



City Council Meeting Minutes October 8, 2024

Sammy Hartwick, Mayor	Present
Kelly Knowland	Present
Mark Hardin	Present
Ty Kelso	Present
Larry Johnson	Present
Richard Weaver	Present
Jason Bollinger	Present

Roll call indicated a quorum was present.

Ty Kelso made a motion to accept the September minutes, Larry Johnson seconded and all voted in favor.

Chamber of Commerce Report

Chamber President Ashton Pruitt gave the report from the Chamber of Commerce. The Chamber received two new members in September, celebrated three ribbon cuttings, and hosted a Lunch and Learn event with Spencer Hawks. Upcoming events in October include Boo Brier on October 31 and the application/nomination deadline for the Chamber board elections on October 11. The Chamber is getting ready for Christmas events including the opening of Glisten in Greenbrier, the Piccolo-Zoppe Winter Circus, and the Christmas Parade.

Youth basketball signups are coming to a close at the end of October, with tryouts following.

Water & Wastewater Audit – Searcy & Associates – Kameron Smith

Kameron Smith from Searcy & Associates presented the 2023 Audit report for the City of Greenbrier financial statements and the Waterworks financial statements.

Mr. Smith presented a clean opinion of the financial statements for the City of Greenbrier from 2023. Searcy & Associates did not identify deficiencies in internal control that might be material weaknesses or significant deficiencies. They also

stated that in their opinion, the City of Greenbrier complied with all requirements from the State of Arkansas regarding the 2023 City of Greenbrier financial statements.

Mr. Smith also presented a clean opinion of the financial statements for the City of Greenbrier Waterworks. The net position of the waterworks revenue, expenses, and debt service puts the city in a position where the rate study of water and sewer that has been completed by Willdan Financial Services will be necessary to allow full compliance with state regulations. Searcy & Associates did not identify any deficiencies in internal control that could be considered to be material weaknesses in the Waterwork financial statements.

A motion to approve the 2023 Audit report was made by Mark Hardin, seconded by Kelly Knowland, and passed unanimously.

Ordinance #2024-06 for Approval of Water & Wastewater Rates – Willdan Financial Services – Dan Jackson

Bob Wright from Crews & Associates spoke to the debt service needed for upcoming water and wastewater improvements. There is about a \$15 million project need for improvement projects.

The city is currently obligated to four current debt services totaling about \$410,000 a year. These are from 1996, 2012, 2019, and 2020. Crews & Associates worked through options that would pay these obligations effectively while allowing future debt service for improvements. Since 2018, there has been a significant decrease in the available income for debt service.

The approval of the rate study from Willdan Financial Services would allow the city to close in 2024 on bonds that would fund construction and refund the series 2012 and 2019 debt services. The true interest cost of these loans would be around 4.51% and result in \$19.4 million total paid over 30 years. The projected water and sewer rate increases in the rate study would result in a minimum debt service coverage of 1.21 for these bonds, which is above the compliance rate of 1.1 required by the state.

Dan Jackson from Willdan Financial Services summarized the rate study presented in the September meeting. This rate study was mandated by Act 605 of state legislation. Current rates are below the state average. The proposed five year rate plan would have the following impact on an average customer (consuming 5,000 gallons of water and producing 5,000 gallons of wastewater): Inside the city customers will increase from \$62.35 in 2024 to \$72.33 (2025), \$82.05 (2026), \$87.33 (2027), \$90.46 (2028), and \$93.74 (2029). Outside the city customers would increase from \$69.85 in 2024 to \$96.95 (2025), \$110.15 (2026), \$117.81 (2027), \$122.25 (2028), and \$126.89 (2029). Average utility rates across the state will raise 5-7% a year.

This five year rate plan will ensure that customers pay only what it costs to provide service, result in a \$15 million of capital investment in the waterworks system, and ensure that rates will continue to be comparable or below neighboring cities.

Councilmen were provided a schedule of how the rate changes and bond services may be passed before the end of the year. This includes a special meeting to adopt the rate ordinance on October 22, which would include a public hearing. The transaction would close on December 19.

There was a conversation regarding rate options for citizens facing hardships such as senior citizens, disabilities, etc. Councilmen also inquired about leak protections for individual citizens, which would lead to further rate increases if it were installed.

A motion to read Ordinance #2024-06 to approve the rate study and projections was made by Larry Johnson, seconded by Mark Hardin, and passed unanimously. The next readings will be made on October 22 at 6:00pm at a special meeting with a public hearing, where the ordinance will be taken under consideration.

Personnel Handbook

The new personnel handbook was presented at the September meeting. After recommended changes were made to include changes to employee policies, it was presented again to the Councilmen. A motion to approve the new personnel handbook was made by Kelly Knowland, seconded by Mark Hardin, and passed unanimously.

Approval of Millage Rate for the City

Each year the city must approve an annual millage rate, which may not exceed a rate of five mills. A motion to keep the millage rate at five for 2025 was made by Larry Johnson, seconded by Mark Hardin, and passed unanimously.

Right of Way Dedication for Hogue Minor Subdivision

Tim Tyler of Tyler Surveying and Development presented the right of way dedication for Hogue Minor Subdivision at 83 Linder Road. The minor subdivision was approved at the September Planning Commission. Because Linder Rd. is a collector street, it requires a 60ft right of way, which would require an additional five feet of RoW from this parcel. Mr. Hogue is asking for the RoW to be accepted by the city. A motion to accept the right of way was made by Jason Bollinger, seconded by Larry Johnson, and passed unanimously.

Jason Bollinger made a motion to adjourn. Mark Hardin seconded and all voted in favor.

Sammy Hartwick, Mayor

Hunter Thrasher, City Clerk/Treasurer