



## Regular Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

**Minutes - Monday, June 17, 2019 - 6:00 PM**

Mayor Allen Brown called the meeting to order.

PRESENT: Mayor Allen Brown, Ward 1 Assistant Mayor Linda Teeters, Ward 2 Director Laney J. Harris, Ward 5 Director Barbara S. Miner, and Ward 6 Director Terri Peavy.

ALSO PRESENT: City Manager Dr. Kenny Haskin, City Clerk Heather Soyars and Deputy City Clerk Jenny Narens.

Ward 3 Director Steven Hollibush, Ward 4 Director Travis Odom and City Attorney George Matteson were absent.

Director Terri Peavy gave the Invocation and led the Pledge of Allegiance.

### **CONSENT**

Motion to approve the Consent Agenda made by Assistant Mayor Teeters, Seconded by Director Miner.

The motion carried unanimously, and Mayor Brown declared the Consent Agenda approved. The items approved were:

1. Approval of the minutes of the regular meeting June 3, 2019. (CCD)

### **REGULAR**

2. Resolution No. 2019-23 accepts the Section 108 Loan/Grant Funding from the U.S. Department of Housing and Urban Development (HUD) for the rehabilitation of the old Boys and Girls Club. (PWD)

Assistant Public Works Director Tracie Lee said the Public Works Department submitted a Section 108 Loan application to the U.S. Department of HUD in the amount of \$884,871 for the rehabilitation of the old Boys and Girls Club. On May 29, 2019 the City received notification via email of approval for the Section 108 Loan application. She said the deadline to sign the loan agreement would be September 30, 2020, or the commitment to the loan would expire. HUD approved a 20-Year loan term and the loan payment was estimated to be approximately \$49,000 annually, paid directly from the City's annual Community Development Block Grant (CDBG). The City was required to pay a fee of 2.23% of the principal amount of loan guaranteed under this commitment to cover the credit subsidy costs.

Assistant Mayor Teeters asked about the 90 day deadline.

Assistant Public Works Director Tracie Lee said the 90 days was for the 2.23% interest agreement to be locked in place.

City Manager Dr. Kenny Haskin asked what the projected interest rate was.

Assistant Public Works Director Tracie Lee said 3%.

Mayor Brown asked if the 2.23%, \$21,000, would have to be paid upfront like a loan application fee.

Assistant Public Works Director Tracie Lee said the 2.23% would be the interest on the loan.

Mayor Brown asked if the City were getting \$21,000, less \$885,000, or would the City have to pay the \$21,000.

Assistant Public Works Director Tracie Lee said the City would pay the \$21,000 out of the CDBG entitlement. She said Public Works Director Tyler Richards, Finance Director TyRhonda Henderson, City Attorney George Matteson and herself would have a conference call with Housing and Urban Development (HUD) regional office and Washington, DC to go over the specifics of the loan details.

Mayor Brown said this was a collateralized loan, the property and the Boys and Girls Club would be held as collateral if it were deemed enough collateral. He asked what the plans were if they did not accept.

Assistant Public Works Director Tracie Lee said they had already accepted the offer. She said there was a market study on the building and right now without any improvements the appraisal came in at \$560,000, and once the improvements were complete the Boys and Girls Club would be estimated at \$1.2 million.

Mayor Brown said this resolution was just to accept the award and then there would be an ordinance to accept the money.

Assistant Public Works Director Tracie Lee said that was correct.

Director Harris asked when the Boys and Girls Club would be complete.

Public Works Director Tyler Richards said right now the important thing was to hire an architect, he did not want to give a completion date before hiring an architect. He said it would be more than a year to complete the building.

Director Harris asked if there would be a walkway on Highway 71.

Public Works Director Tyler Richards said there were plans already made with the Recreation Trails Program (RTP) Funds from the Arkansas Highway Department, that would begin construction later this year, for a bridge across the creek as well as extending the pathway on the other side of the creek. He said you would be able to go under Highway 71 instead of over Highway 71.

Director Harris asked if there were an itemized expenditure for the building. He asked how much money was going to be allocated for the asbestos on the gym floor.

Public Works Director Tyler Richards said the price for the asbestos abatement was included in the per square foot price of the demolition.

Director Harris said from his research the amount would be around \$250,000 to \$500,000. He said he requested a FOIA and wanted to know why he had to pay to receive the information.

Public Works Director Tyler Richards said in the phase two environmental assessment, it stated there was asbestos in the building, but it did not say it was in the gym floor. He said it was all included in the estimate and it was being performed by a professional.

Motion to adopt the resolution made by Director Peavy, Seconded by Director Miner.

Voting Yea: Mayor Brown, Assistant Mayor Teeters, Director Miner and Director Peavy.

Voting Present: Director Harris.

The Mayor declared the resolution adopted 4-1.

## **CITIZEN COMMUNICATION**

David Haak, 3801 Jack Cullen, said he was speaking on behalf of the citizens who brought forth the parity pay lawsuit. He said everyone should have received a copy of the lawsuit, the City counter claim, the City's request for summary judgment, the plaintiff's offer for settlement, the City's counteroffer for settlement, and the date of the hearing on the summary judgement. Mr. Haak said in 1996 the community voted to pass the parity and levy a ¼ % sales tax to go to police to keep parity with the Texas-side. He said he did not think the base pay for the police had been added by the General Fund, he thought it all came from parity pay. Mr. Haak said the Texas-side received another increase in October of last year and the City was behind 2%. He said November 2017, a demand letter was sent to the City to pay up or they would file a suit; December 2017, a suit was filed. Mr. Haak said January 2018, the City filed an answer and counter claim; August 2018, the City had a motion for summary judgement stating the tax was unconstitutional; September 2018, a letter was sent stating the parties had not reached a settlement and the City requested a hearing; February 2019, the plaintiff's made a new offer to settle; and on June 2019 the City rejected the offer. He asked who prepared the answer and who gave the words to the attorney to file the summary judgement. Mr. Haak said on July 1, 2019, it would go to the judge. He said the City stated parity pay was unconstitutional and he agreed with them, but the City would lose the \$1.2 million in tax. Mr. Haak asked if the City were willing to bet on losing \$1.2 million in tax or pay the \$50,000 right now.

Director Harris said he had been asked why he had a camera when it was citizen communication time. He said the public would not get to see the citizen communication time due to a contract that was signed.

Mayor Brown announced the next regular scheduled meeting of the Board of Director would be Monday, July 1, 2019.

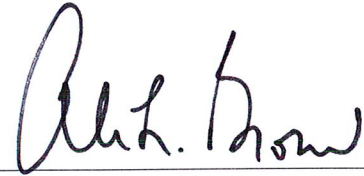
## **ADJOURN**

Motion to adjourn made by Director Miner, Seconded by Assistant Mayor Teeters.

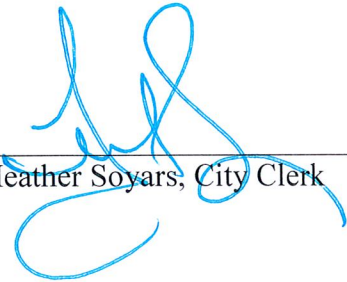
Voting Yea: Mayor Brown, Assistant Mayor Teeters, Director Harris, Director Miner and Director Peavy.

The motion carried 5-0. The meeting adjourned at 6:26 PM.

**APPROVAL** of the minutes on this 1<sup>st</sup> day of July, 2019.



Allen L. Brown, Mayor



Heather Soyars, City Clerk