

MINUTES OF THE SPECIAL-CALLED MEETING OF
THE BOARD OF DIRECTORS OF THE
CITY OF SILOAM SPRINGS, BENTON COUNTY,
ARKANSAS, HELD APRIL 14, 2010

The Board of Directors of the City of Siloam Springs, Arkansas, met in regular session at the City of Siloam Springs Administration Building, April 14, 2010.

The meeting was called to order by Mayor Allen.

Roll Call:

Smiley, Fuller, Turner, Wiles – Present.

Wasson, Nation – Absent.

Long – Arrived late.

City Administrator David Cameron, City Clerk Peggy Woody, City Attorney Jay Williams, Police Chief Joe Garrett – Present.

Opening prayer was led by Mayor Allen.

Mayor Allen led the Pledge of Allegiance.

The next agenda item was Resolution No. 12-10. A motion was made by Fuller and seconded by Turner to adopt Resolution No. 12-10, Authorize City Administrator to Negotiate Haying Lease Agreement/Bob Farley. Cameron gave an explanation that this has been in litigation for a quiet title for two years. There is an April 22nd deadline to file a brief. After meeting with Mr. Farley, this resolution and agreement are being considered for a haying lease which was what Mr. Farley was wanting. This is in the Lake Frances area. Mr. Farley will drop the litigation upon an agreement with the City for a haying lease. Long arrived at 5:45. Cameron asked for the Board's consideration of approval of this agreement in order to close the quiet title action. Mayor Allen thanked Cameron for meeting with Mr. Farley. Jay Williams responded to Smiley's question by stating that this would not require further action of this Board to grant extensions. As long as Mr. Farley is in compliance with the terms of the lease and there has not been some regulatory or legal change that would prevent that lease from being honored it would be renewed. Cameron stated we would be allowed a key or access so the City can get water samples. Cameron will report back to the Board on this. Turner asked about point # 5 if this is broad enough language to make sure we are covered in case anything is put on there that could cause problems with our water intake. Jay Williams stated there is about 100 ft between this hay field and the river. We do not anticipate any type of chemicals being applied in this area, and runoff should not be a problem with this buffer. Cameron stated we must protect upstream of our intake at all cost.

Roll Call:

Smiley, Fuller, Turner, Wiles, Long – Aye.

No Nay.

Five Ayes. No Nays. Motion Carried.

The next agenda item was discussion of the Franklin Electric building. Cameron brought the Board up to date on where we are with the Franklin Electric building. They have reported in the local paper about this. We have been in contact with Franklin Electric for several months as to what their intent is with the building. We have discussed having them gift the building to the City, or marketing and selling it to the City. Right now we lease the building to Franklin Electric. The original lease was established in 1962. Franklin Electric called this week and have decided to not go the gifting route. They are looking at moving forward with marketing the building. We asked to have the opportunity to discuss the idea of the City engaging in that process of use of the building. Their intent is to sell the building. Cameron stated he appreciates the newspaper clarifying the language of the story from the first article. Long stated what he has been hearing from citizens is what is the City doing to get jobs back in this town. Turner stated Franklin Electric built this building with their money not the City's. Franklin Electric did pay off the bonds. Mayor Allen stated he was greatly heartened and

excited with the potential when David explained that they were possibly open to a tax write off to give it to the City or sell it at a greatly discounted rate that they could take against their taxes. And because they certainly had the benefit on their side with the contract, and they served the City greatly for many, many years by providing jobs and obviously when we needed a big company to come in back then they were there and this just so happens that the contracts benefit them at the

Board of Directors' Minutes
April 14, 2010

Page 2

end of the term. I was unaware even after the article in today's paper that you can read that there are two different leases, but I didn't understand until Jay showed me the map it's because they're two huge different pieces of land that it's like there was one in the beginning and then they expanded the plant and had to do another one, and so they definitely put a lot of money in this town, and I appreciate it. What frustrates me is that simply because the newspaper didn't explain all the facts that it kind of perturbed them and they walked away from giving it to us. And I'm sure that they had a lot of other things that they were thinking of because I do understand that as a public company you have to do the full value of whatever asset you have for your shareholders because otherwise they could get in trouble as officers of the corporation. And so what would be nice is if we could still work out a deal to have some kind of a greatly discounted price below market value or something. I see a potential that we could find a business that would want to go in there if it was down the road. I just don't want to see a warehouse though as somebody said and I don't want to see a smoke stack industry on the highway, but something that would be kind of similar to Franklin. A lot to think about folks. I appreciate all your work on it Dave and Jay for what you guys are trying to make happen. Cameron stated we will continue to work with them. Cameron stated they wanted the newspaper to clarify the language regarding the story that they had more rights to the building than \$100.00. They are trying to get as much money as they can for their shareholders. Franklin is still leasing the building from the City. Cameron stated we want businesses to know we are very appreciative of them. The businesses that are here 70% or 80% of the new jobs will come from within their existing businesses. We will market and work hard towards filling that building and getting jobs in there, but at the same time we'll remember that we've got businesses that continue to operate and make sure we meet their needs as we did last year with the electrical incentive. This is to update the Board on where we are with our discussions with Franklin Electric.

There being no other business to come before this Board, a motion was made by Long and seconded by Smiley that this meeting be adjourned. A voice vote was called for on the motion, and it was approved unanimously.

APPROVED:

David E. Allen, Mayor

(SEAL)

ATTEST:

Peggy Woody, City Clerk, MMC