

**Little Rock Board of Directors Meeting
May 5, 2020
6:00 PM**

The Board of Directors of the City of Little Rock, Arkansas, met in a regular meeting with Mayor Frank Scott, Jr., presiding. City Clerk Susan Langley called the roll with the following Directors present: Hendrix (via WebEx Teleconferencing); Richardson (via WebEx Teleconferencing); Webb (via WebEx Teleconferencing); Peck (via WebEx Teleconferencing); Hines; Wright; Fortson (via WebEx Teleconferencing); Kumpuris; Adcock; Vice-Mayor Wyrick (via WebEx Teleconferencing); and Mayor Scott. Director Gene Fortson delivered the invocation followed by the Pledge of Allegiance.

PRESENTATIONS

Public Service Recognition Week Proclamation
Teacher Appreciation Week Proclamation

ADDITIONS:

M-1 RESOLUTION: To authorize the City Manager to issue payment in the amount of \$213,000.00, to the Arkansas Arts Center for improvements to MacArthur Park that are adjacent to the construction limits of the Arkansas Arts Center Project; and for other purposes. *Staff recommends approval.*

Synopsis: A resolution to authorize the City Manager to issue payment to the Arkansas Arts Center for improvements to MacArthur Park that lie adjacent to the construction limits of the Arkansas Arts Center Project.

Director Adcock asked where the funds would be coming from for the improvements. City Manager Bruce Moore stated that the funds would be coming from the Parks & Recreation portion of the 3/8-Cent Capital Improvements Sales Tax. Director Wright asked if the funds had been planned for and would it take away from any other proposed projects. City Manager Moore stated that funds were set aside for capital upgrades and would not take away from any of the other committed projects.

Director Hines made the motion, seconded by Director Wright, to add Item M-1 to the Consent Agenda. By unanimous voice vote of the Board Members present, **Item M-1 was added to the Consent Agenda.**

CONSENT AGENDA (Items 1 – 7 and Item M-1)

1. **MOTION:** To approve the minutes of the April 7, 2020, Little Rock City Board of Directors Meeting.

2. **RESOLUTION NO. 15,213:** To authorize the City Manager to enter into a contract with Redstone Construction Group, Inc., in an amount not to exceed \$92,933.70, for the

Shannon Drive Street and Drainage Improvement Project; and for other purposes. *(Funding from the 3/8-Cent Capital Improvement Sales Tax and the Limited Tax General Obligation Capital Improvement Bonds)* Staff recommends approval.

Synopsis: A resolution to authorize the City Manager to execute an agreement with Redstone Construction Group, Inc., for the Shannon Drive Street and Drainage Improvements, Project No. 3-17-ST-163, Bid No. 857. (Located in Ward 3)

3. RESOLUTION NO. 15,214: To authorize the City Manager to enter into a contract with Redstone Construction Group, Inc., in an amount not to exceed \$220,937.40, for the Ward 3 Sidewalk Project; and for other purposes. *(Funding from the 3/8-Cent Capital Improvement Sales Tax and the Limited Tax General Obligation Capital Improvement Bonds)* Staff recommends approval.

Synopsis: A resolution to authorize the City Manager to execute an agreement with Redstone Construction Group, Inc., for the Ward 3 Sidewalk Project, No. 3-17-SW-360, Bid No. 858. (Located in Ward 3)

4. RESOLUTION NO. 15,215: To authorize the Mayor to enter into a contract with Barbara Pearson, for the purchase of approximately half an acre of land, for use by the Little Rock Port Authority for Economic Prospect Recruitment; and for other purposes. (Located within the City's Extraterritorial Jurisdiction) Staff recommends approval.

5. RESOLUTION NO. 15,216: To authorize the Mayor to enter into a contract with Virginia Ann Buttry, the Trustee of the Virginia Ann Buttry Revocable Trust; Anthony J. DiPietro and Louise DiPietro; Thomas I. Koike and Kay Koike, Trustees of the Thomas I. Koike and Kay Koike Trust; Jerome K. Sherman; James T. Williams and Annie Laurie Williams, Heirs of Diane Williams, deceased; Mary McKinnon Biondo, as Trustees of the Mary McKinnon Biondo Revocable Trust; and The Watkins Company, for the purchase of approximately twenty-four (24) and a half acres of land, for use by the Little Rock Port Authority for Economic Prospect Recruitment; and for other purposes. (Located within the City's Extraterritorial Jurisdiction) Staff recommends approval.

6. RESOLUTION NO. 15,217: To authorize the Mayor to enter into a contract with Racheal and Corey Clay, for the purchase of approximately half an acre of land, for use by the Little Rock Port Authority for Economic Prospect Recruitment; and for other purposes. (Located within the City's Extraterritorial Jurisdiction) Staff recommends approval.

7. RESOLUTION NO. 15,218: To approve a first amendment to the PepsiCo, Inc., Pouring Rights Agreement; and for other purposes. Staff recommends approval.

Synopsis: Approval of an amendment to Resolution No. 15,147 (January 21, 2020) to eliminate the requirement that the first term of the contract end on December 31, 2020, and to include the correct amounts of monies PepsiCo, Inc., will give the City. This contract is for (1)-year, with an option to renew each year up to five (5) additional years.

M-1 RESOLUTION NO. 15,219: To authorize the City Manager to issue payment in the amount of \$213,000.00, to the Arkansas Arts Center for improvements to MacArthur Park that are adjacent to the construction limits of the Arkansas Arts Center Project; and for other purposes. Staff recommends approval.

Synopsis: A resolution to authorize the City Manager to issue payment to the Arkansas Arts Center for improvements to MacArthur Park that lie adjacent to the construction limits of the Arkansas Arts Center Project.

Director Adcock made the motion, seconded by Director Hines, to approve the Consent Agenda. By voice vote of the Board Members present, with Director Wright voting in opposition on Item 7, **the Consent Agenda was approved.**

CITIZEN COMMUNICATION

There were no cards received from individuals wanting to speak during Citizen Communication.

SEPARATE ITEMS (Item 8)

8. ORDINANCE NO. 21,864: To declare it impractical and unfeasible to bid; to authorize the City Manager to enter into a Sole-Source Contract with Ultra Electronics/Forensic Technology, in the amount of \$294,268.39, for the purchase of a National Integrated Ballistic Information Network (NIBIN) System for the Little Rock Police Department; and for other purposes. *Staff recommends approval.*

Synopsis: An ordinance to authorize the City Manager to execute an agreement with Ultra Electronics/Forensic Technology, for the purchase of a National Integrated Ballistic Information Network (NIBIN) System.

The ordinance was read the first time. Director Adcock made the motion, seconded by Director Hines, to suspend the rules and place the ordinance on second reading. By unanimous voice vote of the Board Members present, the rules were suspended and the ordinance was read a second time. Director Adcock made the motion, seconded by Director Wright, to suspend the rules and place the ordinance on third reading. By unanimous voice vote of the Board Members present, the rules were suspended to move the ordinance to third reading. By unanimous voice vote of the Board Members present, **the ordinance was approved.**

UPDATE (Item 9)

9. UPDATE: 2020 Financial Update – Sara Lenehan, Finance Director.

Ms. Lenehan reported that on March 26, 2020, S&P Global Ratings revised to negative the outlook on almost all Long-Term Debt Ratings that were in the transportation infrastructure industry, which included the Little Rock 2003 Capital Improvement and Refunding Bonds (Downtown Parking Projects). Ms. Lenehan stated that the City had received a formal follow-up from S&P with a series of questions regarding the status of the Little Rock Parking System. Ms. Lenehan stated that on May 1, 2020, the responses had been provided to S&P for review to determine if any rating adjustment was required. Ms. Lenehan stated that in the response, the City confirmed that there was sufficient cash and investment and dedicated revenues available to meet the 2020 Debt Services obligations on the Parking Bonds. Ms. Lenehan stated that a significant reduction was anticipated in the daily parking revenues; however, dedicated Business License revenues, street cut revenues and monthly parking contracts, coupled with reductions to labor, maintenance and security during the COVID-19 Pandemic, would provide sufficient funding for the \$888,488.00 due in 2020. Ms. Lenehan reported that there was

an anticipated reduction in net revenues of approximately \$405,000.00, which would reduce coverage of the Bonds; however, the debt service coverage and the variety of dedicated revenues should be sufficient to maintain the rating.

Ms. Lenehan reported that on April 3, 2020, S&P Global Ratings revised the outlook from stable to negative on Bonds secured by Hospitality Taxes, including Hotel Occupancy Taxes and Sales Taxes on prepared Food and Beverage Sales, due to the COVID-19 impact and restrictions on travel and consumer activity. According to Ms. Lenehan, the City's 2018 Hotel Gross Receipts Tax Bonds (Arkansas Arts Center) were included in the negative outlook. Ms. Lenehan stated that on April 15, 2020, a call was received from Build America Mutual, the Bond Insurer on the 2018 Hotel Tax Bonds, regarding the City's ability to meet the 2020 Debt Service obligation of \$686,072.00 in interest on June 1, 2020, and the principal and interest payment of \$1,241,072.00 on December 1, 2020. Ms. Lenehan reported that as of April 7, 2020, the City had sufficient funds set aside in the Debt Service funded account to make the June 1, 2020, interest payment. Ms. Lenehan stated that the monthly revenues had been forecasted for the remainder of the year, and based on those calculations, the anticipation was that the City would be short the amount needed to make principal and interest payment of \$1,241,072.00 due on December 1, 2020; however, when the Hotel Tax was implemented, one (1) penny was set aside for the Parks and the City had begun to receive those proceeds from the Parks penny before the Bonds were issued and before they were committed to the Debt Service. As a result, the amount that was collected and set aside was sufficient to make the December 1, 2020, principal and interest payment. Ms. Lenehan stated that a resolution would be brought before the Board at a later date requesting that the funds be dedicated to the Debt Service so that it would demonstrate to S&P and the Bond Holders, that the City was committed to making those payments on time and in full.

Ms. Lenehan stated that the Department of Justice/Bureau of Justice Assistance had allocated \$786,845.00 to the City of Little Rock for Coronavirus-related expenses and that the grant could be utilized for overtime, equipment, including personal protective equipment, supplies and other COVID-related expenses. In addition, the City would be receiving Housing and Urban Development Funds in the amount of \$960,265.00 from the Coronavirus Aid, Relief and Economic Security (Cares) Act, and of that amount, \$879,049.00 was for the CDBG Program and the remaining \$81,216.00 was for the HOPWA Program for COVID-related expenses. Ms. Lenehan stated that the Federal Stimulus did not include direct relief for municipalities with a population below 500,000, and that the relief to the States was targeted toward COVID-19 expenditures rather than lost revenue relief. Ms. Lenehan reported that at that time, the City did not know how, or whether, the Arkansas state allocation would be shared with municipalities; however, the City's COVID-19 related expenditures would most likely be reimbursed by one of the received grants or by FEMA.

Ms. Lenehan stated that the COVID-19 related revenue losses would likely have a much larger impact on the City's Budget than the COVID-19 related expenditures; however, it was too early to predict the impact on Sales and Use Tax revenues with any accuracy and the first look at the revenues since the beginning of the pandemic would be the March results which would be received at the end of May. Ms. Lenehan stated that as a result of the closures of several of the City's facilities, revenue lost totaled

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\$1,125,463.00. Ms. Lenehan reported that to-date, there was a loss of \$194,356.00 from Business Licenses and Mixed-Drink Supplemental Payments and a loss of \$74,845.00 from Building and Related Permits. Ms. Lenehan stated that as the economic impact and duration of the COVID-19 Pandemic became clearer, an additional amendment would be brought forward to further adjust revenue and expenditure forecasts.

Director Hines made the motion, seconded by Director Wright, to adjourn the meeting. By unanimous voice vote of the Board Members present, **the meeting was adjourned.**

ATTEST:

APPROVED:

Susan Langley, City Clerk

Frank Scott, Jr., Mayor