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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Conway, Arkansas  
Tuesday 6:30 p.m.  
April 10, 2012

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 Grimes, Alderman Hawkins, Alderman Vaught, Alderwoman Mehl, Alderwoman Smith, Alderman Rhodes, Alderman Jones, and Alderwoman Whitmore. Also, present and acting: Mayor Tab Townsell, City Clerk Michael Garrett, and City Attorney Michael Murphy.

**Call to order:** Mayor Tab Townsell

**Roll Call:** Michael O. Garrett, City Clerk/Treasurer

**Minutes:** March 27, 2012

Alderwoman Whitmore motioned to approve the March 27, 2012 minutes as submitted. Alderwoman Smith seconded the motion. The motion passed 8-0.

**1. Report of Standing Committees:**

**A. Public Hearing**

**1. Public Hearing for the purpose of receiving comments and questions regarding the proposed wastewater rate increase by Conway Corporation.**

Mayor Townsell opened the public hearing. Richie Arnold CEO - Conway Corp, reiterated the proposed rate increase is the bare minimum, and necessary, to pay the debt incurred for construction of the new treatment facility, Tupelo Bayou which is a 16 million gallon plant. E.C. Maltbia, Pastor True Holiness Church, stated he is in favor of the proposed rate increase. Brad Lacy, representing Conway Chamber of Commerce Board of Directors, explained they voted to support the proposed increase during their last board meeting and feels Conway Corp has the knowledge and expertise to know when improvements are necessary. Mr. Lacy explained they feel a rate increase is necessary to continue growing this community and economy. Morris Cogland, Conway resident, asked how many customers will be using the new facility, if it could be built in increments, and when the debt pays off. Mr. Cogland stressed that rates will increase 94% over 2-3 years time, which is almost double the rate of our wastewater rates today, and feels this is a substantial increase over a short period of time. Mayor Townsell stated that Conway Corp can address those answers and did so at the last public hearing, and asked if anyone else would like to speak. Mr. Arnold stated we have anticipated coverage for growth through 2030. Alderman Vaught asked when we reach this point can the new facility handle additional capacity. Mr. Arnold stated yes, we can add two additional vats without adding significant infrastructure; any future increments will be less expensive in today's dollars than our current proposal. Mr. Arnold explained the design feature consists of two 8 million gallon vats which makes it possible to service one unit while the other continues to operate. Mr. Arnold reiterated they were sensitive to the proposed rate increase and it is the minimum, based on the information provided to them in regards to the bond issuance; this is being financed with 2 bond issues, one that will pay off in 20 years and the other in 25 years. Mr. Arnold stated that Phase I rate increase would become effective June 1, 2012, Phase II would become

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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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effective January 1, 2013, and Phase III would become effective January 1, 2014. Brett Carroll, Conway Corp CFO, stated that at Phase I a typical residential customer will pay \$23.18 monthly, Phase II will increase it to \$27.82 monthly, and Phase III will take it to \$37.56 monthly. Mr. Arnold stated there is a cost of living adjustment on the OM&R which will take effect in 2015 which just prevents us from having to come back before council and have incremental increases; this is a 3% cap or CPIU, whichever is lowest. After further discussion Mayor Townsell closed the public hearing.

**2. Ordinance fixing rates for services rendered by the sewer system by Conway Corporation.**

O-12-14

Mayor Townsell read the title of the ordinance for the third time. Alderwoman Whitmore motioned to adopt the ordinance. Alderwoman Smith seconded the motion. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Rhodes, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 8-0.

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

**1. Consideration of the nomination of Greg Murry to the Conway Corporation Board of Directors.**

Alderman Hawkins motioned to accept the nomination of Greg Murry. Alderwoman Smith seconded the motion. Alderman Grimes asked the process used to select a new director. Richie Arnold, CEO - Conway Corp, explained they follow an adaptation of the Blue Ribbon recommendation set forth in the late 1980's; we amended the terms as our board terms expire in May, a legal ad is ran the first week of February, we close the nomination process approximately a month later, and the selection of the board member occurs in the month of March at the Conway Corp board meeting with their term beginning May 8<sup>th</sup>. There was no further discussion. The motion passed 8-0.

**2. Resolution setting a public hearing to discuss the closing of a portion of Hardy Street in the Harlan Park Subdivision.**

R-12-13

Alderwoman Smith motioned to adopt the resolution. Alderwoman Whitmore seconded the motion. The public hearing is set for April 24, 2012 at 6:30 pm. There was no discussion. The motion passed 8-0.

**3. Consideration of the nominations of term extension and the appointment of Kim Williams to the Public Facilities Board.**

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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Alderman Hawkins stated the Public Facilities Board has selected to extend the terms of the current board members listed below and to fill the open vacancy with Kim Williams for a term to expire December 31, 2015.

- Ray Kordsmeier, Chairman – term expires December 31, 2017
- Alan Alvey, Secretary – term expires December 31, 2016
- Evada Fields – term expires December 31, 2014
- Dr. Warren Stroud – term expires December 31, 2013

Alderman Hawkins motioned to grant these appointments. Alderwoman Smith seconded the motion. There was no discussion. The motion passed 8-0.

**4. Ordinance dissolving Water Improvement District No. 10 located in Conway, Arkansas.**

**O-12-33**

Alderwoman Smith motioned to waive the readings of the ordinance. Alderwoman Whitmore seconded the motion. The motion passed 8-0. After some discussion it was decided an emergency clause was not necessary and Section 6 shall be removed from the ordinance. Richard Collins gave a brief synopsis on the history of Water Improvement District No. 10 and stated the district ended with a surplus of \$31,235.02, in which Arkansas state statutes states all surplus funds are to be paid to the City of Conway. Alderwoman Smith motioned to adopt the ordinance. Alderwoman Whitmore seconded the motion. There was no further discussion. The clerk called the roll with the following voting "Aye": Alderwoman Smith, Alderman Rhodes, Alderman Vaught, Alderwoman Mehl, Alderwoman Whitmore, Alderman Grimes, Alderman Hawkins, and Alderman Jones. The motion passed 8-0.

**C. Public Safety Committee (Police, Fire, CEOC, Information Technology, City Attorney, & Animal Welfare)**

**1. Consideration of the nomination of Sandy Brewer to the Conway Civil Service Commission.**

Mayor Townsell explained Mr. Sandy Brewer was appointed to fill the remaining portion of former commissioner's term and stated Mr. Brewer is eligible as to serve again and he is willing to serve a full 6 year term. Alderwoman Smith motioned to approve the nomination of Mr. Brewer. Alderman Jones seconded the motion. There was no discussion. The motion passed 8-0.

**2. Ordinance authorizing a change in staffing levels for the City Attorney's department.**

**O-12-34**

Mayor Townsell stated that this office has a full time City Attorney, a Deputy City Attorney, which is an unfilled position, a Law Office Administrator, and an Administrative Assistant I. City Attorney Michael Murphy has expressed that his office can, for the moment, get by without the Deputy City Attorney position but wishes to add one (1) additional full time Administrative Assistant I which can be absorbed by the department's 2012 budget.

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MINUTES OF THE CITY COUNCIL, CITY OF CONWAY, ARKANSAS

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Aldерwoman Smith motioned to waive the readings of the ordinance and the emergency clause. Aldерwoman Whitmore seconded the motion. The motion passed 8-0. Aldерwoman Smith motioned to adopt the ordinance and the emergency clause. Aldерwoman Whitmore seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Aldерwoman Smith, Aldерman Rhodes, Aldерman Vaught, Aldерwoman Mehl, Aldерwoman Whitmore, Aldерman Grimes, Aldерman Hawkins, and Aldерman Jones. The motion passed 8-0.

*D. Personnel*

- 1. Ordinance appropriating funding for upgrading facilities at 365 Fitness for use by City of Conway employees.**

Jack Bell stated that 365 Fitness wishes to pull this item until he can be in attendance. Aldерwoman Smith motioned to pull this item from the agenda. Aldерwoman Whitmore seconded the motion. The motion passed 8-0.

*Old Business*

*New Business*

- 1. Ordinance authorizing the issuance and sale of the City's Sales and Use Tax Capital Improvement and Refunding Bonds, Series 2012.**

**O-12-35**

Gordon Wilbourn, Kutak Rock, explained this is a parameters ordinance for the Series 2012 bonds that were approved in the recent election; the bonds are ready to be offered and this approves these bonds within the set forth parameters. Jack Trumper was present to answer questions. Aldерwoman Smith motioned to waive the readings of the ordinance. Aldерwoman Whitmore seconded the motion. The motion passed 8-0. Aldерwoman Whitmore motioned to adopt the ordinance and the emergency clause. Aldерwoman Smith seconded the motion. There was no discussion. The clerk called the roll with the following voting "Aye": Aldерwoman Smith, Aldерman Rhodes, Aldерman Vaught, Aldерwoman Mehl, Aldерwoman Whitmore, Aldерman Grimes, Aldерman Hawkins, and Aldерman Jones. The motion passed 8-0.

*Adjournment*

**PASSED this 10<sup>th</sup> day of April 2012**

**APPROVED:**

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**Mayor Tab Townsell**

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**City Clerk Michael O. Garrett**