

October 12, 2009
Seven o'clock P.M.
North Little Rock City Hall Council Chambers
300 Main Street
North Little Rock, Arkansas

The regular meeting of the North Little Rock City Council scheduled for Monday, October 12, 2009, was called to order at 7:00 p.m. by the honorable Mayor PATRICK HENRY HAYS. The roll having been called, and the following Aldermen answered to their names: DEBI ROSS, LINDA ROBINSON, CARY GAINES, SAM BAGGETT, CHARLIE HIGHT and MURRY WITCHER (6/0), a quorum was declared. City Clerk Diane Whitbey and Assistant City Attorney, Paula Jewells Jones were also present. Aldermen BETH WHITE and MAURICE TAYLOR were attending a conference out of town.

The invocation was given by Alderman Baggett, followed by the pledge of allegiance to the flag which was led by Alderwoman Ross.

On the motion of Alderman Witcher, and seconded by Alderman Hight, and by consent of all members present, the minutes of a regular council meeting held on Monday, September 28, 2009, were approved, accepted and filed as prepared by the City Clerk (6/0).

On the blanket motion of Alderman Gaines and seconded by Alderwoman Robinson, communications #1, 2 and 3 were accepted and filed (6/0).

1. Joe Smith, Purchasing Director, memorandum to Mayor Hays re: City Auction to be held October 29, 2009, and requesting council approval to sale items.
2. Ken Hammonds, letter to Mayor Hays and City Council members re: Budget regarding Special Assessments for years 2010 thru 2014 for residences and businesses that reside in the Lakewood Recreational Improvement District IV (LRID).
3. Bob Sisson, Finance Director, Audit of the City of North Little Rock, December 31, 2008.

On the motion of Alderwoman Ross and seconded by Alderman Witcher, and by consent of all members present, communication #4 was read, authorized and filed (6/0).

4. Cary Tyson, President Park Hill Neighborhood Association, e-mail to Mayor Hays and City Council members re: October 6, 2009, meeting of association and passage of a resolution supporting a Moratorium on LED Signs in the City of North Little Rock.

On the motion of Alderman Hight and seconded by Alderwoman Robinson, and by consent of all members present, with the exception of Alderwoman Ross and Alderman Witcher who voted no, and Mayor Hays having voted yes, communication #5 was read by title only, authorized, accepted and filed (5/2).

5. Mayor Hays letter to City Council members re: Maritime Museum and/or Arkansas Queen activities and intention to install a sign on the Seawall entrance to the North Shore Maritime Center.

Alderman Witcher said there are already signs in the area and asked if additional signage was necessary. Alderwoman Ross asked if the city was paying for the sign. Mayor Hays said the amount would be approximately \$5,000 to \$6,000. The Maritime Museum and Arkansas Queen

are separate entities from the city. However, the city has close affiliation to the Maritime Museum which is a 501(c)3, and a contract with the Arkansas Queen which is privately owned. Alderman Hight said the sign on Riverfront Drive faces the east. People traveling west to east cannot see the sign. The businesses would like to be able to advertise upcoming events, etc. Alderwoman Ross asked if this would set a precedence by purchasing these signs. Mayor Hays said this is city owned property.

Mayor Hays asked Ms. Fara Faubus to come forward and provide information regarding the upcoming 16th Annual Arkansas Susan G. Komen Race for the Cure. The race will commence at 8:00 a.m., Saturday, October 17, 2009. Close to 46,000 people will cross the bridge from Little Rock into North Little Rock. The event will raise close to \$2 million for breast cancer research. Seventy-five percent of the money will stay in Arkansas. Men, women and children all participate. Registration is still open and the goal is to reach 50,000 participants. The chairman this year is Ms. Ellen Kreth, Ms. Faubus' sister.

Mayor Hays announced a Special Call scheduled for October 12, 2009, at 7:05 p.m.

October 9, 2009 (via email)

Subject: Special Call Meeting for 7:05 p.m. on October 12, 2009

Honorable Members of the North Little Rock City Council:

The purpose of this e-mail is to advise you that Mayor Hays has called a special meeting of the North Little Rock City Council for 7:05 p.m., on October 12, 2009, at City Hall, Council Chambers, North Little Rock, Arkansas. The following will be on the agenda:

- 1) AN ORDINANCE ACCEPTING THE RECOMMENDATION OF GDS ASSOCIATES, INC. FOR A SUPPLIER OF WHOLESALE POWER TO THE CITY OF NORTH LITTLE ROCK; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

Sponsor: Mayor Patrick Henry Hays

Pursuant to Section 2-48(2) of the North Little Rock Municipal Code, you are entitled to 72 hours= *electronic* notice of this meeting. Please acknowledge receipt of this email before 4:00 p.m., on Friday, October 9, 2009, by replying to the same. A copy of your reply will automatically be sent to City Clerk Diane Whitbey.

Respectfully submitted,
C. Jason Carter
City Attorney

Special Call #1 (ORDINANCE NO. 8206 - MAYOR HAYS)
AN ORDINANCE ACCEPTING THE RECOMMENDATION OF GDS ASSOCIATES, INC. FOR A SUPPLIER OF WHOLESALE POWER TO THE CITY OF NORTH LITTLE ROCK;

DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES, was read. On the motion of Alderwoman Robinson and seconded by Alderman Gaines, and by consent of all members present, the rules were suspended and the ordinance was placed on its second reading (6/0). On the motion of Alderman Witcher and seconded by Alderman Hight, and by consent of all members present, the rules were again suspended and the ordinance was placed on its third and final reading (6/0). The ordinance was read a third and final time. Mayor Hays introduced the legislation and discussed past negotiations. Mayor Hays asked Mr. Mike Russ, General Manager, North Little Rock Electric Department to come forward. Mr. Russ said this process has been on-going for eight months. The last contract went into effect in April 2007, which was at a time when the price of power was high. Ordinance No. 8122 defined "Wholesale Power Negotiator" (WPN) as a professional service under Arkansas Law. Requirements of the WPN included being an experienced wholesale negotiator for municipal power contract; strong relationships with wholesale power marketers; experience with the Entergy Transmission System; and expertise in development of municipal Integrated Resource Plans. After reviewing candidates, the choice was GDS Associates, Inc., based in Atlanta. Mr. Garrett Cole, P.E., Project Manager for North Little Rock led the negotiating team. Mr. Cole provided background information regarding the process which included a historical pricing volatility chart illustrating natural gas versus on-peak market power. Another chart illustrated natural gas historical to futures pricing for the years 1998 through 2020. In 2007, the majority (83%) of North Little Rock's power was subject to the market pricing. In 2010, fuel diversity would reduce North Little Rock's market exposure to 61%. Existing resources and requirements were discussed. Electric resources and requirements under a new wholesale contract were then reviewed (2009 - 2015). A Request for Proposals produced five bids. The criteria was: competitiveness of price; proposal pricing risk(s); transmission deliverability risk; and long-term relationship. North Little Rock and GDS then declared a "short list" and negotiated terms and conditions. NRG's proposal was 55.20 per megawatt hour. NRG's headquarters are in Princeton, New Jersey. It has ownership interest in 44 power generating facilities worldwide and a global portfolio of projects totals over 24,000 MW. Terms are April 1, 2010 through December 31, 2013. This is a fixed price proposal which includes cost of capacity, energy and energy management services. Other topics included demand-side management, additional generation, potential Carbon Tax, and the city being responsible for any Renewable Portfolio standard requirements. NRG will provide for \$10 million in the form of a letter of credit and \$75 million in the form of a parental company guaranty. NRG would replace North Little Rock resources at a fixed price in the event of a unit outage. In conclusion, Mr. Cole advised considerations included competitiveness of proposed supply and favorable terms and conditions negotiated, NRG provided the most beneficial and flexible energy supply available at this time. Therefore, the recommendation of GDS Associates, Inc., was NRG. Alderwoman Robinson said residents want to know if this will result in a reduction in rates. Mayor Hays discussed issues including our recent mild summer, lower than expected sales tax collections, etc. Alderwoman Ross asked about transmission costs. Mr. Cole said transmission is not included herein because there is no expectation of a change. Alderman Gaines commended Mr. Cole, Mr. Russ, and the Electric Department team for their work towards obtaining the best proposal for the city and its residents. Mayor Hays said low natural gas prices are a bonus this time around. On the motion of Alderman Witcher and seconded by Alderman Hight, and by consent of all members present, the legislation was amended as follows: *Section 2 and Section 3: insert NRG POWER MARKETING LLC* (6/0). Alderwoman Ross thanked everyone who worked on this project for meeting with council

members individually to go over the proposals, etc. On the motion of Alderwoman Ross and seconded by Alderman Witcher, and by consent of all members present, the ordinance was again amended as follows:: *attach Exhibit "A" provided this date* (6/0). On the motion of Alderman Witcher and seconded by Alderman Hight, and the roll having been called and all members present having voted in the affirmative, the ordinance was adopted as amended (6/0).
Emergency clause adopted (6/0).

Mayor Hays recessed the council meeting at 8:15 p.m. The meeting was reconvened at 8:24 p.m.

Mayor Hays asked if anyone had signed up to speak on a numbered agenda item. Mr. Robert Fureigh spoke regarding R-09-141. He thought it had been rendered unnecessary. Mayor Hays advised he held it until after the Veteran's Memorial Committee makes its recommendation.

UNFINISHED BUSINESS

R-09-141

A RESOLUTION DISCLAIMING THE TRANSFER OF CERTAIN PROPERTY LOCATED ON WEST MILITARY DRIVE; AND FOR OTHER PURPOSES, was called and held by the sponsor, Mayor Hays.

NEW BUSINESS

R-09-148 (RESOLUTION NO. 7531 - MAYOR HAYS)

A RESOLUTION APPROVING AMOUNTS OF LIENS TO BE CERTIFIED TO THE PULASKI COUNTY TAX COLLECTOR AGAINST CERTAIN REAL PROPERTIES AS A RESULT OF GRASS CUTTING EXPENSES AND ABATEMENT OF OTHER NUISANCES IN THE CITY OF NORTH LITTLE ROCK, ARKANSAS; AND FOR OTHER PURPOSES, was read. A motion to adopt was made by Alderman Hight and seconded by Alderwoman Robinson. Mayor Hays convened a public hearing. There being no one present wishing to be heard, the public hearing was adjourned. On the previous motion, and by consent of all members present, the resolution was adopted (6/0).

R-09-149 (RESOLUTION NO. 7532 - MAYOR HAYS)

A RESOLUTION AUTHORIZING RENEWAL OF HEALTH BENEFIT COVERAGE FOR CITY EMPLOYEES THRU STEPHENS INSURANCE, LLC WITH QUALCHOICE AS THE MAJOR MEDICAL PROVIDER; AND FOR OTHER PURPOSES, was read. A motion to adopt was made by Alderman Witcher and seconded by Alderman Hight. Alderwoman Ross asked if there were any changes in coverage. Mayor Hays said there are no changes in benefits or copays. Based on the medical formula, there will be an increase of 2.9%, which is below the national average. Dental claims exceeded premiums paid by approximately 11%. Mr. Bobby Whitfield, Stephens, Inc., said several employees are utilizing wellness programs. QualChoice will begin a written campaign to encourage employees to use generic drugs when possible. Alderman Gaines said he has heard no complaints about QualChoice. On the motion of Alderman Witcher and seconded by Alderman Hight, and by consent of all members present, the resolution was amended as follows:: *attach "Attachment To" Exhibit "A" provided this date* (6/0). On the motion of Alderman Witcher and seconded by Alderman Hight, and by consent of all members present, the resolution was adopted as amended (6/0).

R-09-150 (RESOLUTION NO. 7533 - ALDERMAN TAYLOR)

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO SELL A VACANT LOT LOCATED AT 8TH AND MAPLE STREETS IN THE CITY OF NORTH LITTLE ROCK; AND FOR OTHER PURPOSES, was read. A motion to adopt was made by Alderwoman Ross and seconded by Alderwoman Robinson. Mayor Hays advised the lot would be sold to the Argenta Community Development Corporation which already owns a portion of the block behind the property. Mr. Brad Williams said the area will be developed as a mixed use and include apartments and office space. On the previous motion, and all members present having voted in the affirmative, the resolution was adopted (6/0).

R-09-151 (RESOLUTION NO. 7534- MAYOR HAYS)

A RESOLUTION AUTHORIZING THE MAYOR TO SUBMIT AN APPLICATION ON BEHALF OF THE CITY OF NORTH LITTLE ROCK TO OBTAIN GRANT FUNDS FROM THE ARKANSAS HIGHWAY AND TRANSPORTATION DEPARTMENT'S "SAFE ROUTES TO SCHOOL PROGRAM"; AND FOR OTHER PURPOSES, was read. A motion to adopt was made by Alderwoman Ross and seconded by Alderwoman Robinson. After brief discussion, and on the previous motion, and all members present having voted in the affirmative, the resolution was adopted (6/0).

PUBLIC COMMENTS-----

Alderman Witcher advised the Sign group will meet again on Thursday, October 22, 2009, at 6:00 p.m. in the City Council Chambers. Everyone is invited to attend. Fire Chief Bob Mauldin said he contacted a man who has a pink fire truck to see if he would bring his truck in for our Race for the Cure, (which is the fourth largest race nationally. Due to a scheduling conflict, he wasn't able to get that truck. Chief Mauldin then contacted his friend Bobby Wharton who owns G & W Diesel, Memphis, Tennessee; and, is also the local Pierce Manufacturing dealer and told him he was looking for a fire truck to paint pink for the Race for the Cure. After their discussion, Mr. Wharton located and donated a 1979 Mack truck to the North Little Rock Fire Department. Captain James Hooks is skilled in auto paint and body work. Captain Hooks took vacation time to work on the truck. Other fire fighters have donated their time and worked on the project, too. No detail was over looked, the wheels were painted pink, and the Bull Dog hood ornament even has pink detailing on it's collar. Mr. Tom Brown, Brown's Upholstery Shop is donating the upholstery, which will also be pink. The "Pink" fire truck will be at numerous events leading up to the race, during and after. Mr. Kelly Driver heard about the truck and made a donation on behalf of Submarine Veterans. The fire department is selling pink T-shirts to raise funds to pay for the paint, and other supplies needed to make this truck a reality. T-shirts can be purchased at the Central Fire Station. This truck is meant to be an inspiration to people who are breast cancer survivors. Mayor Hays encouraged everyone who can to come down and participate in the event. The North Little Rock High School Band, the North Little Rock Community Concert and others will be in North Little Rock to greet and encourage participants. Mr. James Ard said several city employees have helped him with concerns recently. He also thanked those everyone at the Electric Department who worked on the power negotiations. Mr. Ard said some citizens recently cleaned a memorial in Burns Park because they wanted to. He did not think people should criticize them for it. Mr. Fureigh asked to speak with Aldermen Witcher and Hight and Assistant City Attorney Jones after the meeting.

Alderman Baggett thanked the Electric Department for helping with a street light issue.

There being no further business to come before the Council, and on the motion of Alderman Witcher and seconded by Alderman Gaines, and by consent of all members present, the meeting was adjourned at 8:54 p.m. (6/0), until the next regularly scheduled meeting to be held on Monday, October 26, 2009, at seven o'clock p.m. in the City Council Chambers in City Hall, located at 300 Main Street, North Little Rock, Arkansas.

APPROVED: MAYOR PATRICK HENRY HAYS

ATTEST: DIANE WHITBEY, CITY CLERK