

MOUNTAIN HOME CITY COUNCIL REGULAR MEETING AGENDA

COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING
720 HICKORY STREET, MOUNTAIN HOME, ARKANSAS

Pledge of Allegiance

Prayer

Roll call

Minutes from the July 20th Council meeting

Committee reports

Bank reconciliations

Announcements



OLD BUSINESS

NEW BUSINESS

RESOLUTION REAPPROPRIATING ARPA FUNDS FROM HIGHWAY 5 SOUTH WATER AND SEWER LINE EXTENSION PROJECTS (600-5601-46328 AND 600-5602-46329) TO THE COUNTY ROAD 390 FORCE MAIN REHAB PROJECT (600-5602-46330), presented by Steven Hill

OPEN A NEW CHECKING ACCOUNT FOR "CR 390 FORCE MAIN REHAB PROJECT (600-1000-13094)" AND MOVE \$500,000.00 INTO NEW CHECKING ACCOUNT FOR CR 390 PROJECT FROM CURRENT FUNDS BALANCE OF \$599,980.00 IN HWY 5 S WATER/SEWER LINE EXTENSION PROJECT – LEAVING 99,980.00 IN HWY 5 S WATER/SEWER LINE EXT PROJECT CHECKING ACCOUNT, presented by Alma Clark

CREATE A NEW CHECKING ACCOUNT FOR THE POLICE DEPARTMENT, presented by Eddie Griffin

AN ORDINANCE AMENDING THE CONTRACTED WATER RATES BETWEEN THE CITY OF MOUNTAIN HOME WATER DEPARTMENT AND WHOLESALE PURCHASERS, AS OUTLINED IN ORDINANCE NO. 599 SECTION 8 AS AMENDED BY ORDINANCE NO. 01-21, 03-12, 2005-42, 2006-28, 2007-24, 2008-21, 2009-13, 2010-22, 2011-10, 2012-6, 2013-7, 2014-11, 2016-13 & 2019-28, 2020-32, 2021-21, and 2022-25, presented by Alma Clark

POSSIBLY RESCHEDULING THE AUG. 17TH MEETING DATE, presented by Hillrey Adams

COMMENTS

ADJOURN

Respectfully submitted,
Scott Liles, City Clerk

MINUTES

PUBLIC HEARING ON ABANDONING A UTILITY EASEMENT – Thursday, July 20th, 2023

1. The Mountain Home City Council met for a public hearing on Thursday, July 20th, 2023 in the Council Chambers of the Municipal Building. Mayor Hillrey Adams called the hearing to order at 5:55 p.m.
2. Council members in attendance for the hearing were Bob Van Haaren, Jennifer Baker, Wayne Almond, Paige Evans, Carry Manel, Jim Bodenhamer and Nick Reed. Council member Susan Stockton was absent.
3. Mayor Adams asked for public comment on abandoning an unused utility easement on parts of Lots 55 and 56 of Big Creek Estates, Phase 1B. No public comments were made.
4. With no comments offered, Mayor Adams declared the hearing adjourned at 5:58 p.m.

MINUTES

REGULAR CITY COUNCIL MEETING – Thursday, July 20th, 2023

1. The Mountain Home City Council met in regular session on July 20th, 2023, in the Council Chambers of the Municipal Building. Mayor Hillrey Adams called the meeting to order at 6 p.m.
5. **ROLL CALL** Following the Pledge of Allegiance and an invocation, the following Council members were present for the roll call: Bob Van Haaren, Jennifer Baker, Wayne Almond, Paige Evans, Carry Manel, Jim Bodenhamer and Nick Reed. Council member Susan Stockton was absent.
2. **IN ATTENDANCE** City officials present: Mayor Hillrey Adams, City Clerk Scott Liles, City Attorney Roger Morgan, Finance Director Alma Clark, Assistant Police Chief Robert McCoy and Code Enforcement Officer Mike Anderson.
3. **MEDIA** Heather Link with KTLO News and Helen Mansfield with The Baxter Bulletin.
4. **MINUTES** Council member Jennifer Baker made a motion to approve the minutes from July 6th, 2023, meeting. The motion was seconded by council member Bob Van Haaren. *The vote was recorded as follows: Yes – All present.*
5. **NEW BUSINESS**

SUSPEND THE RULES AND PLACE AN ORDINANCE AMENDING THE CITY'S CONTRACTED WHOLESALE WATER RATES ON THE AGENDA City Clerk Scott Liles had requested that City Council consider suspending the rules to place an item addressing the City's wholesale water rates on the agenda. Instead, that item will appear on the Aug. 3rd agenda, it was decided.

AN ORDINANCE VACATING A UTILITY EASEMENT LOCATED ON PART OF LOTS 55 AND 56 OF BIG CREEK ESTATES, PHASE 1B, WITHIN THE CITY OF MOUNTAIN HOME, ARKANSAS

If approved, this ordinance would abandon an unused easement in Big Creek Estates. City attorney Roger Morgan read the ordinance in its entirety for the item's first reading.

SECOND READING After the item's first reading, council member Bob Van Haaren made a motion to suspend the rules and place the item on its second reading by title only. His motion was seconded by council member Jennifer Baker. *The vote was recorded as follows: All present – yes; and the motion was declared passed and the item read a second time.*

THIRD READING Following the proposed ordinance's second reading, council member Bob Van Haaren made a motion to suspend the rules and place the item on a third reading by title only. Council member Nick Reed seconded this motion. *The vote was recorded as follows: All present – yes; and the motion was declared passed and the item read a third time.*

ADOPTION After the item's third reading, council member Bob Van Haaren made a motion to adopt the proposed ordinance and was seconded by council member Carry Manuel. *The vote was recorded as follows: All present – yes; and the ordinance declared adopted and numbered Ordinance No. 2023-29.*

EMERGENCY CLAUSE Following the ordinance's adoption, council member Bob Van Haaren made a motion to attach the emergency clause to the ordinance. His motion was seconded by council member Carry Manuel. *The vote was recorded as follows: All present – yes; and the motion was declared passed and the emergency clause was adopted for Ordinance No. 2023-29.*

AN ORDINANCE ANNEXING PROPERTY CONTIGUOUS THEREWITH TO WATER & SEWER IMPROVEMENT DISTRICT NO. 3 OF THE CITY OF MOUNTAIN HOME, ARKANSAS; ACCEPTING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF MOUNTAIN HOME, ARKANSAS; AND TO ANNEX PROPERTY TO THE CITY OF MOUNTAIN HOME, ARKANSAS, AS COMMERCIAL C-2

If approved, this ordinance would annex property along Highway 62 E into the city as C-2. City attorney Roger Morgan read the ordinance in its entirety for the item's first reading.

SECOND READING After the item's first reading, council member Nick Reed made a motion to suspend the rules and place the item on its second reading by title only. His motion was seconded by council member Bob Van Haaren. *The vote was recorded as follows: All present – yes; and the motion was declared passed and the item read a second time.*

THIRD READING Following the proposed ordinance's second reading, council member Nick Reed made a motion to suspend the rules and place the item on a third reading by

title only. Council member Jim Bodenhamer seconded this motion. *The vote was recorded as follows: All present – yes; and the motion was declared passed and the item read a third time.*

ADOPTION After the item's third reading, council member Nick Reed made a motion to adopt the proposed ordinance and was seconded by council member Jim Bodenhamer. *The vote was recorded as follows: All present – yes; and the ordinance declared adopted and numbered Ordinance No. 2023-30.*

2022 AUDIT OF THE GENERAL FUND Finance Director Alma Clark presented the Council with the results of the 2022 audit of the City's General Fund. No issues were found in the audit. Council member Jennifer Baker made a motion to accept the audit, and was seconded by council member Wayne Almond. *The vote was recorded as follows: All present – yes; and the motion was declared passed and the audit accepted.*

REPORT FROM THE IRT CAMP IN YELVILLE Mayor Hillrey Adams told the Council about the IRT medical mission. *The military exercise involved 185 medical personnel and provided free medical, dental and optometric services to the area. The week-long mission wrapped up Wednesday, June 19, and provided more than \$750,000 in free services to area residents. Mayor Adams said the IRT members he had visited had enjoyed their time in the Twin Lakes Area and had been delighted with the reception they had received in Mountain Home.*

CITY ATTORNEY ROGER MORGAN ON THE CITY'S RECENT DECISION TO PARTNER WITH THE CHAMBER OF COMMERCE FOR ECONOMIC DEVELOPMENT City Attorney Roger Morgan noted that since the July 6th meeting where council members voted to partner with the Mountain Home Area Chamber of Commerce for economic development, issues had come to light about the way the contract had been approved and the city not bidding out those services.

Roger Morgan stated that under state law, the City should have approved the contract with an ordinance or resolution instead of just by a motion. While many other contracts are handled by motions, economic development agreements require a resolution or ordinance. Because of this, he felt that at this time the City did not have a valid agreement with the Chamber.

Current city procedures normally require any purchase of more than \$20,000 to be put out to bid. It was unclear how to move forward in this case with the bidding process, Morgan said, and asked that the Council table any discussion on the Chamber's contract for 30-40 days so he could research what kind of bidding is required (if any) and then return to Council for a decision on whether to proceed with the contract.

COMMENTS ON THE CITY'S DECISION TO PARTNER WITH THE MOUNTAIN HOME AREA CHAMBER OF COMMERCE City attorney Roger Morgan said that when he served as president of the Mountain Home Area Chamber of Commerce in the late 1980s or early 1990s, he set up a nonprofit foundation for the Chamber to use. That foundation still

exists on paper, he noted, but has not met in years and is not active. Any decisions he made as city attorney would not be impacted by his previous work for the Chamber, and he deeply resents any allegations made over public corruption with the City's potential contract with the City.

Council member Jennifer Baker said she should not have made the motion to adopt the contract and should have instead recommended that the Council study it some more. Baker did say she was a Chamber Ambassador and would like to apologize for any perceived conflict. She pays \$100 to be a Chamber Ambassador on top of her regular Chamber dues.

Council member Jim Bodenhamer said in hindsight it was a mistake to move forward with the Chamber's proposed contract at the Council's last meeting. He did take exception to a blogger's report alleging potential corruption with the contract.

6. ADJOURN

With no further business to come before the council, Mayor Hillrey Adams declared the meeting adjourned at 6:24 p.m.

HILLREY ADAMS, MAYOR

ATTEST:

SCOTT LILES, CITY CLERK

Street Committee Meeting
July 18, 2023 – 12:30 p.m.

The meeting was called to order at 12:30 p.m.

Present were Scott Manchester, Assistant Director of Streets; Jim Bodenhamer, Susan Stockton, Jennifer Baker and Paige Evans, Committee members; and Steve Hill, Public Works Director.

The Street Report for June 2023 was reviewed. Scott reported the Russell Lane rebuild project has been completed and has turned out well. There were a few issues that needed to be fixed and it looks good. The cost of this project totaled \$876,383.74.

Work at the access road and the area at the new community center is continuing. The total cost of this report is for the road and work currently being done, and totals \$111,528.77. There is a crew digging out for the gymnasium, and they have approximately 3 feet deeper to dig out. He asked Steve to explain to the Committee where they are as far as bidding, etc. Steve reported the last he heard, Invitations to Bid for the community center will be sent August 1st, with an opening 2 to 3 weeks later. There was a lengthy discussion of the new community center project and McCabe Park.

The crew working on the Bike Path Phase 2 has gotten across the 62/412 Bypass to the ASU side. Scott reported 4-inch base was hauled in and placed under the bridge at the bypass and the crew had dug out into the ASU side. He said, there is 4-inch all the way back to McCabe and the crew still needs to add smaller base to that, and then pour concrete, then the asphalt will go in. Total cost to the Bike Path Phase

2 is at \$165,905.29, with a portion of that total to be applied to the ARDOT Grant that was received.

Scott reported the rebuild section of 1st Street is going well. As of June 30, the total cost to this project is \$73,127.98. The crew will have all the curbing finished by Friday or Monday of next week. Sidewalks will be next to go in, and it was decided to continue sidewalk all the way to College St., as there was no reason to stop at the creek.

The Conway rebuild from Arkansas Avenue to Baxter Avenue is going well and the crew will have the culvert finished tomorrow. The curb and gutter will be started next, then sidewalk and finish with new asphalt. Scott said Baxter Avenue is planned for a rebuild in the future with culvert, curb and gutter, and sidewalk. He added, Conway had been in that rebuild plan with Baxter. Since the Sewer Department was in there replacing their sewer line, it was decided instead of patching the street, the Street Department is rebuilding. Total cost to Conway Street is \$9,361.63.

Maintenance for the month of June is \$14,634.93. the Maintenance crew has been working at the municipal parking lot at 8th St. behind the Assessor's office. The Sewer Department had replaced a sewer line there, so we are putting in asphalt today. There was quite a bit of tree limbs down with recent storms, so they have been picking those up. Mowing the right of ways continue, sign maintenance and striping is being done.

Scott reported the third crew is getting pushed back a little bit. Still waiting for the one-ton trucks to get finished. One came in yesterday, that was made for a fuel truck, we are waiting for a flatbed to be

installed on another, and toolboxes on the third. He said it may be September or October before all the trucks are completed. He said there are three laborer positions to be filled for the third crew also, and that is on hold until the crew can be created. Right now, he said, they are letting some of the newer guys get their experience before they go to another crew. When the crew has Conway completed, they will head back to the Bike Path, and the crew at 1st Street will probably go to either Morris St. or North Church for complete rebuilds over there.

There was discussion about traffic on Highway 62 at the 5 North intersection. Jennifer said she has received emails from Mr. Robert Skibbe, concerning traffic on Highway 62 at the 5 North intersection. He is requesting the westbound traffic turn lane at 1st Street be changed to a straight through lane. He also made a request concerning the traffic on Highway 62 West at Big Creek Estates Parkway. He is concerned about the future traffic when the new community center is built. Currently, it is difficult to see traffic coming from the West, due to the hill, while pulling out of Big Creek. After some discussion, Scott told the Committee the intersection at Highway 62/1st Street/5 North is a matter for the Arkansas Department of Transportation, and they will need to be addressed since that is under their jurisdiction. He said, as far as the intersection at 62 West and Big Creek Estates Parkway, the City can request a traffic study from ARDOT. Susan made a motion to request traffic studies at both locations discussed, and Jennifer seconded the motion. All Committee members agreed to have the City request traffic studies.

The meeting was adjourned at 12:55 p.m.

JULY 2023 07/18/2023 - W/S Committee Meeting

@ 4:30pm. Attending: Alma Clark, Steve Hill, Scott Liles, Jennifer Baker, Nick Reed, Bob Van Haaren, Paige Evans & Kirby Rowland & Mary Ellen Anderson. We met in Council Chambers. The meeting adjourned at 5:32 pm.

- **Cash analysis / Revenue / Expense Report ending JUNE 2023 were presented.**
- **Project reports for month ending JUNE 2023 presented.**
- **Our water loss was 24.4% Ending JUNE 2023. The previous month was at 24.7%. We continue to fix and find leaks daily as these leaks present themselves.**
- **Passed out copies of Wholesale water rate study, Copy of Wholesale ordinance for passage at next meeting, Copy of History of Wholesale increases for review. Wholesale Rate Ordinance will be on council agenda for passage on 07/20/2023.**
- **Passed out copies of w/s revenue – expenses comparisons for review. (Done annually after audit is completed).**
- **Kirby passed out copies of Garver project updates to the W/S Committee that are in progress: WWTP upgrades & additional upgrades at WWTP, New Lake intake project, Master Plan Updates.**
- **Steve informed the committee that there is upcoming work that will need to be done quickly on the force main from CR 390 Lift station coming into town. Sealed bids were taken on getting the 7000' of 12' DI line replaced by a contractor. There was one bid that was submitted, and Steve is working with the bidder to negotiate a better price for the work. Steve will then come back to committee to request funding for this project as it is necessary to get this job started and completed in a timely manner. Steve mentioned possibility of re- appropriating some of the ARPA funds that might be an option & possibly using depreciation funds. Steve will come back with options on August 1, 2023 when the committee meets again @ 4:30pm**

PROJECT UPDATES:

- **Dyer St. phase II Sewer Line Upgrade: Started on 12/19/2022. Total footage to be upgraded is 2900' of pipe and 21 manholes to be replaced. To date we have laid 1078' of SDR 26 pipe and have set 6 manholes and 1 bore has been completed. Remaining to be laid is 1822' and 15 manholes. ON HOLD working on Conway Right now.**
- **Hickory St Phase 2: Started 06/08/23 again on W. 8th Street - we Laid 42' of 6" pipe and set 1 manhole and temporarily stubbed pipe for continuation and finished this section on 06/13/23. On E. 8th Street – we started this part on 05/26/2023 there will be an approximately 300' of line and 4 manholes to be set. To date we have laid & completed on 06/30/23 we shortened the amount of line due to services tying into line under buildings poured new manhole and moved manhole about 40' from original plan.**
- **Morris St / N Church Water Line Upgrade: Started 03/23/23. On Morris St total footage was 705' of 6" water line. To date we have laid all of the pipe & completed two bores on Morris St along with Clean-up & 4 service ties ins and placement of 1 fire hydrant and was completed on 05/25/23. Total footage that will be redone on church St is 740' (CHANGED) of 8". We started N. Church St. WL upgrade on 05/26/23. To date we have laid all 740' of 8" C-900 PVC have installed 1 FH on N Church St. Remaining to complete on N. Church is installed services tie ins will be completed when line has passed testing & then cleanup.**

Morris St / N Church Sewer Line Upgrade: Started 06/15/23 on Morris St there will be a total of 904' & 3 manholes. To date we have laid 714' and 2 manholes and all tied into existing manhole at N street & Morris. Remaining to do on Morris is 176' and set 1 manhole. This footage that will be redone on Church St is 697' of 8" and 2 manholes this will start when finished on Morris.

Hargrave Water Line Upgrade: Started _____ . We will be laying 20' of 6" line and placing a fire hydrant then reduce to 4" in which we will lay 330' of line & reset 7 services on new line.

*******OUR NEXT MEETING IS (CHANGE DAYS & DATE) *****
NEXT MEETING WILL BE HELD ON *****AUGUST 1, 2023 @ 4:30PM *****
Meeting will be held in council chambers.**

RESOLUTION NO. 2023-XX
A RESOLUTION AMENDING THE RESCUE GRANT BUDGET AND FOR
CERTAIN OTHER EXPENSES

WHEREAS, the American Rescue Plan Act “ARPA,” which was signed into law in March 2021, provides fiscal relief funds to local governments; and

WHEREAS, ARPA provides support to local governments in responding to the impact of COVID-19 and in addressing the economy. It created several eligible uses of the funding including one for water and waste-water projects and one to address lost revenue for cities and towns; and

WHEREAS, the United States Department of Treasury (Treasury) on January 6, 2022, issued a Final Rule regarding the use of ARPA funds; and

WHEREAS, the Final Rule permits cities and towns to utilize one of the statutorily eligible uses of the funds as “lost revenue or revenue replacement” up to a standard allowance of \$10,000,000 or the total amount of a city’s grant award, whichever is less. For the City of Mountain Home, the actual grant award is less; and

WHEREAS, the City Council of the City of Mountain Home on the date of December 15, 2022, by a voice vote and noted in the minutes approved spending a total of \$2,604,056.05 on two water (or waste-water) projects; and

WHEREAS, the City Council now wants to use some of these funds on a different project that needs to begin immediately; and

WHEREAS the Final Rule permits cities and towns to utilize “lost revenue/revenue replacement” for any government services.

NOW, THEREFORE, BE IT RESOLVED BY
THE CITY COUNCIL OF MOUNTAIN HOME, ARKANSAS

SECTION 1. The City hereby amends its earlier appropriation to reflect the following project and total authorized ARPA funding for the project:

1. SW Sewer line Extension in the amount of \$2,004,056.05 and

2. The Highway 5 Water & Sewer Line Extension in the amount of \$100,000.00 and
3. CR 390 Force Main Rehab Project in the amount of \$500,000.00.

SECTION 2. On the mandatory Annual Reports, the expenses listed above in Section 1 shall be reported under the Expenditure Category (EC) number 6.1 entitled Revenue Replacement.

PASSED AND ADOPTED THIS 3RD DAY OF AUGUST, 2023

HILLREY ADAMS, MAYOR

ATTEST:

SCOTT LILES, CITY CLERK

ORDINANCE NO. 2023-xx

AN ORDINANCE AMENDING THE CONTRACTED WATER RATES BETWEEN THE CITY OF MOUNTAIN HOME WATER DEPARTMENT AND WHOLESALE PURCHASERS, AS OUTLINED IN ORDINANCE NO. 599 SECTION 8 AS AMENDED BY ORDINANCE NO. 01-21, 03-12, 2005-42, 2006-28, 2007-24, 2008-21, 2009-13, 2010-22, 2011-10, 2012-6, 2013-7, 2014-11, 2016-13 & 2019-28, 2020-32, 2021-21, and 2022-25

WHEREAS, it is determined by the City Council of Mountain Home, Arkansas that current or existing charges do not reflect the actual costs of service; and

WHEREAS, after reviewing the year ending 2022 audit, the City Council finds that an adjustment is necessary.

**NOW, THEREFORE, BE IT ORDAINED BY
THE CITY COUNCIL OF MOUNTAIN HOME, ARKANSAS:**

SECTION 1. Wholesale Charges

- A. Wholesale customers charge from the water plant is \$4.82 per 1,000 gallons.
- B. Wholesale customers charge from the 960-elevation system is \$5.30 per 1,000 gallons.
- C. Wholesale customers charge from the 1,080-elevation system is \$5.51 per 1,000 gallons.

SECTION 2. Wholesale Reservation

- A. The City of Mountain Home does notwithstanding the provisions of this chapter, reserve the right and responsibility to determine wholesale water rates for water supplied for resale to and used by large consumers, including but not limited to governmental units, water associations and improvement districts. Such wholesale rates shall be set and established from time to time as necessary by agreement and contract with any such entity and by Ordinance of the City of Mountain Home, Arkansas. (Ord. 599 Sec. 8)

SECTION 3.

This Ordinance shall be in effect for all water metered after September 15th, 2023.

PASSED AND APPROVED THIS 20th DAY OF JULY, 2023.

HILLREY ADAMS, MAYOR

ATTEST:

SCOTT LILES, CITY CLERK

AUGUST 2023

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3 Council	4	5
6	7	8	9	10 Jennifer out	11 Bob out →	12
13 Bob out → Jennifer out →	14	15	16	17 Council?	18	19
20 Bob out →	21	22	23	24 Nick out	25	26
27	28	29	30	31		