



City of Piggott Council Meeting Minutes

City Hall
194 West Court St.
Piggott, AR 72454

Thursday, July 27, 2023, 6:00 PM

Piggott City Council met in regular session on Thursday, July 27, 2023, at 6:00 p.m. at the Piggott City Hall Community Room with Mayor Bradley Scheffler presiding.

Mayor Scheffler called the meeting to order followed by the Pledge of Allegiance.
Invocation led by Councilmember Kevin Jones

Roll Call

Those present were:

Councilmember Jeff Benbrook
Councilmember Tracy Cole
Councilmember Jamey Parks
Councilmember Kevin Jones
Mayor Bradley Scheffler
City Clerk Nikki Blue
Attorney Kimberly Dale

Others in attendance: Utility Manager-Brian Haley

Minutes:

Brian Haley stated that there was not an Airport Board meeting last month. (As to why there were no minutes provided) Mayor Bradley Scheffler asked for a motion to approve the minutes from the June 22, 2023, meeting. Councilmember Tracy Cole made a motion to approve minutes from the June 22, 2023, meeting. Councilmember Jamey Parks seconded. With all councilmembers in favor and none opposed, motion carried.

Financials

Mayor Bradley Scheffler stated that the June disbursements for sales tax for the hospital are at the end of the month and Jamie (Cluck) was on vacation, so that is why it was not showing. Councilmember Tracy Cole asked if that was why the MLWS appropriation was also not on there? Brian Haley stated that he assumed so but was not sure and would ask. Mayor Bradley Scheffler also let the council know that the resolution pertaining to the sales tax goes back to 1989 (this was included in the packet along with information about disbursements of funds to the district court). *These had been questions from Councilmember Tracy Cole.

It was discussed that the previous ordinance was regarding receiving funds, not disbursing. Councilmember Tracy Cole asked that when the account is not showing a \$0 balance if that was because the disbursement had not been made yet. Brian Haley stated that yes, he would assume so.

New Business:

Hospital Audit - Councilmember Jeff Benbrook made a motion to approve the 2022 Hospital Audit.

Councilmember Tracy Cole seconded. With all councilmembers in favor and none opposed, motion carried.

Planning & Zoning- Mayor Bradley Scheffler said it was his recommendation for Fallon Winscott to take the place of Sharon James on the Planning & Zoning board and asked for Brian Haley to elaborate. Brian Haley stated that Sharon James asked to be replaced on the board because they are doing a lot of traveling back and forth to Texas and does not have time to serve. Councilmember Tracy Cole made a motion for Fallon Winscott to replace Sharon James on the Planning & Zoning board. Councilmember Jamey Parks seconded. With all in favor and none opposed, motion carried. Mayor Bradley Scheffler informed the council that Michael Beasley would be the Code Enforcement Officer.



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Legislative Audit- Mayor Bradley Scheffler stated that instead of paying \$2,500 to have job stimulus audited by a separate entity, the state legislative audit would also cover job stimulus this year since it has now been included with the general fund.

Resolution to appoint Brian Haley to Solid Waste Board- Mayor Bradley Scheffler stated that we needed a representative at the Solid Waste Boards meetings and since he would not always be available that he requested a resolution to allow Brian Haley to go in his place. Councilmember Jeff Benbrook made a motion to read the resolution. Councilmember Tracy Cole seconded. With all in favor and none opposed, motion carried. Attorney Kimberly Dale then read the resolution in its entirety. Councilmember Jeff Benbrook made a motion to approve the resolution to appoint Brian Haley to the Solid Waste Board. Councilmember Tracy Cole seconded. With all in favor and none opposed, motion carried.

Resolution to amend Personnel Policy- Mayor Bradley Scheffler stated that Attorney Kimberly Dale had been asked to write up a resolution to amend the personnel policy regarding employee vacation accrual. It was explained that the previous amendment to the personnel policy had only made a change to new employees but did not cover existing employees. This amendment would cover all employees so that everyone would accrue vacation time per pay period which would be available immediately (with the exception of the 60-day probation period of new employees) instead of not being available until the employee's anniversary date. Councilmember Tracy Cole made a motion to introduce the resolution. Councilmember Jeff Benbrook seconded. With all in favor and none opposed, motion carried. Attorney Kimberly Dale read the resolution in its entirety. Councilmember Tracy Cole made a motion to approve the resolution to amend the personnel policy. Councilmember Jeff Benbrook seconded. With all in favor and none opposed, motion carried.

Municipal League Health Insurance- Mayor Bradley Scheffler made the council aware that the waiting period on health insurance would be changing from 60 days to 30 days.

Police Grant- Mayor Bradley Scheffler asked to entertain a motion to amend the agenda to include discussion of the police grant. Councilmember Jeff Benbrook made a motion to amend the agenda. Councilmember Jamey Parks seconded. With all in favor and none opposed, motion carried.

Included in packets from the Police department

The Piggott police Department has submitted a grant proposal to the USDA for the purchase of 1 2023 Dodge Durango police vehicle. Also included in the grant proposal was all the equipment needed for police patrol. This grant is through the USDA Community Facilities Loans and Grants program and if approved will pay 75% costs of the vehicle and equipment with the city paying the remaining 25%.

The total amount of the purchase price of the vehicle and equipment is \$49,072.05. The USDA grant will pay \$37,850 of that with the city paying \$11,222.05.

There was discussion amongst the council, mayor, and Brian Haley of what the grant covered and a second grant that may be in the works for next year's budget as well. It was concluded that the budget would need to be amended at the point that the grant was approved, and necessary funds would be required from the city.

City updates from Utility Manager, Brian Haley

-Roundabouts

Brian Haley said he asked if we were still looking at a September completion date and was told that it would probably be October. He explained that the concrete (splitter island) coming out from the roundabout would be



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level with the roundabout once the overlay of asphalt was complete. **Residents have voiced concern regarding these since they appeared.**

Brian Haley spoke about the lighting going in for the roundabouts. He said there would be 8 lighting fixtures at the first two sites (North/Scurlock & Scurlock/Jackson) and 12 lighting fixtures at the site by Piggott State Bank as well as 3 crosswalks. Brian Haley said that everything on the city side was done and just waiting on the contractors.

Asphalt work

Brian Haley spoke with (Sugg Construction) and was told that it was still a way out. He explained that when he first took over the project that he was under the understanding the North Street (which was originally in the plan) was cut due to needing to supplement additional costs for 12th and Houston. He has recently been informed that North Street is still included in the project and would also be done along with 12th and Houston. He further explained that these locations were selected by previous administration and once they were submitted and approved for the grant, the locations cannot be changed.

Utility: from Utility Manager, Brian Haley

Electric

Mayor Bradley Scheffler stated that on Friday, July 14th him and Brian Haley were made aware that there was a problem with getting our energy to the city and decisions had to be made by Monday, the 17th at noon or come up with a couple million dollars. This was due to the city previously threatening legal action and defaulting on payment back in 2021. He addressed the council and stated that he was unsure if they realized that when that occurred, we were made our own market participant and no longer under the blanket of Evergy. He asked the council if they had a plan as what to do at that time. Councilmember Jamey Parks said that if he is understanding what he (Mayor) is talking about, that was part of that money that the city took and made a big payment and was supposed to make payments. All councilmembers stated that it was worked out to make payments on it. Mayor Bradley Scheffler told them that aside from the payments, it also made the City of Piggott a sole market participant buying power. Councilmembers acted unaware and Jamey Parks and Jeff Benbrook both stated they didn't know that part. Mayor Bradley Scheffler addressed Brian Haley to explain further. Councilmember Tracy Cole asked where the \$2M came in. Brian Haley stated that when the event happened (February 2021) it was \$1.2M that was owed in the end. He stated that the City of Piggott was looking at pursuing legal action against Evergy because they were saying they mismanaged (among other things). Evergy made an agreement with the City of Piggott, there was a cash transfer made and a payment plan agreed on...But because the City of Piggott basically told them they were going to "leave them holding the bag", Evergy said they would no longer be the market participant on behalf of the City of Piggott. He explained that the market participant is the one that is obligated for payments of transaction that's in the market. Evergy was the market participant on behalf of the City of Piggott so those costs that occurred (February 2021 event) went to Evergy to pay, they paid it then came to the City of Piggott to collect their money. This is when the issue started. So, to settle this, Evergy said they weren't going to be our market participant any longer.

Brian Haley stated that he was unaware that we were our own market participant until he received a call from Evergy that we had an issue and were locked out of our account. Brian was told that he needed to call and find out what was going on. Brian called SPP and explained to them that we would have our audit sooner (it was sent last day, and they prefer it to be a timelier fashion) next year as that was what he thought the problem was. Brian Haley was then told that the audit was not the issue. He was told by SPP that they were looking at the audit and the City of Piggott did not meet the criteria to be a market participant. That is when Brian Haley said he realized



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that we were our own market participant. He was then told to be a market participant; the city would need \$20M in assets and \$10M in net worth. This is when he was told that it had to be resolved or in place by Monday at noon. (It was currently late Friday afternoon). Brian Haley asked if there were any other options. He was told that the easiest solution would be to put up \$2M cash in the market. Brian Haley told him he didn't think that would be an option and was then told that the city needed to see if there was someone that would be our market participant. Evergy was approached to see if there was any possibility of them working with us again and being our market participant. They were not inclined to do this again. A line of credit with the bank was an option, but after much discussion, they contacted SPP and were able to submit the combined City of Piggott, MLWS and Hospital audits to meet the required criteria.

Brian Haley stated that he was told there had been some changes, so he contacted them and asked what the changes were. He was told that requirements changed as of November 2022 changing it from \$5M assets and \$1M net worth to \$20M assets and \$10M net worth. Councilmember Tracy Cole asked if we could get back into the market with anyone else. Brian Haley stated that because of our history with Evergy, almost defaulting on payment and the threat of lawsuit, no one else will touch us. Brian Haley stated that although the changes went into effect in November of 2022, it was when they received our audit that they saw we weren't meeting the criteria.

Mayor Bradley Scheffler asked Brian Haley to talk to the council about the benefit of getting the power plant back to operational. Brian Haley explained that having the power plant operational could help the city to offset power load and save the city money vs buying additional power from the market when loads exceed. He explained in more detail and also stated that he does not know what kind of power is going to be used by the new vocational facility (Black River).

Mayor Bradley Scheffler spoke up and stated that what they want the council to understand is that they are not talking about running the power plant to sell power on the market, but to use locally for emergency situations and offset the city having to purchase additional power from the market. Councilmember Tracy Cole asked what it would cost to run the power plant. Brian Haley stated that there was nothing wrong with the two main engines (960 & 3100), they are good to run. He said the 2880 has a heat exchanger issue that could be up for about \$15k. He said there was nothing wrong with the engine itself, just a heating issue. He went on to say that for the time being, the (960 & 3100) would be enough if we needed any. Councilmember Jamey Parks asked if there would be any upgrading needed. Brian Haley stated that upgrades would be needed if we were looking on selling power on the market, but not to use as a backup locally. He stated that for "maintenance" we're allowed to run 50 hours per engine per year so in total we're allowed to run 100 hours per engine per year. Mayor Bradley Scheffler stated that there would not be a full-time person at the power plant.

Councilmember Tracy Cole asked for clarification that the city was meeting requirements until they were changed in November. This was confirmed. There was more discussion as to how the city defaulted when they agreed to a payment plan. It was explained that the default was prior to the agreement made in September of 2021, but along with that agreement was that the city was now their own market participant and no longer under Evergy. Councilmember Tracy Cole stated that she was aware of the agreement but didn't know how there would be repercussions when an agreement had been reached and they signed it. Brian Haley stated that they agreed to the settlement, but the repercussions were because of what occurred prior to the settlement. The city had defaulted and threatened legal action prior. The settlement was made and agreed on for Evergy to recoup money paid on behalf of the City of Piggott, but Evergy would no longer be the market participant for the City of Piggott because of what had occurred. Mayor Bradley Scheffler stated that this was in the agreement that the city was now on



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their own. Councilmember Tracy Cole stated that yes, that was in the agreement, and they knew they agreed to this. She stated that they qualified to do that until they changed the requirements. Brian Haley stated that Evergy didn't change requirements, SPP did. Mayor Bradley Scheffler stated that if the city would have paid what was due and hadn't threatened legal action, an agreement would've never had to have been made and they would still be in the group under Evergy. Councilmember Tracy Cole stated that she understood that, but we knew were out of the group because it was in the agreement. Mayor Bradley Scheffler then said, "That was the penalty that you took.". Councilmember Tracy Cole then replied, "And that worked fine until they changed the asset requirements." Councilmember Kevin Jones stated that he didn't know anything about a threat of a lawsuit. Brian Haley stated that, "basically, everyone else paid their bill." After more back and forth discussion, Mayor Bradley Scheffler stated it was time to move on.

Water and Wastewater

Brian Haley says the wastewater plant now complete and is running well.

MLWS Audit- Councilmember Tracy Cole asked about the separation of duties which was on the audit. Brian Haley stated that this was a common occurrence in small business to separate the two and that we were working towards this. (Same person opening the mail, writing the checks, signing checks) It was stated that having two signatures was helpful, but with limited people in the jobs it is sometimes difficult to have it as all separate, but it has been addressed.

Councilmember Tracy Cole made a motion to approve the MLWS 2022 audit. Councilmember Jeff Benbrook seconded. With all in favor and none opposed, motion carried.

Public Questions and/or Comments:

No question or comments

Adjournment

Mayor Bradley Scheffler asked for a motion to adjourn. Councilmember Jeff Benbrook made a motion to adjourn. Councilmember Jamey Parks seconded. With all in favor and none opposed, meeting adjourned.

Mayor, Bradley Scheffler

City Clerk, Nikki Blue