

**Searcy City Council – Regular Session
Tuesday, November 13, 2018 6:00 p.m.
Minutes**

A public hearing had been advertised to be held at 6:00 p.m. on November 13, 2018. The purpose for this public hearing was for the consideration of any public input in determining the amounts of liens to be certified to the White County Tax Collector against certain properties as a result of grass cutting expenses and the abatement of other nuisances that have been incurred by the City of Searcy. Mayor David Morris opened the public hearing. Attorney Steve Smith requested the opportunity to address the City Council on behalf of Tim Files, the owner of property identified as tract 016-11558-005 located at 2705 Eastline Road in Searcy, Arkansas. Mr. Smith expressed that their concern was the amount of time that is given after a notice to the property owner is received of a violation of code to correct the situation before the city takes action to remedy the conditions and subsequently passes the expenses of this correction to the owner. Mayor Morris thanked Mr. Smith for his comments. Mayor Morris closed the public hearing.

Mayor David Morris called to order the Regular Session of the Searcy City Council. Council member Mike Chalenburg gave the Invocation, with the Pledge of Allegiance following, led by Council member Dale Brewer. City Clerk/Treasurer Jerry Morris called the roll with the following Council members answering “present”: Logan Cothorn, Mary Ann Arnett, J. R. Howard, Dale English, Don Raney, Dale Brewer and Mike Chalenburg. Also present was City Attorney Buck Gibson. Council member Steve Sterling was not present.

Item (3) on the agenda was for a motion to suspend the rules and amend the agenda to add items: (15) resolution approving certain contracts, authorization to execute certain agreements, specifically for the participation in certain litigation related to sales and use tax collections from certain internet booking sites, (19-1-k) budget ordinance appropriation for the purchase of 6-yard and 8-yard dumpsters, and (19-1-l) budget ordinance appropriation for the purchase of 6-yard and 8-yard dumpsters. A motion was made by Mr. Brewer and seconded by Mr. Chalenburg to suspend the rules and amend the agenda to add the items. Motion carried with the following voting “yes”: Arnett, Howard, English, Raney, Brewer, Chalenburg, and Cothorn.

The minutes of the regular October 9, 2018 meeting of the Council and the October 26, 2018 special meeting of the Council were presented for approval. A motion was made by Mr. Cothorn and seconded by Mr. Howard to approve both sets of the minutes. The following voted to approve: Howard, English, Raney, Brewer, Chalenburg, Cothorn, and Arnett.

Clerk/Treasurer Jerry Morris presented and read the Treasurer’s Report which lists the following balances as of 10-31-2018: General Fund: \$1,480,494.36; Street Fund \$1,910,995.01; Capital Equipment Fund \$17,701.50; LOPFI Fund \$182,366.41; Act 833

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Fund \$57,859.19; Airport Fund \$37,425.79. The total of all of the preceding funds is \$3,686,842.26. He also reported the following balances as of 10-31-2018: Special Highway Connector Route Tax Fund \$4,053,082.54; 2014 Eight Year Plan Fund \$7,193,592.04; Information Technology Projects Fund \$22,469.19; Special Projects Fund \$2,549.75; 0.25% Fire Protection Services County Sales Tax Fund \$142,679.51. He also reported a total of \$5,552,713.76 year-to-date in City and County Sales Tax revenues received, which is up \$263,757.93 from the same time in 2017.

Item (6) on the agenda was for the rescheduling of the public hearing regarding the vacating of a portion of Horton Street as requested by Harding University. Previously a public hearing had been scheduled for November 13, 2018. Harding University requested that the previously scheduled public hearing be delayed until the month of December 2018. A date of December 6, 2018 was requested for the rescheduled public hearing. A motion was made by Mr. Raney to reschedule the public hearing for vacating a portion of Horton Street as requested by Harding University for December 6, 2018 at 6:00 p.m. at Searcy City Hall. Mr. Howard seconded the motion. Motion carried with the following voting "yes": English, Raney, Brewer, Chalenburg, Cothorn, Arnett, and Howard.

Item (7) was for discussion and direction regarding the proposed employee salary analysis. Council direction was needed for budgetary considerations for calendar year 2019. A summary of the 2019 employee salary proposal was presented to the Council. The summary is as follows:

Adopt the step and grade program for the Searcy Fire Department (excludes the Fire Chief) as proposed by Searcy Fire Chief Andy Woody.

All other city departments (excluding the Sanitation Department as this department received pay raises mid-year 2018), the Sanitation Department Director, the Fire Department Chief, Mayor, City Clerk/Treasurer, and City Attorney will receive a 2% COLA effective December 23, 2018, unless an increase in pay to comply with the minimum wage increase is equal to or greater than the 2% COLA. Such increases will be added to the employee's base as in previous years.

Any employee who receives a 2% COLA and is still below the mid-point salary for their respective position as listed in Exhibit 6 of the salary analysis created by the Johanson Group will receive another 2% raise, again added to the employee's base pay.

Four employees, as discussed at the Committee of the Whole meeting (October 18, 2018), will have salary increases to put them at 95% of the salary mid-point for the respective position as listed in Exhibit 6 of the salary analysis created by the Johanson Group. Those four positions are: Airport Manager, Information Technology Department Director, Parks and Recreation Department Director, and the Human Resources Manager.

Library employee's salaries may be adjusted differently as directed.

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Various options were presented to the Council regarding the Library employee salaries adjustments. The Council discussed the various options, with the option #3 chosen. Option #3 is as follows:

Raise the rate of Library employee's salaries (three full-time, two part-time, and one summer seasonal employee) to match Their White County Regional Library Board counterparts. Add one additional part-time employee.

A motion was made by Mr. Raney and seconded by Mr. Cothorn to approve the City of Searcy employee salary adjustments as summarized, subject to any budgetary requests that are presented, beginning with the pay period that begins on December 23, 2018. Mr. Raney's motion also included the option #3 regarding the Searcy Public Library employees. Motion carried with the following voting "yes": Raney, Brewer, Chalenburg, Cothorn, Arnett, Howard, and English.

Item (8) on the agenda was the presentation of the annual audit report for the Searcy Water Utilities for the fiscal year ended June 30, 2018. A copy of the audit report had been provided to the Council. There were no audit exceptions noted in the audit report. Mayor Morris noted that it was a 'clean audit'. A motion was made by Mr. Howard, seconded by Mrs. Arnett, to accept the audit report for the Searcy Water Utilities for the fiscal year ended June 30, 2018. Motion carried with the following voting "yes": Brewer, Chalenburg, Cothorn, Arnett, Howard, English, and Raney.

Item (9) was the presentation of the annual audit report for calendar year 2017 for the City of Searcy. Mayor Morris noted that the Council members should have received the audit report for calendar year 2017. Mayor Morris also noted that on November 1, 2018 he and City Clerk appeared before the Legislative Joint Audit Committee. He also said that the written responses to the Arkansas Legislative Audit regarding the audit report from the City of Searcy Mayor and Clerks office have been provided to the Council members. Regarding the finding on the retirement compensation being paid to three former Mayors, it was explained that upon Council direction that a declaratory judgement had been filed. At this time the litigation is still pending. Also presented to the Audit Committee was the schedule for the various attorneys representing the interested parties to present their filings to the Court. Mayor Morris noted that there was not any comment from the Audit Committee other than when the declaratory judgement is finalized, they want to know the outcome of the litigation.

The issue regarding the sick leave payment to the former Searcy Fire Chief upon his retirement. The Legislative Audit Committee was presented with the Family Medical Leave Act (FMLA) requests concerning the use of sick leave prior to his retirement. Also presented to the Audit Committee was copies of City of Searcy Ordinances 2017-09 and 2017-34 regarding the payout of accumulated sick leave upon death or retirement. Mr. Gibson noted that there was not any statute cited as being in noncompliance with. This payout was in compliance with FMLA policy, in compliance with City of Searcy ordinances in place, and in compliance with statutes of the State of Arkansas.

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Another issue before the Audit Committee was for the City of Searcy doing business with a business (Mr. Postman) that is owned by a City of Searcy Firefighter and his wife. Mayor Morris noted that this business is used by multiple departments in the city for shipping purposes. He also noted that City of Searcy Ordinance 2018-28 was adopted stating that it is in the best interest of the city to continue doing business with this company. The ability to immediately ship items and to be billed with a monthly statement is more efficient than having to make multiple trips to the U.S. Post Office in order to obtain cost of shipping and then having to return with a check for that amount.

The finding for the White County District Court Clerk regarding unidentified funds with receipt numbers as required by Arkansas Code Annotated §16-10-209. The reply from the White County District Court Clerk was presented to the Audit Committee stating, 'we have worked on this issue for several years and have made progress. If we have a stable amount for the next few months, we will pay out the money using the approved formula.'

Mayor Morris noted that after the presentation regarding the findings, there were no questions asked by any of the Audit Committee members. A motion was made and seconded by the Audit Committee to accept and file the audit report. Mayor Morris stated that it would be his recommendation that the Council note that the City of Searcy is in full compliance and accept the audit report.

A motion was made by Mr. Raney and seconded by Mr. Cothorn to accept the annual audit report for calendar year 2017 for the City of Searcy. Motion carried with the following voting "yes": Chalenburg, Cothorn, Arnett, Howard, English, Raney, and Brewer.

Item (10) on the agenda was for the presentation of a preliminary budget proposal for calendar year 2019. Mayor Morris referred the Council members to the current October 2018 monthly financials that are provided to the Council as part of their Council meeting packet. The financials provide a starting point for the budgetary process for calendar year 2019.

Item (11) was for the approval of a change order in the amount of an increase of \$8,740.00 for the Janet Drive/ancillary streets improvement project. The purpose, as stated and presented to the City of Searcy by Whitlow Engineering Services, Inc., is to reconcile final contract quantities. City Engineer Mark Lane noted that this change order does not the change the total amount of up to \$1,900,000 that was authorized for this project. A motion was made by Mr. Brewer and seconded by Mr. English to approve the change order in the amount of an increase of \$8,740.00 for the Janet Drive/ancillary streets improvement project. Motion carried with the following voting "yes": Cothorn, Arnett, Howard, English, Raney, Brewer, and Chalenburg.

Item (12) on the agenda was for the approval and selection of a bid for the Rolling Meadows/Cloverdale drainage project. A total of three (3) bids were received for the project. The bids were as follows:

1. Burkhalter Technologies - \$2,155,754.00

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2. Township Builders - \$2,539,764.00
3. Weaver Bailey Construction - \$2,751,531.28

City Engineer Mark Lane noted that it would be his recommendation to accept the bid received from Burkhalter Technologies in the amount of \$2,155,754.00 for the Rolling Meadows/Cloverdale drainage project. A motion was made by Mr. Brewer, seconded by Mr. Chalenburg, to accept and approve the bid received from Burkhalter Technologies in the amount of \$2,155,754.00 for the Rolling Meadows/Cloverdale drainage project. Motion carried with the following voting “yes”: Arnett, Howard, English, Raney, Brewer, Chalenburg, and Cothorn.

Item (13) was for the approval and selection of a bid for the Country Club Road improvement project. A total of five (5) bids were received for the project. The bids were as follows:

1. Red Stone Construction Group, Inc. - \$1,999,809.00
2. R. L. Persons Construction, Inc. - \$1,997,500.00
3. Burkhalter Technologies, Inc. - \$2,266,918.75
4. Township Builders, Inc. - \$2,278,510.00
5. Shields & Associates, Inc. - \$2,108,279.01

City Engineer Mark Lane noted that it would be his recommendation to accept the bid received from R. L. Persons Construction, Inc. in the amount of \$1,997,500.00 for the Country Club Road improvement project. A motion was made by Mrs. Arnett and seconded by Mr. Cothorn to accept and approve the bid received from R. L. Persons Construction, Inc. in the amount of \$1,997,500.00 for the Country Club Road improvement project. Motion carried with the following voting “yes”: Howard, English, Raney, Brewer, Chalenburg, Cothorn, and Arnett.

Item (14) was a resolution to approve amounts of liens to be certified to the White County Tax Collector against certain properties as a result of grass cutting expenses and abatement of other nuisances. Mr. Gibson read the resolution in full. A motion was made by Mr. Cothorn and seconded by Mr. English to adopt the resolution approving the amounts of liens to be certified to the White County Tax Collector against certain properties as a result of grass cutting expenses and abatement of other nuisances. Motion carried with the following voting “yes”: English, Raney, Brewer, Chalenburg, Cothorn, Arnett, and Howard. **Resolution 2018-43**

Item (15) was a resolution approving certain contracts, authorization to execute certain agreements, specifically for the participation in certain litigation related to sales and use tax collections from certain internet booking sites. Mr. Gibson read the resolution in full. Motion was made by Mr. Howard and seconded by Mrs. Arnett to pass the resolution approving certain contracts, authorization to execute certain agreements, specifically for the participation in certain litigation related to sales and use tax collections from certain internet booking sites. Motion carried with the following voting “yes”: Raney, Brewer, Chalenburg, Cothorn, Arnett, Howard, and English. **Resolution 2018-44**

Item (16) on the agenda was an ordinance adopting a revised City of Searcy employee handbook. A motion was made by Mr. Raney, seconded by Mr. Howard, to suspend the

rules and allow reading of the ordinance by title only. Motion carried with the following voting “yes”: Brewer, Chalenburg, Cothorn, Arnett, Howard, English, and Raney. Mr. Gibson read the ordinance by title only. A motion was then made by Mr. Cothorn, seconded by Mr. Howard, to adopt the ordinance. The ordinance passed with the following voting “yes”: Chalenburg, Cothorn, Arnett, Howard, English, Raney, and Brewer. Mr. Gibson then read the emergency clause of the ordinance. Motion was made by Mr. Chalenburg, seconded by Mrs. Arnett, to adopt the emergency clause, with the following voting “yes”: Cothorn, Arnett, Howard, English, Raney, Brewer, and Chalenburg. **Ordinance 2018-31**

Item (17) on the agenda was an ordinance amending the Code of Ordinances, amending and restating Section 17-9 relating to business licenses. A motion was made by Mr. Raney, seconded by Mr. Chalenburg, to suspend the rules and allow reading of the ordinance by title only. Motion carried with the following voting “yes”: Arnett, Howard, English, Raney, Brewer, Chalenburg, and Cothorn. Mr. Gibson read the ordinance by title only. A motion was then made by Mrs. Arnett, seconded by Mr. Chalenburg, to adopt the ordinance. The ordinance passed with the following voting “yes”: Howard, English, Raney, Brewer, Chalenburg, Cothorn, and Arnett. Mr. Gibson then read the emergency clause of the ordinance. Motion was made by Mr. Cothorn, seconded by Mr. Arnett, to adopt the emergency clause, with the following voting “yes”: English, Raney, Brewer, Chalenburg, Cothorn, Arnett, and Howard. **Ordinance 2018-32**

Item (18) on the agenda was an ordinance amending the Searcy Zoning Code. A motion was made by Mr. Raney, seconded by Mrs. Arnett, to suspend the rules and allow reading of the ordinance by title only. Motion carried with the following voting “yes”: Raney, Brewer, Chalenburg, Cothorn, Arnett, Howard, and English. Mr. Gibson read the ordinance by title only. A motion was then made by Mr. Cothorn, seconded by Mrs. Arnett, to adopt the ordinance. The ordinance passed with the following voting “yes”: Brewer, Chalenburg, Cothorn, Arnett, Howard, English, and Raney. Mr. Gibson then read the emergency clause of the ordinance. Motion was made by Mrs. Arnett, seconded by Mr. Howard, to adopt the emergency clause, with the following voting “yes”: Chalenburg, Cothorn, Arnett, Howard, English, Raney, and Brewer. **Ordinance 2018-33**

Item (19) on the agenda was a budget ordinance to:

Section 1. The budget for the City of Searcy, Arkansas, is amended in the following manner:

- a. Appropriate \$8,000.00 from 2014 Eight Year Plan Fund unappropriated reserves to ‘ROF-DOWNTOWN LANDSCAPE UPGRADE’ expenditure account (#14 5-500-05-15) for improvements and landscaping for the Spruce Street and Center Avenue city-owned parking lot;
- b. Appropriate \$400.00 to ‘SWIM CENTER DONATIONS’ revenue account (#01 4-000-90-28) and appropriate \$400.00 to ‘SWIM CENTER

DONATIONS EXPENSED' expenditure account (#01 5-082-05-02) for a donation that has been received from the Searcy Splash Aqua Fitness program;

- c. Appropriate \$70,000.00 from Street Fund unappropriated reserves to the 'PAVING' expenditure account (#02 5-900-05-07) for the 2018 Street Overlay/Milling/Paving program;
- d. Appropriate \$24,109.73 from General Fund unappropriated reserves to the Sanitation Department 'APERS RETIREMENT' expenditure account (#01 5-090-01-05) for remittance of delinquent employer contributions for a former City of Searcy Sanitation Department employee (#01 5-090-01-05);
- e. Appropriate \$5,022.50 from 2014 Eight Year Plan Fund unappropriated reserves to 'COMPREHENSIVE DRAINAGE STUDY' expenditure account (#14 5-130-06-01) for engineering services regarding City of Searcy comprehensive drainage study;
- f. Appropriate \$63,379.25 from 2014 Eight Year Plan Fund unappropriated reserves to 'SOFTBALL PRESSBOX/CONCESSION/RESTROOM' expenditure account (#14 5-085-54-03) for construction services on the new softball pressbox/concession/restroom facility;
- g. Appropriate \$5,028.07 from 2014 Eight Year Plan Fund unappropriated reserves to 'JANET DRIVE/ANCILLARY IMPROVEMENTS' expenditure account (#14 5-900-54-03) for engineering services for Janet Drive, ancillary streets, public infrastructure improvements;
- h. Appropriate \$174,574.24 from 2014 Eight Year Plan Fund unappropriated reserves to 'JANET DRIVE/ANCILLARY IMPROVEMENTS' expenditure account (#14 5-900-54-03) for construction services for Janet Drive, ancillary streets, public infrastructure improvements;
- i. Appropriate \$9,529.62 from 2014 Eight Year Plan Fund unappropriated reserves to 'ROLLING MEADOWS/CLOVERDALE DRAINAGE' expenditure account (#14 5-130-05-02) for Rolling Meadows/Cloverdale Addition drainage improvement project engineering services;

- j. Appropriate \$260,000.00 from General Fund unappropriated reserves to the Library Department 'NEW LIBRARY BUILDING ROOF' expenditure account (#01 5-020-02-12) for the replacement of the roof on the Searcy Public Library Building (bidding was done through the TIPS/TAPS cooperative purchasing program) ;
- k. Appropriate \$8,240.58 from General Fund unappropriated reserves to "DAMAGED PROPERTY REPLACEMENT" expenditure account (#01 5-190-02-11) for the use of insurance reimbursement from a dumpster that had burned to purchase new 6-yard and 8-yard dumpsters;
- l. Appropriate \$11,744.42 from 2014 Eight Year Plan Fund unappropriated reserves to 'ROF-DUMPSTERS' expenditure account (#14 5-500-05-09) for the purchase of new 6-yard and 8-yard dumpsters;

Section 2. The Mayor and City Clerk are authorized to expend the following sums:

- a. \$21,298.32 to Stephenson Oil Company for fuel for all departments;
- b. \$108,217.06 to Regions Bank for payment on the loan for the construction of the Searcy Swim Center (#14 5-085-05-01);
- c. \$20,000.00 to Searcy Regional Chamber of Commerce for the second of two invoices for the annual agreement (#14 5-500-05-18), authorized by Resolution 2018-03;
- d. \$261,571.68 to CK Asphalt, LLC for paving services for the 2018 street paving program (#02 5-900-05-15);
- e. \$83,998.11 to Henard Utility Products, Inc. for repairs/rebuild of the Beast Grinder at the Searcy Compost Center (#01 5-090-05-08). An emergency has been recognized and declared to exist and the process of formal bidding is hereby waived for this purchase;
- f. \$73,049.60 to MJ Communications Inc. for repairs and replacement of Searcy Police Department dispatch equipment that was damaged by a lightning strike (#01 5-190-02-11). Insurance claim reimbursement has been received for this damage. An emergency has been recognized and

declared to exist and the process of formal bidding is hereby waived for the repairs;

- g. \$24,109.73 to Arkansas Public Employees Retirement System (APERS) for remittance of delinquent employer contributions for a former City of Searcy Sanitation Department employee (#01 5-090-01-05);
- h. \$5,022.50 to Thomas F. Black, P.E. for engineering services regarding City of Searcy comprehensive drainage study (#14 5-130-06-01);
- i. \$63,379.25 to Odom Construction Services, LLC for construction services on the new softball pressbox/concession/restroom facility (#14 5-085-54-03);
- j. \$5,028.07 to Whitlow Engineering Services for engineering services for Janet Drive, ancillary streets, public infrastructure improvements (#14 5-900-54-03);
- k. \$174,574.24 to Johnny Brock Excavating & Landscaping, Inc. for construction services for Janet Drive, ancillary streets, public infrastructure improvements (#14 5-900-54-03);
- l. \$9,529.62 to Morrison – Shipley Engineers Inc. for Rolling Meadows/Cloverdale Addition drainage improvement project engineering services (#14 5-130-05-02);
- m. \$260,000.00 to All Spec Roofing for the replacement of the roof on the Searcy Public Library building (#01 5-020-02-12);

A motion was made by Mr. Chalenburg, seconded by Mr. Brewer, to suspend the rules and allow reading of the ordinance by title only. Motion carried with the following voting “yes”: Cothorn, Arnett, Howard, English, Raney, Brewer, and Chalenburg. Mr. Gibson read the ordinance by title only. A motion was then made by Mr. Brewer, seconded by Mr. Chalenburg, to adopt the ordinance. The ordinance passed with the following voting “yes”: Arnett, Howard, English, Raney, Brewer, Chalenburg, and Cothorn. Mr. Gibson then read the emergency clause of the ordinance. Motion was made by Mr. Cothorn, seconded by Mr. Raney, to adopt the emergency clause, with the following voting “yes”: Howard, English, Raney, Brewer, Chalenburg, Cothorn, and Arnett. **Ordinance 2018-34**

The Mayor announced:

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- The Holiday of Lights/Downtown Lighting Ceremony will be on Tuesday, November 20, 2018 at 6:00 p.m. on the east side of the White County Courthouse Square
- City offices will be closed in observance of the Thanksgiving Holiday on Thursday and Friday, November 22-23, 2018

A motion was made and seconded to adjourn.

Minutes Approved: December 11, 2018

/s/ David Morris
MAYOR OF SEARCY

ATTEST:

/s/ Jerry Morris
CITY CLERK

Seal