



Called Meeting of the Board of Directors

City of Texarkana, Arkansas

216 Walnut Street

Minutes - Thursday, October 24, 2019 - 4:00 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 3 Director Steven Hollibush, Ward 4 Director Travis Odom, Ward 5 Director Barbara S. Miner, and Ward 6 Director Terri Peavy.

[Director Miner arrived at 4:32 PM.]

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

Invocation and Pledge of Allegiance given by Mayor Allen Brown

REGULAR

1. Ordinance No. 24-2019 approved the Section 108 Loan Agreement from the U.S. Department of Housing and Urban Development (HUD) for the rehabilitation of #1 Legion Drive. (PWD)

The applicant requests an emergency clause. An emergency clause requires a separate and distinct vote of the board and is valid only if there is a two-thirds vote of approval by the board. (Hdbk. Const. Amend 7)

Assistant Public Works Director Tracie Lee said the Boys and Girls Club building had been dormant since 2013, when the City received the building. She said the building had continually become dilapidated and it would cost the City \$400,000.00 to have it demolished. Assistant Public Works Director Tracie Lee said HUD asked them to do a new environmental study and update the Phase II. She said there was no need to update the Phase II because there were no findings in Phase I to cause any harm. Ms. Lee said if the asbestos were not disturbed there would be no health risk.

Public Works Director Tyler Richards said the new Phase I Environmental Assessment yielded no friable asbestos. He said asbestos was only hazardous in a friable state crumbled into a dust. Mr. Richards said if they did encounter asbestos in the tile or in the gym floor, they could retiling and put a new gym floor over the existing one. He said it was not hazardous at all and he did not have any concerns about the safety of the building.

Assistant Mayor Teeters said she wanted to make sure it was not only Public Works Director Tyler Richards but also the experts that did not have any concerns with the asbestos. She said Public Works had performed two assessments and both said there were no hazards from the asbestos.

Jim Fowler with Rose Law Firm went over the interest rates the City would have with the HUD loan. He said HUD would be in control of setting the interest rates and the timing on when the fixed rate would occur.

Director Harris asked how much Mr. Fowler charged the City for his services.

Jim Fowler said \$9,000.00.

Director Harris asked where this money came from.

Assistant Public Works Director Tracie Lee said the money came from the Community Development Block Grant (CDBG) funds.

Director Harris asked what effect this loan would have on the CDBG funds.

Assistant Public Works Director Tracie Lee said the loan would be over a twenty-year period with the interest rate included in the payment of \$62,000 to \$63,000 a year.

Director Harris said the money came from the CDBG money allocated for the City of Texarkana. He asked when the last study was done on the asbestos.

Public Works Director Tyler Richards said the last study was done just a few weeks ago.

Director Harris wanted to make sure this was going to be a safe environment for the minority child coming from Ward 2 and Ward 1. He asked if he could have the latest study without doing an FIOA request. Director Harris asked if the Arkansas Department of Environmental Quality (ADEQ) were involved in the renovation of the building.

Public Works Director Tyler Richards said yes, they were required to notify ADEQ. He said both studies stated there were no friable materials and it was not hazardous for anyone to walk into the building. Mr. Richards said if they needed to abate anything in the renovation the cost was included in the estimate.

Mayor Brown asked about the ordinance and change to the collateral from the Boys and Girls Club to the grant funds and to the City refuse account, would the City have to freeze those accounts.

Jim Fowler said you only had to freeze the CDBG money coming out of the payment.

Mayor Brown asked when the City would get to the conversion rate.

Jim Fowler said he did not know when that would be. He said HUD would gather the loans and once they gather around \$700 million then they would decide.

Mayor Brown said the first anticipated rate increase would be in May 2020. He said he was not concerned about the rate increase due to it being under HUD. He wanted to make sure the City could do what the documents said it had to do. Mayor Brown asked where the 2.5% and 2.34% the City had to pay upfront was coming from.

Assistant Public Directors Tracie Lee said it was already budgeted in the 2019 CDBG funds and the City did not have to pay the full amount upfront.

Mayor Brown said he did not like that the City could not prepay the loan off.

Assistant Mayor Teeters said she understood why the Federal Government did this since they would be anticipating the interest over twenty years and then we pay it in five years, we have

cost them a ton of money. She said the government was looking at the result as well and not lose their appropriated income.

City Manager Dr. Kenny Haskin said the beautiful thing about this loan was it did not cost the taxpayers one dime. He said the City was taking federal subsidy funds and giving it right back to them and it was a great deal.

Assistant Public Works Director Tracie Lee said one of HUD's issues on how the City spent the money was they did not see anything tangible. She said for years the City spent the funds on demolishing structures and doing patch work on roads. Ms. Lee said HUD asked the City for something tangible that they could see. She said in the hearings one of the top things were programs for the youth and this was a way the City could do that.

Director Peavy said when she attended a meeting and they focused on renewing the Boys and Girls Club not only for the youth but for the entire age spectrum in our community. She said she asked the City Manager if he could investigate this and a year later this was what the City figured was the best way to refurbish the Boys and Girls Club and she was very excited.

Mayor Brown said he agreed. This was a learning experience for the City. We would learn the process together because there would be other opportunities the City could benefit from.

Assistant Mayor Teeters said she wanted to commend our staff and legal counsel and say thank you for everything they did. She said it did not matter what ward the building was in. The City staff would make sure it did everything to make this building right and would never put a child in danger. Ms. Teeters said she commended the staff for finding the funds and using their expertise to get it all done.

Motion to read the ordinance the first time in abbreviated form made by Director Peavy, Seconded by Assistant Mayor Teeters.

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

Director Harris voted Present.

The motion carried 5-1. The ordinance was read the first time in abbreviated form.

Motion to suspend the rules and place the ordinance on its second reading in abbreviated form made by Assistant Mayor Teeters, Seconded by Director Hollibush.

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

Director Harris voted Present.

The motion carried 5-1. The ordinance was read the second time in abbreviated form.

[Director Miner arrived at 4:32 PM.]

Motion to further suspend the rules and place the ordinance on its third and final reading in abbreviated form made by Director Hollibush, Seconded by Assistant Mayor Teeters.

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

Director Harris voted Present.

The motion carried 6-1. The ordinance was read the third and final time in abbreviated form.

Motion to adopt the ordinance made by Director Peavy, Seconded by Director Hollibush.

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

Director Harris voted Present.

The motion carried 6-1. The Mayor declared the ordinance adopted.

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

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

Director Harris voted Present.

The motion carried 6-1. The Mayor declared the emergency clause adopted.

NEXT MEETING DATE: Monday, November 4, 2019

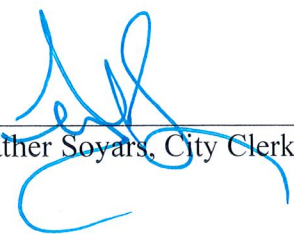
ADJOURN

Motion to adjourn made by Director Hollibush, Seconded by Director Miner.


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

The motion carried 7-0. The meeting adjourned at 4:34 PM.

APPROVAL of the minutes on this 4th day of October, 2019.



Heather Soyars, City Clerk



Allen L. Brown, Mayor