

CITY OF MULBERRY, ARKANSAS

CITY COUNCIL MEETING MINUTES – April 18, 2023

The regular monthly meeting of the Mulberry City Council was held Tuesday, April 18, 2023, at 7:00 p.m. in the City Council Center at 606 Church Avenue.

MEMBERS PRESENT:

Jimmy Moore	Wilma Peevy
Bobby Tweedy	Sheila Trent
Stacy Muntz	Kimberly Bruce
Carla Dickerson	Gary Baxter

OTHERS PRESENT:

Steve Hurley	Lori Layne
Molly Dickerson	Ronnie Adams
Sadat Rice	Dennis Sternberg
Cathy Adams	Ken Copeland
Jake Pool	James Medlock
Scott Oestreich	Dwayne Fields
Mandy Oestreich	Kay Baxter
James Abbey	Randy Boyd

Mayor Gary Baxter called the Council Meeting to order at 7:00 p.m., led in prayer, and followed with the Pledge of Allegiance. Steve Hurley took roll. A quorum was established.

Kimberly Bruce made a motion to approve the Consent Agenda and previous months minutes. Sheila Trent seconded the motion. All present council members voted yes.

DEPARTMENTAL REPORTS

Chief Shannon Gregory gave the Police report stating the department had 131 calls, 80 traffic stops, 22 citations, 5 arrests – 4 misdemeanors, 1 felony, 440 business/building checks, and 21 clean up orders were given. Chief Gregory noted that the city wide clean up was utilized by many of the people who had received clean up orders. He added that a lot of the people who had received clean up orders had been brought back into compliance.

Fireman Jake Pool gave the Fire Report stating the department responded to 18 calls total, 1 grass fire, 14 medical calls, 2 motor vehicle accidents with 1 injury and 1 cancelled call.

Public Works Director Dwayne Fields gave his report stating the department was a little over a third of the way from having the water lines installed before the pavement is overlaid. As soon as they get done at the corner of Carter Avenue and Holman Street, they would be heading to Mulberry Avenue. He went on to state that the process should be easier at Mulberry Avenue because there is nothing they must do except lay a new line and stay off the gas line that is there. Councilwoman Kimberly Bruce asked about a repair that was needed at the playground, Mr. Fields stated that the repair had been completed. Stacy Muntz then asked if the sewer machine had been returned from repairs. Mr. Fields stated they had received it back from repairs and a couple of the hoses had

blown and that the department was working on this machine when he left to come to the City Council meeting. He further stated that the machine should be operational by the end of the week. Councilwoman Muntz then stated that she had never received gravel at her apartment (this issue was brought up in last months City Council meeting). Mr. Fields stated he would give the owner of the property a follow-up call. Mr. Fields went on to state that the statement Mrs. Muntz had made about the same building renting for a different price in Van Buren, was due to the property in Van Buren belonging to a different owner. Mayor Baxter added that he thought he had seen fresh gravel at the apartments in question this evening. Mr. Fields said he would go and check. Councilman Bobby Tweedy asked if the City had ever followed up on the sidewalks at the apartments. Mr. Fields stated that there was nothing on the plans that stated the sidewalks would be put there. Mayor Baxter added that it was on the surveyor's drawings, not on the actual architectural plans. Wilma Peevy asked if this requirement could be added for all future buildings. Mr. Fields replied that the council could make an ordinance to do that if they wanted to, but to keep in mind that this would raise the rental rate on new properties. Councilwoman Peevy went on to clarify that she was more concerned about a concrete pad in front of the entrance to the apartments to keep the resident from tracking dirt in when entering the property. Stacy Muntz added that the builder was doing a lot for Mulberry by bringing in low rent housing to the City which was desperately needed and thought it would be best to not cause any waves with the builder. Mr. Fields stated he would talk to Mr. Arnold about possibly putting in a concrete pad in front of the door for future builds and update the Council on what he said at the next meeting.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Mayor Baxter introduced Dennis Sternberg CEO of Arkansas Rural Water Association, to discuss the water rate study and the reasons for its necessity.

Mr. Sternberg addressed the council in regard to the water rate study he had just completed for the City of Mulberry. He stated that the rate study had been done to comply with Act 605 of 2021 that had been passed by the State of Arkansas. This law requires every water utility in Arkansas to have a rate study done every five years. The findings of that rate study will have to be implemented within a regimented timeframe. The rate study has to be done by a state approved rate study provider. The legislation passed said that any entity that is making an improvement to the water system and is borrowing or getting grant monies of more than 20% of their previous year's annual revenue is required to do a rate study prior to getting the improvements done. The City of Mulberry is currently making improvements to its Water Treatment Plant and is utilizing grant funds. This improvement and the grant funds being used are triggering Act 605 of 2021 to necessitate a water rate study now. The water rate study is to make sure that the water provider has rates set that will adequately cover the additional costs and improvements that are being taken on. The act also says that every water retail provider is required from now on to set aside 5% of the total annual revenue from the previous year and place these funds into a refurbishment and replacement account. This way improvements can be made without going into debt and the water provider can be self-sufficient. Starting July 1, 2024, and every five years thereafter a study will have to be done for a provider that serves five hundred or fewer customers. The rate study will have to be submitted to the state. The rate study will need to be submitted to Arkansas Natural

Resources, as well as Arkansas Legislative Audit. The law also states that if you are a city and you do both water and sewer in one audit, then you must do a rate study on both water and sewer. Mr. Sternberg went over a handout explaining the process and how he came to the numbers produced in the water rate study. He stated that the total number of water customers for 2022 was 732. He further stated that metered water revenue for 2022 was \$627,550. The sales tax allocated, which he noted was unique and very smart to be forward thinking and having a sales tax allocation, was \$111,803 and non-metered revenue of \$196,617 for a total water revenue in 2022 of \$935,970. Based on these numbers the 5% payment to refurbishment and replacement/depreciation account per year would be \$42,798. The total operating expenses are \$1,046,451. The calculated total year cash requirement is \$1,301,264 to break even based on previous years' numbers. The new recommended bill for water would be \$35.87 for the first 1,000 gallons and all water sales over 1,000 gallons would be \$11.73 per 1,000 gallons. He then went on to go over the sewer rate study findings. The total number of sewer customers in 2022 was 713. There is a yearly payment of loans totaling \$31,200. The total amount of gallons of water sold for sewer in 2022 was 57,116,000. Total metered revenue sales for sewer were \$627,550. Total sales tax is \$111,803.00. Total non-metered revenue from sewer was \$196,617. These numbers bring the total revenue for sewer to \$935,970. The total operating expenses are \$509,022. The 5% payment to refurbishment and replacement/depreciation account per year would be \$14,523. The calculated total year cash requirement is \$554,745 to break even based on previous years' numbers. The new recommended bill for sewer would be \$12.82 for the first 1,000 gallons and all sewer water sales over 1,000 gallons would be \$9.17 per 1,000 gallons. Mr. Sternberg continued to go over his handout noting that with the new rates the City would be able to meet the minimum state requirements per Act 605 of 2021. Discussion ensued. Mr. Sternberg said that ACT 605 of 2021 requires any retail water provider utility rate study findings, that are determined to need to be increased, must increase rates within 1 year if there is less than a 50% increase and 2 years if the rates are more than double. The water rate increase for the City of Mulberry falls into the latter category and he recommended that the Mulberry City Council should increase the water rates by 50% of the total cost increase per 1,000 gallons in the two years.

New Water Rates for Residential and Commercial Customers:

Based on the two-year threshold it is recommended to increase the minimum water bill from \$29.65 to \$35.87. It is also recommended to increase the "Allover 1,000 gallons" in the first year by \$2.75 per 1,000 gallons the first year to \$9.23 per 1,000 gallons.

It is also recommended to increase the "Allover 1,000 gallons" in the second year by \$2.50 per 1,000 gallons to \$11.73 per 1,000 gallons.

New Water Rates for Wholesale Customers:

The increase for wholesale customers for the first year should be \$1.00 per 1,000 gallons, raising the rate to \$3.40 per 1,000 gallons.

Second year increase of \$.92 per 1,000 gallons raising the rate to \$4.32 per 1,000 gallons.

New Sewer Rates for Residential and Commercial Customers:

It is recommended to increase the minimum sewer bill from \$10.50 to \$12.82. It is also recommended to increase the "Allover 1,000 gallons" in two years by increasing the rate to \$5.84 per 1,000 gallons.

It is also recommended to increase the "Allover 1,000 gallons" in the second year by \$3.33 per 1,000 gallons to \$9.17 per 1,000 gallons.

It was also recommended that the City raise water and sewer rates by 3% each year once these increases have been implemented. The cost of living has continued to increase over the years. It is recommended to increase costs per 1,000 gallons annually by at least 3% to keep up with rising costs of material and cost of inflation for affecting your system or risk slowly falling behind in needed revenue. Small rate increases customers will accept these easier than major rate increases.

Councilwoman Muntz asked if there was any way to cut costs to change these numbers. Mr. Sternberg replied that his company didn't investigate that, they just investigated the numbers. Councilman Bobby Tweedy asked if we had until 2025 comply with this. Mr. Sternberg replied that these changes had to be implemented in either 1 year if it is less than a 50% increase and 2 years if the rates are more than

double, and he recommended that the City do this over the next two years. Discussion ensued. Mayor Baxter then interjected that Mr. Sternberg had said that the City had enough in reserves to go over 200 days without income and survive and Mr. Sternberg replied that this was correct and that most cities don't have that type of reserve built up and that said a lot for the management of the City. Discussion ensued. Mayor Baxter stated that to change the rates per the law you must have a public hearing for sewer and since we have sewer and water, Mayor Baxter thought we should do a public hearing for both sewer and water, depending on what the Council thought. Next month in May before the Council meeting on May 16th, there could be a public hearing to go over the findings of the rate study and let the public comment. At that night's City Council meeting there would be a first reading of an ordinance regarding the rate changes. A second reading would be done in June and a third reading would be in July and then take a vote on it and have the new rates go into effect in August or maybe even the first of the year. Mayor Baxter discussed the importance of building redundancy in the Water Plant to be able to handle repairs and general maintenance. Bobby Tweedy asked when this had to go into effect, Mr. Sternberg replied that the City had two years to implement the water study as the water rate study provider has indicated. Councilman Tweedy stated that we didn't have a choice. Mr. Sternberg said the law has taken it out of your hands. Councilwoman Muntz interjected unless you adjust your expenses. Mr. Sternberg replied unless you can figure out how to adjust that much, yes ma'am. Discussion ensued. Mr. Tweedy asked Mr. Sternberg if he was willing to come to the public meeting in May. Mr. Sternberg said he would. Discussion ensued.

The Mayor asked Lori Layne to come to the podium to speak on opening a business in town. He noted that the City owned a lot on 64 Highway, east from the four way stop. Mayor Baxter mentioned that in talks with Mrs. Layne that the City Council may be amenable to doing something to help on that lot if she would make some agreements in reference to putting a building there and opening a business. Mayor Baxter has talked to the City attorney, and he is working on some ideas on how to make this work. Lori Layne introduced herself and noted that she was with the Hand-to-Hand foundation out of Alma. She noted that Mulberry is the city she would like to retire in and has been looking for business ideas to open a business in Mulberry. She noted that she would like to start a non-profit laundromat in Mulberry. Kimberly Bruce asked if residents not utilizing the non-profit portion would still be able to use the laundromat. Mrs. Layne replied absolutely, this will be a laundromat for everyone. She discussed different ideas on how this would be accomplished. She noted that she would like to make it an L shaped building to also open a small grocery store as well. Councilman Tweedy asked if there would be somebody at the laundromat. Mrs. Layne said yes, Pastor Tim Adair would be more in charge of the laundromat. Councilman Tweedy asked if this was an outreach of the church. Mrs. Layne replied this was an outreach of the Hand-to-Hand foundation, not a church. Mr. Tweedy asked if she had investors. Mrs. Layne replied she would be funding the business. Discussion ensued. Kimberly Bruce asked what Mrs. Layne was wanting from the City. Mrs. Layne replied just the lot so she could start building the laundromat and the grocery store. Mayor interjected that there would be a claw back clause to protect the city. Then discussed some general scenarios but noted that the City Attorney, Sean Brister, was working on some different options and ideas. Discussion ensued. Mayor Baxter said he was asking for approval from the Council to be able to negotiate and work on something to bring back to the council. Bobby Tweedy motioned for the Mayor to have the authority to negotiate and work on an agreement to bring back to the Council. Sheila Trent Seconded. Discussion ensued. All present members voted yes.

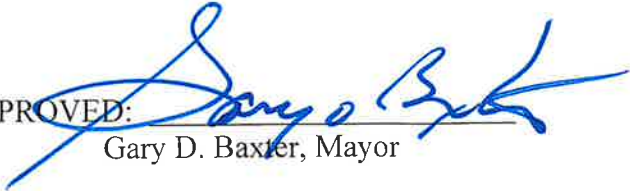
MAYOR'S REPORT AND PUBLIC COMMENT

Mayor reminded the Council that there was a lot of hail damage throughout Mulberry this last weekend and there are solicitors going around town and knocking on doors to solicit services in relation to that. The Mayor reminded the Council that we have an ordinance stating need to have a soliciting license/permit to do this. It is a daily license/permit. If you contact a company for this that is fine, but if a person is soliciting or putting up signs they need to be told to come to the City Complex to get a soliciting license. Discussion Ensued.

Mayor Baxter stated that the sidewalk project on Church Street had been advertised and there will be a bid opening next week. The Pickleball Court project at City Park is going well. A couple of weeks ago Mayor Baxter was with the contractor on the Food Pantry, and they were about six weeks out from having the walk-in freezer/cooler, so they are probably about a month out on that project. He added that Suzy Ferguson was successful in getting monies from the County American Rescue Plan Act (ARPA) to pay for an awning and that construction on that was coming along nicely. He added that he had talked to the County Judge and was told Silver Bridge was going to be this fall unless they found any long-eared bats. Mayor said that he still didn't have a definite date in May for the ribbon cutting for Compass Cold but it should be coming about soon. Bernie Morrell told Mayor Baxter wouldn't be long until they would be able to do a ribbon cutting for their facility. He added that there has been a change in ownership for Beth Ann's Café effective this week. Discussion ensued Stacy Muntz mentioned that the Easter Egg hunt went well. Kimberly Bruce mentioned that we had trash pickup this week as part of the spring clean up and she had not received the numbers on total tonnage yet. She noted that she didn't have as many volunteers this year, she only had 17 volunteers. She added that there was a lot of traffic this year and did not believe that they were all from this area. She stated that we should investigate how to monitor that for the Fall cleanup. Mayor Baxter mentioned that the Fall cleanup is different because the County will bring a couple of dumpsters down and will expect the City to let some county people take part. But he noted in Spring they don't do that, and we will look at possibly adjusting how we handle that next year. Discussion ensued. Jimmy Moore mentioned that there was some cleaning up being done on the property on Highway 64 that had been discussed in previous meeting. Mr. Moore then asked if the broken item at the playground was part of the musical instrument that had been broken in the past. Mayor Baxter said it was not part of that, and the musical instrument had been removed. A temporary fix had been put in place on the broken piece of equipment at the park, and ACS playground adventures will be coming within the next two weeks to permanently fix the equipment. Councilwoman Wilma Peevy asked if there was any update on the dentist office. Mayor Baxter replied that he had not heard any new updates. Bobby Tweedy asked if there was any news on the pavilion at the Cemetery. Mayor Baxter s said he would ask the cemetery committee to speak at the next council meeting and give a report. Kimberly Bruce asked if we knew when the Daycare was going to open. Mayor Baxter replied that he did not have an update on that.

With no further business to discuss Kimberly Bruce made a motion to adjourn, Jimmy Moore seconded. the motion. All present members voted yes.
This meeting was adjourned at 8:31 p.m.

These minutes were taken by Steve Hurley

APPROVED: 
Gary D. Baxter, Mayor

ATTEST: 
Carla Dickerson, Recorder-Treasurer