

The City Council of the City of Sherwood met for a regular meeting on March 27, 2023, at 6:00 p.m. in the Council Chambers. Those present were Mayor Mary Jo Heye-Townsell, City Attorney Steve Cobb, City Clerk Charlotte Watson, Council Members Brooks, Harmon, Lilly, Sanders, Williams, Broderick, Thomas, and Wade.

Pastor of First Christian Church, Allison Robuck led in prayer, and the Pledge of Allegiance was given to the flag.

Council Member Brooks, seconded by Council Member Lilly, made a motion to approve the minutes of the regular meeting on February 27, 2023, as transcribed. Council Member Williams corrected the spelling of Finley Vinson's name for the minutes. The roll call vote was unanimous.

Mayor Heye-Townsell opened discussion for the February 2023 City of Sherwood financials. Council Member Williams had a question about one expenditure that she wasn't sure was budgeted. Mayor Heye-Townsell noted this item was budgeted and future questions about the financials would go to the new City of Sherwood Finance Director, Colleen Young. Ms. Young is the former assistant CFO for the City of North Little Rock and previously worked for the City of Little Rock. She has eighteen years of governmental accounting experience. She holds a bachelor's and master's degrees of accounting as well as a certificate in governmental accounting. There was no further discussion of the financials.

Leigh Ann Biernat, Senior Vice President at Stephens made a presentation regarding the plan for issuing the remaining authorized amount of bonds from the 2018 sales and use tax bond issue. She indicated that Stephens would come back to the April City Council Meeting with a proposal to issue bonds of about 15.5 million dollars. These dollars will fund a project fund, debt service reserve and cost of issuance. Stephens anticipates issuing bonds with a stated maturity of approximately 2033 but due to the growth in the city sales tax revenue it is anticipated that the bonds could be repaid in 2026 or 2027. Stephens plans to structure this as a taxable bond issue. The advantages of a taxable bond issue are that the IRS restrictions associated with a tax exempt bond issue do not apply to a taxable bond issue. The earnings on the bond proceeds are not capped while you are waiting to spend the street funds. The city does not have to pay someone to do an arbitrage calculation every five years. The three-year spending requirement also goes away. Bonds would be offered on April 24, 2023, which is the next city council meeting date. A bond ordinance would be presented at the city council meeting to be passed so that the interest rate could be locked in. On June 1, 2023, the bond issue would close, and the project funds would be available to the city.

Mayor Heye-Townsell recognized Daniel Griffin and Brooke Zermatten as finalists in the National Merit Scholarship Program.

Council Member Harmon, seconded by Council Member Thomas, made a motion to move agenda item 13, a resolution appointing certain persons to serve on various Sherwood boards, commissions, and committees to agenda item #8. The roll call vote was unanimous.

Council Member Harmon, seconded by Council Member Sanders made a motion to suspend the rules and place a resolution amending the General Fund Budget on the agenda at item #17. The roll call vote was unanimous.

Resolution No. 24-2023 entitled, "A resolution appointing certain persons to serve on various Sherwood Boards, Commissions, and Committees" was read. Mayor Heye-Townsell introduced the new appointees to the city council and those in attendance. Council Member Brooks, seconded by Council Member Williams, made a motion to adopt this resolution. The roll call vote was unanimous.

Ordinance No. 2439 entitled, "**An ordinance amending ordinance 2382 regarding the design and construction of the Jacksonville-Cato Street project,**" was read for the first time. Mayor Heye-Townsell noted that Phase I actually has two roundabouts, one at the Public Works land and another closer to Cato Elementary. Sherwood resident, Steve Deere, spoke to the council. He believes the design proposed in this ordinance is more suitable for the residents of that area. His one concern was the turning lane proposed in this design. He would like to see the turning lane taken out and bike lines put in. He is concerned that the turning lane would just be used by drivers as a passing lane. Don Cronkhite removed his request to address the council.

Council Member Broderick said that she would like to have this ordinance read only once at this meeting to give the council a chance to look over the design and allow residents to comment. She also asked for the cost of phase one and phase two. Finley Vinson responded that the estimated cost savings for Phase I would be \$500,000 and the estimated cost savings for Phase II would be larger savings. Council Member Broderick expressed concern that there would be enough money to complete both phases of Jacksonville-Cato. Mayor Heye-Townsell responded that between the savings on this design and the money in the street reserves that there is enough money to complete Jacksonville Cato. Council Member Broderick again requested that the council have time to get more information about this project. Finley Vinson responded that his purpose tonight was to get a schematic in front of the council. There will be more details to work out with the contractor because this ordinance will require a change order. There is some negotiation to take place with the contractor and that's the reason they can't give more exact numbers. Finley indicated that it is possible to get more savings once Garver gets into the details of the project. Garver can't get into the more details of the project until they get direction from the city council. Mayor Heye-Townsell indicated that contractors and CAW are ready to move onto other projects if Sherwood does not get moving on this project. Council Member Broderick expressed concern that if the project doesn't go well citizens will want explanations from the council. She asked to confirm that the total original cost of Phase I & II was approximately \$6.8 million. Council Member Lilly responded that the cost was probably a little higher than that but not as high as the \$18 million for the way the current design is as approved. Council Member Lilly expressed a desire to know the cost savings for the redesign but also understanding the importance to move forward with the project. Council Member Broderick fully agrees that the project needs to be redesigned. Her concern is to say that this is the plan and it only saves \$500,000 and the city ends up short of funds to complete the project. Council Member Harmon indicated that the total savings for both phases of the project combined would be well over \$1million. The city is in a position where if the council doesn't make a decision the contractors and utilities are going to move onto other projects that will tie them up for significant amounts of time. Mayor Heye-Townsell indicated that modifications could be made to phase I but these changes are limited without completely going back to the drawing board which would be a large expense. If the city completely redesigns Phase I, the city would not have 85% of the bond money encumbered which would put the city out of compliance with bond counsel. Council Member Williams noted that based on the numbers given to the council for the workshop, 93% of the bond money was encumbered excluding the Jacksonville Cato project. Council Member Brooks commented that one additional reason for the redesign was based on comments from residents at the Street Committee Meeting. Council Member Lilly agreed that citizen comments were a large reason for the redesign. Council Member Sanders commented that he was comfortable with the changes in the redesign and felt that these changes were more in line with the desires of the citizens. Council Member Wade commented that his understanding was that the current design for the Jacksonville Cato project approved in 2021 was based on Vision 2040 plan. He questioned if the Vision 2040 plan would need to be amended. Mayor Heye-Townsell indicated that the Vision 2040 plan was not law, only recommendations. Council Member Williams asked if the pedestrian tunnel was still included in the amended design. Mayor Heye-Townsell indicated that the pedestrian tunnel was still included in the street design.

Council Member Williams, seconded by Council Member Harmon made a motion to amend the ordinance to read in Section 2, "and further approves the pedestrian tunnel design,"

Council Member Williams opposed the proposed amended wording of Section 4. She felt that the threshold for approval of change orders was too high. Council Member Lilly recommended taking out Section 4 of the proposed ordinance. Council Member Williams, seconded by Council Member Harmon, added striking section 4 of the ordinance to her above amendment. Roll call vote for the amendment was 7 ayes and Council Member Broderick a no. The amendments to the ordinance passed.

Ordinance No. 2439 entitled, "**An ordinance amending ordinance 2382 regarding the design and construction of the Jacksonville-Cato Street project,**" as amended was read for the first time. Council Member Brooks, seconded by Council Member Harmon, made a motion to suspend the rules and place the ordinance as amended on the second reading. The roll call vote was 7 ayes, Council Member Broderick a no. Ordinance No. 2439 as amended was read for the second time. Council Member Harmon, seconded by Council Member Brooks, made a motion to suspend the rules and place the ordinance as amended on the third and final reading. Roll call vote was 7 ayes and Council Member Broderick a no. Ordinance No. 2439 as amended was read for the third time. Council Member Lilly, seconded by Council Member Brooks, made a motion to adopt ordinance No. 2439 as amended. Roll call vote was 7 ayes, Council Member Broderick abstained. The emergency clause passed with a roll call vote of 7 ayes, Council Member Broderick abstained.

Council Member Brooks, Chairman of the Advertising & Promotions Commission, stated that the A&P Commission did meet. The main topic was the proposal for redoing the parking lot at the Greens at North Hills. The commission is in the process of phasing out some of the old displays in the Trail of Lights. A second A&P commission meeting was conducted via zoom regarding an item further down on the agenda.

Council Member Harmon, Chairman of the Parks & Recreation Committee, stated that they did meet. A lot of the discussion centered around the Greens at North Hills. Fee structures and free play for kids were discussed. Council Member Brooks noticed that LISA Academy has started to use the Sherwood baseball field even though that school is in North Little Rock. Mayor Heye-Townsell responded that an agreement had been in place for Sylvan Hills, Abundant Life, and LISA Academy to use the Sherwood baseball field prior to her time as mayor. The schools all worked together to make a plan to use the baseball field understanding that Sylvan Hills and Abundant Life have priority to use the field. Mayor Heye-Townsell announced that the Parks and Recreation Department had hired a new aquatics coordinator, Hannah Calhoun.

Council Member Sanders, seconded by Council Member Lilly, made a motion to table the proposed ordinance to adopt the Jacksonville-Cato Access Management Plan. Roll call vote was unanimous.

Council Member Lilly, Chairman of the Street Committee, stated that the committee did meet. The majority of the discussion was on the Jacksonville-Cato Street project. Mayor Heye-Townsell stated that Maryland, Country Club, and Hemphill projects should be completed by the end of April.

A proposed ordinance creating an Audit & Financial Affairs committee for the City of Sherwood was read for the second time. Council Member Brooks stated her support for the Legislative Audit performing the City of Sherwood financial audit. Mayor Heye-Townsell explained that this committee would be responsible for working with the city Finance Director and making recommendations to the council. Council Member Williams stated that due to the language in Section 3 letter d, she would be opposed to this ordinance. Finance Director, Colleen Young stated that her experience in the two other cities she worked with was using a private external audit firm. Council Member Harmon asked if the city could use GAAP accounting if an external audit firm was used versus

used Arkansas Legislative Audit. Finance Director, Colleen Young indicated that currently the city presents the annual financial statements under the regulatory basis of accounting so there are some differences. Council Member Lilly, seconded by Council Member Harmon, made a motion to suspend the rules and place the proposed ordinance on the third reading. Roll call vote was 5 ayes and Council Members Williams, Brooks, and Broderick a no. The motion to put the ordinance on third reading failed.

Ordinance No. 2440 entitled "An ordinance adjusting the monthly fee for residential garbage and recycling collection; declaring an emergency and for other purposes," was read for the first time. Council Member Brooks, seconded by Council Member Williams, made a motion to suspend the rules and place the ordinance on the second reading. Council Member Wade asked when the current contract ends. Brian Galloway, Public Works director stated the contract ends in April 2024. Roll call vote was unanimous. The ordinance was read for the second time. Council Member Brooks, seconded by Council Member Lilly, made a motion to suspend the rules and place the ordinance on the third reading. The roll call vote was unanimous. The ordinance was read for the third time. Council Member Harmon, seconded by Council Member Brooks, made a motion to adopt the ordinance. The roll call vote was unanimous. The emergency clause passed with a unanimous roll call vote.

Ordinance No. 2441 entitled "An ordinance amending ordinance 2437 regarding the adopted city council rules and procedures for 2023," was read for the first time. Council Member Brooks stated that this change is needed to eliminate the back and forth comments between elected officials and citizens during the citizens three minute comment time. Council Member Sanders, seconded by Council Member Harmon, made a motion to amend section 1 as follows: "Rule Regarding Public Comment, All comments by citizens to the elected officials, whether those comments are regarding Agenda or Non-Agenda Items, shall be comments to the elected officials by citizens and will not be a discussion between elected officials and the citizen speaking." The roll call vote to adopt the amendment was unanimous. The ordinance was read as amended for the first time. Council Member Brooks, seconded by Council Member Sanders, made a motion to suspend the rules and place the ordinance as amended on the second reading. The roll call vote was unanimous. The ordinance as amended was read for the second time. Council Member Brooks, seconded by Council Member Thomas, made a motion to suspend the rules and place the ordinance as amended on the third reading. The roll call vote was unanimous. The ordinance as amended was read for the third time. Council Member Sanders, seconded by Council Member Brooks, made a motion to adopt the ordinance as amended. The roll call vote was unanimous.

Resolution No. 25-2023 entitled, "A resolution amending the General Fund Budget Resolution 21-2021, the Advertising and Promotion Commission Budget Resolution 30-2021, the Street Fund Budget Resolution 33-2021, the Wastewater Fund Budget Resolution 34-2021 and the 1% Sewer Sales Tax Budget Resolution 35-2021" was read. Council Member Brooks, seconded by Council Member Williams, made a motion to adopt the resolution. The roll call vote was unanimous.

Resolution No. 26-2023 entitled, "A resolution providing for the adoption of a Forfeiture Fund DOT Department budget for the city of Sherwood, Arkansas, for the twelve-month period beginning January 1, 2023, and ending December 31, 2023; appropriating money for each and every item of expenditure therein provided for; and for other purposes" was read. Council Member Williams asked if there was a way that this money could go to the drug court instead of supplies. City Attorney, Steve Cobb responded that he did not know if this could be done because of the way the drug court is structured. City Attorney Steve Cobb indicated that he will check into the city's ability to put this money into the drug court. Council Member Williams, seconded by Council Member Brooks, made a motion to adopt the resolution. The roll call vote was unanimous.

Resolution No. 27-2023 entitled, "A resolution rejecting all bids received by the city of Sherwood for the Greens at North Hills parking lot project" was read. Council Member Brooks stated the A&P Commission met via zoom to discuss the Greens at North Hills parking lot. The remodel of the North Hills parking lot planning has been in the works since 2019 but nothing was ever done. A new Parks and Recreation Director was hired at the beginning of 2023 and the project was revived. A bid to redo the parking lot was obtained and the bid came back much higher than was expected. Mayor Heye-Townsell spoke to the engineers Halff & Associates and asked for an estimate of the parking lot with the modifications. Halff & Associates estimated the project closer to \$400,000. Halff & Associates recommended rejecting all the current bids and rebidding the project with the new modifications. Council Member Williams, seconded by Council Member Brooks, made a motion to adopt the resolution. The roll call vote was unanimous.

Resolution No. 28-2023 entitled, "A resolution amending resolution 1-2023, the General Fund Budget, and for other purposes" was read. This resolution would approve 8 pickleball courts at Henson Park. The money was originally discussed to be put into the budget but when the budget was approved this amount was left out. Council Member Brooks, seconded by Council Member Thomas, made a motion to adopt this resolution. The roll call vote was unanimous.

Old Business

Mayor Heye-Townsell asked Josh Alexander, Sherwood Economic Developer, to give an update on Senate Bill 201. The bill faced opposition when it reached the Senate floor for a vote. Several senators walked out and refused to vote on the bill. The bill did not die but it was not passed. The vote was expunged, and the bill was amended. Mr. Alexander met with several liquor lobbyists to discuss the bill. The city of Sherwood will stand up at the 38% petition initiative only the portion that we annexed of Gray 1956 & 1954. Basically everything north of Maryland Ave in the city that is currently dry, we will hold a petition initiative at the 38% threshold. Once we get the certified signatures, we will hold a local option vote in the November 2024 primary to take that portion of the city in line with the rest of the city. The amended bill draft was sent to the Bureau of Legislative Research and could be back on the Senate floor by the end of March. Once the bill passes the Senate it will go to the house and be read once and assigned to the House Rules Committee. It should then go to the house floor and pass. Mr. Alexander felt this was a good compromise for the city of Sherwood because it removed all opposition and gave the city the opportunity to recruit business to north Sherwood. Council Member Wade asked when this process would start. Mr. Alexander stated that when this bill passes it will go into law on July 1, 2023. Mr. Alexander would like to start organizing the petition drive as soon as the law is passed and be ready for the initiative to go on the ballot in the November 2024 election.

New Business

Council Member Brooks asked about the ARPA funds. Mayor Heye-Townsell indicated that she would like to start talking about what can be done with those funds next month. She would like to do a workshop about this in May.

Council Member Brooks stated she was contacted by a Sherwood citizen asking if the city would consider banning the sale of animals by pet stores. Mayor Heye-Townsell indicated there was possibly some legislation at the state level that would prohibit this so she wanted to wait to see how that unfolded.

Announcements

- Fort Thompson Sporting Goods was named as first business of the month by Governor Sanders.
- Rock Region Metro Services are expected to begin in September or October 2023 subject to vehicle delivery.
- Congratulations to Lieutenant Tyler Gaunt on graduating from the FBI national academy.

- Speed cushions are currently being installed throughout the city.
- A Mayoral Animal Advocacy Committee has been established. Members are Sarah Richardson, Jim Davis, Debbie Papp and Mary Beth Magby.
- The next Coffee with the Mayor will be April 14th at the Harmon Center. Highlighted will be parks and streets.
- The city newsletter will come out in April.
- The city has a new Facebook page. The city no longer has administrative control of the old accounts so no posts will be made to those pages.
- Council Members Williams and Thomas were recognized by the Department of Defense as representatives of the City of Sherwood in supporting the Guard and Reserve.

Council Member Brooks, seconded by Council Member Williams made a motion to adjourn at 7:52 p.m.

ATTEST:

Charlotte Watson
Charlotte Watson, City Clerk

Mary-Jo Heye-Townsend
Mary-Jo Heye-Townsend, Clerk