

City Commission of Arkansas City Special Meeting Minutes

The Arkansas City Board of City Commissioners met for a special meeting at 5:30 p.m. Tuesday, July 28, 2015, in the Commission Room at City Hall. Those present at roll call were Commissioners Brandon Every, Dan Jurkovich, Duane Oestmann and Jay Warren, and Mayor Chad Giles.

Also present at roll call were City Manager Nick Hernandez, City Attorney Tamara Niles, Public Information Officer Andrew Lawson, City Treasurer Jennifer Waggoner, City Clerk Lesley Shook, Finance Director Kathy Cornwell, Public Works Director Eric Broce, Assistant Public Works Director Mike Crandall, Parks and Facilities Director Tony Tapia, Police Chief Dan Ward, and Fire Chief Bobby Wolfe.

Cherokee Strip Land Rush Museum representatives in attendance were board chair Dotty Smith, board members Kanyon Gingham and Mell Kuhn, museum director Sandy Randel, and board attorney David Maslen.

Citizens in attendance included Cindy Current, Mel Smith and Traveler reporter Jeni Payne.

New Business

Presentation of Proposed 2016 Budget

City Manager Hernandez and Finance Director Cornwell presented an overview of the proposed 2016 City budget, which was set at an estimated tax rate of 69.608 mills and projected to levy \$3,576,842 in taxes.

City Manager Hernandez also provided commissioners with a worksheet that outlined external agencies' funding requests that were included in the proposed budget, as well as both funded and unfunded departmental requests. These included a 2-percent cost of living adjustment for all city employees, and several other major projects and capital expenditures.

Commissioner Every asked about the possibility of consolidating funding for the Arkansas City Area Chamber of Commerce and the Convention and Visitors Bureau. City Manager Hernandez said the CVB, which largely is funded through the transient guest tax, is designated by a Charter Ordinance. Commissioners later decided to reduce the Chamber's funding from \$35,000 to \$30,000. The CVB was funded at \$70,000, its current allotment.

City Manager Hernandez mentioned the possibility of increasing funding for the annual Fraternal Order of Police fireworks show if a third fireworks stand comes into Arkansas City next year. Commissioner Every said he would rather increase the funding for the Outstanding Student Award. Neither option was acted upon at this meeting.

Finance Director Cornwell talked about the current status of the City's cash reserves, which are sufficient to fund about 25 days of operating expenses. She said she would like to see them grow to 10 percent of the budget.

Proposals to pay for a benefits consultant (\$25,000), a new truck for the Parks and Facilities Department (\$25,000), a new telephone system (\$80,000), a new website (\$20,000), and a new battalion truck for the Fire-EMS Department (\$39,000) were removed from the budget based on input from commissioners. Additionally, the funds for building demolition in 2016 were reduced from \$60,000 to \$25,000.

In their place, \$95,000 was added to address the roof of the Agri-Business Building, \$92,000 to replace the elevator control box in City Hall and \$13,000 for a new outdoor warning siren.

The overall impact of the changes was to raise the estimated mill levy by slightly more than 0.4 mill (from the originally proposed mill levy) and slightly more than 1.4 mills over the current fiscal year's tax levy.

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Cherokee Strip Museum Agreement **Resolution No. 2015-07-2978**

City Manager Hernandez presented for discussion the proposed agreement with Cherokee Strip Land Rush Museum, Inc. to transfer ownership of the museum and collection to the museum's board of directors.

He outlined the differences between the City's version of the contract and the museum's version, but board chair Dotty Smith said the museum board would accede to all of the City's requirements and accept the contract.

The contract allows the museum to request up to \$168,000 in 2016, up to \$155,000 in 2017 and up to \$100,000 in 2018. The actual level of funding is at the discretion of the City Commission. After 2018, the museum may continue to make funding requests as an outside agency, but it would remain at the City Commission's discretion.

Commissioner Every asked if the intent was to wean the museum off City funding and City Manager Hernandez said it was. Commissioner Every asked if the level of funding could be increased to more than specified in the agreement and City Attorney Niles said that remained an option at the City Commission's discretion.

Commissioner Warren asked Smith if the museum had looked into outside funding sources. She said they had and would continue to ramp up efforts in that area. She also invited commissioners to visit the museum.

Commissioner Every praised the museum for its conscious effort to become independent. Mayor Giles asked about unencumbered cash from the prior fiscal year. Museum director Sandy Randel said much of the money was being held in reserve until the building's heating, ventilation and air conditioning system can be replaced.

Mayor Giles asked why the provision regarding the disposal of items valued at more than \$10,000 only specified donations in the City version, but also sale and trade in the museum version. City Attorney Niles explained that the language was written that way because she wanted to ensure that any artifacts were disposed of properly. Smith said there are safeguards in place to prevent inappropriate disposal of any items.

Mayor Giles moved to approve the agreement with Cherokee Strip Museum Land Rush, Inc. to transfer ownership of the museum and collection to the museum's board of directors, with an amendment to add sale and trade to the language regarding disposal of artifacts valued at more than \$10,000. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Giles declared the agreement adopted and given Resolution No. 2015-07-2978.

Publication of Budget Hearing Notice **Resolution No. 2015-07-2979**

Mayor Giles presented for discussion a Resolution approving the notice of a budget hearing for publication and setting the date for the public hearing for the 2016 City budget.

City Manager Hernandez and Finance Director Cornwell said there was a conflict for the planned date and time. After a discussion about possibly moving the location, Mayor Giles moved to schedule the public hearing for 5:30 p.m. August 12, 2015, in the Commission Room at City Hall and approve the notice of budget hearing for publication. Commissioner Every seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Giles declared the Resolution adopted and given Resolution No. 2015-07-2979.

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Alternate Date for Trick or Treat **Resolution No. 2015-07-2980**

City Manager Hernandez presented for discussion a Resolution setting an alternate date for 2015 Trick or Treat Night in Arkansas City.

He said the Arkansas City Recreation Center had requested moving the Trick or Treat events to Monday, October 26, 2015, to avoid a conflict with the last day of the Arkalalah Festival, which is on Halloween. He recommended following the precedent set in 2009 when the same situation occurred and approving ACRC's request.

Mayor Giles moved to set an alternate date for 2015 Trick or Treat Night on Monday, October 26, 2015, in Arkansas City. Commissioner Oestmann seconded the motion. A voice vote resulted in four aye votes, with Commissioner Jurkovich abstaining.

Mayor Giles declared the resolution adopted and given Resolution No. 2015-07-2980.

Adjournment

Mayor Giles moved to adjourn. Commissioner Every seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the meeting adjourned.

THE ARKANSAS CITY
BOARD OF CITY COMMISSIONERS

Chad Giles, Mayor

ATTEST:

Lesley Shook, City Clerk