6/0/0. Mr. DeVito moved to suspend the rules and place Ordinance No. 2147 on its second reading by title only. Mr. Pownall seconded. A roll call vote followed. All voted "Aye".

Motion carried 6/0/0.

The title was read. Mr. DeVito moved to approve the second reading of Ordinance No. 2147. Mr. Pownall seconded.

Motion carried 6/0/0.

Mr. DeVito moved to suspend the rules and place Ordinance No. 2147 on its third reading by title only. Mr. Pownall seconded. A roll call vote followed. Mr. Pownall, Mr. Berry, Mr. Raphael, Dr. Kirkpatrick, and Mr. DeVito – “Aye”. Ms. Ballance – “No”.

Motion carried 5/1/0.

The title was read. Mr. DeVito moved to approve Ordinance 2147 on its third reading. Mr. Pownall seconded. A roll call vote followed. All voted “Aye”.

Motion carried 6/0/0.

Mr. DeVito moved to approve and read the Emergency Clause. Mr. Pownall seconded. A roll call vote followed. Mr. DeVito, Mr. Raphael, Mr. Berry, Mr. Pownall, and Dr. Kirkpatrick – “Yes”. Ms. Ballance – “No”.

Motion carried 5/1/0.

The Emergency Clause was read. The document was signed.

Mr. DeVito moved to assign a number to the second ordinance and place it on its first reading. Mr. Pownall seconded. A roll call vote followed. All voted “Aye”.

Motion carried 6/0/0. **Ordinance No. 2148 AN ORDINANCE VACATING PORTIONS OF McCUNE STREET** was read.

Mr. DeVito moved for the fee of \$1.00. Mr. Pownall seconded.

Motion carried 6/0/0.

Mr. DeVito moved to approve Ordinance No. 2148 on its first reading. Mr. Pownall seconded. A roll call vote followed. All voted “Aye”.

Motion carried 6/0/0.

Mr. DeVito moved to suspend the rules and place Ordinance No. 2148 on its second reading by title only. Mr. Pownall seconded. A roll call vote followed. All voted “Aye”.

Motion carried 6/0/0.

The ordinance title was read. Mr. DeVito moved to approve Ordinance No. 2148 on its second reading. Mr. Pownall seconded. A voice vote followed. All voted “Aye”.

Motion carried 6/0/0.

Mr. DeVito moved to suspend the rules and place Ordinance No. 2148 on its third reading by title only. Mr. Pownall seconded. A roll call vote followed. Mr. Pownall, Mr. Berry, Dr. Kirkpatrick, Mr. Raphael, and Mr. DeVito – “Aye”. Ms. Ballance – “No.”

Motion carried 5/1/0.

The ordinance title was read.

Mr. DeVito moved to approve Ordinance No. 2148 on its third reading. Mr. Pownall seconded. A roll call vote followed. All voted “Aye”.

Motion carried 6/0/0.

Mr. DeVito moved to attach the Emergency Clause used in Ordinance No. 2147 to Ordinance No. 2148, read, and approve. A roll call vote followed. Mr. Pownall, Mr. Berry, Mr. Raphael, Dr. Kirkpatrick, and Mr. DeVito – “Aye”. Ms. Ballance – “No”.

Motion carried 5/1/0.

Mr. Pownall moved for a ten-minute break. Dr. Kirkpatrick seconded.

Motion carried 6/0/0.

3. and 4. Joe Gunnels and Making Memories Tours applications for Group Tour franchises

Mr. DeVito moved to approve the application for a Group Tour Franchise for Edward Joe Gunnels. Dr. Kirkpatrick seconded. Ms. Ballance said she had just received the applications and moved to table until the next meeting. Dr. Kirkpatrick withdrew his second. There was no second for the motion to postpone. Mr. DeVito restated his motion. Mr. Pownall seconded. Ms. Ballance restated her motion to postpone. Mr. Raphael seconded. A roll call vote followed. Mr. Raphael, Ms. Ballance, and Dr. Kirkpatrick – “Yes”. Mr. Berry, Mr. Pownall, and Mr. DeVito – “No.”

Motion failed 3/3/0.

Mr. DeVito spoke in favor of approving Joe Gunnels’ application. A roll call vote followed.

Mr. Berry, Mr. Pownall, Dr. Kirkpatrick, Mr. DeVito, and Mr. Raphael – “Yes”. Ms. Ballance abstained.
Motion carried 5/0/01.

Mr. Pownall made a motion to have only one (Group Tour) franchise at this time. Mr. DeVito seconded. Mr. Berry referenced a letter from Transit Director Ken Smith supporting a second franchise. Mr. Varner addressed Mr. DeVito’s concern about a “hillbilly style” of presentation. Following discussion, Mr. DeVito moved to approve the application by Jerry Varner. Dr. Kirkpatrick seconded. Noting there was a motion on the table, Mr. DeVito then called the question. Mr. Berry seconded. A roll call vote followed. Mr. Berry, Mr. Raphael, Dr. Kirkpatrick, Mr. Pownall, and Mr. DeVito – “Aye”. Ms. Ballance – “No”.

Motion carried 5/1/0.

A roll call vote on having one franchise followed. Mr. Pownall, Mr. Raphael, and Mr. DeVito – “Aye”. Ms. Ballance, Mr. Berry, and Dr. Kirkpatrick – “No”.

Motion failed 3/3/0.

Mr. Berry voted to give Mr. Varner the second franchise. Dr. Kirkpatrick seconded. A roll call vote followed. Dr. Kirkpatrick, Mr. Berry, and Ms. Ballance – “Aye”. Mr. DeVito, Mr. Pownall, and Mr. Raphael – “No”.

Motion carried 4/3/0 with Mayor Pate breaking the tie.

Mr. DeVito then motioned to pare down the remaining agenda. Items #6, 7, 8, 10, 11, and 13 were postponed until the next meeting. Following brief discussion regarding recent legislation on the appointment of a Mayor Pro Tem, it was agreed to postpone that item as well. Mr. Raphael seconded.

Motion carried 6/0/0.

5. Setting dates for 2012 Council meetings

Agreed upon during Council organization (above)

6. Setting date for 2012 Council goals workshop

Postponed until the date is established through the Mayor’s office

7. Council approval of destruction of 2006 records

Postponed until the next meeting

8. B&B license fee ordinance

Postponed until the next meeting

9. Expiration of the moratorium on Digital/Electronic signs

(This item followed item #14 in the actual sequence of events.) Mr. Pownall moved to discuss.

Mr. Raphael seconded. Mr. Berry moved for a ninety-day moratorium. Mr. DeVito seconded. A voice vote for the moratorium until April 4, 2012 followed.

Motion carried 6/0/0.

Mr. Berry moved to assign a number and read for discussion. **Resolution No. 591 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EUREKA SPRINGS, ARKANSAS, DECLARING A MORATORIUM ON APPROVAL OF ANY DIGITAL/ELECTRONIC SIGNS AS IT PERTAINS TO TITLE 7, SIGNS, OF THE MUNICIPAL CODE** was read. Mr. Pownall moved to approve Resolution No. 591. Mr. DeVito seconded. A roll call vote followed. All voted “Aye”.

Motion carried 6/0/0.

10. Ordinance to regulate Limousines

Postponed until the next meeting

11. Setting date for workshop to review/rewrite Animal Drawn Vehicle requirements

Postponed until the second meeting in February

12. Mandated 3% water rate increase

Mr. DeVito motioned to address this before item #9. Mr. Raphael seconded.

Motion carried 6/0/0.

Mr. DeVito moved to discuss. Mr. Pownall seconded. Finance Director Lonnie Clark noted the ordinance is essentially the same as that passed in January (2011) to increase water rates. The 3% is based on the Southern Urban Consumer Price Index for cities under 50,000. That index was 4.2%. According to the last audit, the City is out of compliance with the agreement with the bonding company. The City is at 92% of

net revenue for principal and interest payments for the two outstanding bond issues. The agreement is to be at 120% net revenue. Approximately \$18,000 will be gained. Inside the City limits, the first 2,000 gallons of water consumption was \$9.90 in 2011. The next 6,000 gallons rate was \$3.68 per 1,000 gallons. For all water consumption in excess of 8,000 gallons per month, the rate was \$5.09 per 1,000 gallons. Outside the City limits, the first 2,000 gallons rate was \$19.80. The next 6,000 gallons of water rate was \$7.36 per 1,000. In excess of 8,000 gallons, the rate was \$10.18 per 1,000 gallons.

The shortage of \$68,168 shown in the 2010 audit will be offset by only \$18,000 with the new rates. It was confirmed that the Finance Director has the authority to raise the rates 3%. Mr. DeVito moved to assign the ordinance a number and place it on its first reading. Mr. Berry seconded. A roll call vote followed. Mr. DeVito and Mr. Berry – “Yes”. Ms. Ballance, Mr. Raphael, Mr. Pownall, and Dr. Kirkpatrick – “No”.

Motion failed 2/4/0.

Mr. Pownall motioned for the Finance Director to be allowed to increase the water rates as within his authority. Mr. DeVito seconded. Following discussion, a roll call vote was taken. Mr. DeVito, Mr. Pownall, Mr. Berry – “Yes”. Ms. Ballance and Mr. Raphael – “No”. Dr. Kirkpatrick abstained.

The motion carried 4/2/1 with Mayor Pate voting in favor.

13. Parking lot lease resolution

Postponed until the next meeting

14. Pro tem for 2012

Postponed until the next meeting

AGENDA SETTING:

Ms. Ballance added discussion of the emissions reduction plan for the first meeting in February. Mr. Raphael seconded.

Mr. Berry added discussion of a license fee for apartments. Mr. Pownall seconded.

COUNCIL COMMENTS:

Mr. Pownall said “Happy 2012” and, hopefully, (Council) is getting a better start than in 2011.

Ms. Ballance expressed frustration with the flow of information from the Mayor’s office, (inequities) at the table, and disregard for her work schedule.

MAYOR’S COMMENTS:

Mayor Pate notified Council of a bid for concrete street repair no later than 9:00 on Wednesday, January 25, 2012. Roof repair bids are (not prepared).

ADJOURNMENT:

Mr. Pownall moved to adjourn. Mr. Berry seconded. The meeting ended at 10:05 p.m.

This is the signature page for the minutes of the regular Eureka Springs City Council meeting of Thursday, January 5, 2012.

ATTEST:


City Clerk/Treasurer Ann Armstrong

APPROVED:


Mayor Morris Pate