

CITY OF OSCEOLA CITY COUNCIL MEETING

OSCEOLA, ARKANSAS

REGULAR MEETING

September 17, 2018

The Osceola City Council met in Regular Session at the Council Chambers, located at 303 West Hale Avenue, Osceola, Arkansas. The meeting took place on September 17, 2018 at 5:00pm.

Officers present:                 Dickie Kennemore, Mayor  
  Jessica Griffin, City Clerk/Treasurer  
  Catherine Dean, City Attorney

Council Members Present:     Linda Watson, Sandra Brand, Dot Pollock, Tyler Dunegan, and  
  Sally Wilson

Council Members Absent:     James Baker

Others Present:                 Steve Partee, Financial Director  
  Steve Choals, Street/Sanitation Dept.  
  Billy Griffin, Code Enforcement  
  Phillip Fleming, Fire Chief  
  Michael Ephlin, OPAR Director  
  Ed Allred, Public Works Director  
  Jane Stanford, Human Resource  
  Julie Wakefield, Administrative Asst.  
  Ollie Collins, Police Chief  
  Phillip Adcock, Electric Dept.

Others in Attendance:         Steve Knox                     Ammi Tucker

Mayor Kennemore called meeting to order and opened with prayer.

Jessica Griffin called the roll. All council members were present, except for James Baker who was absent.

Starting the meeting were Roy Wright and the new owners of the Osceola Nursing Home. They discussed the plans, changes, and improvements that will be taking place.

Next, Catherine Dean came forward with an ordinance. Jessica Griffin introduced the ordinance and it read as follows:

2018-5

**AN EMERGENCY ORDINANCE AUTHORIZING AND DIRECTING THE  
MAYOR TO ENTER INTO AN ECONOMIC DEVELOPMENT INCENTIVE GRANT  
AGREEMENT BETWEEN THE CITY AND HOMETOWN SUPERMARKET, INC.**

WHEREAS, the promotion of economic development, including the attraction of businesses to the City, has been and continues to be a significant goal of the City; and

WHEREAS, to accomplish this goal, the City has created an Economic Development Incentive Program ("Program") through which the City awards economic development incentive grants to designated companies in the City; and

WHEREAS, the City wishes to act under its full authority under its economic development powers and enter into an Incentive Grant Agreement with the Company to award the Company an economic development incentive grant based on the Company's representations concerning job creation and annual income tax revenue generated by the Company; and

WHEREAS, the City wishes to authorize an economic development incentive grant ("Incentive Grant") in an amount equal to \$75,000.00, annually based upon the Company's final net annual payroll during the seven (7) calendar years beginning October 1, 2019, and concluding October 31, 2026 ("Term"); and

WHEREAS, the City will be the administrator of the terms of the Incentive Grant Agreement and as the City will conduct an annual review and assessment of the Company's compliance with the terms of the Incentive Grant Agreement;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF OSCEOLA, ARKANSAS, THAT:

SECTION 1. Council authorizes the Mayor to enter into an Economic Development Incentive Grant Agreement with Hometown Supermarket, Inc. substantially similar to the copy of the Agreement attached as Exhibit "A" and incorporated by reference, for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial, and civic development in the City.

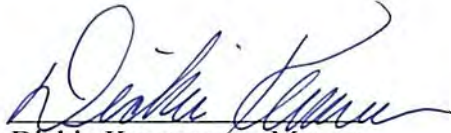
SECTION 2. Council finds and determines that all formal actions of this Council relating to the adoption of this Ordinance have been taken at open meetings of this Council; and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements.

SECTION 3. This Ordinance is hereby declared to be an emergency measure immediately necessary for the health, safety and welfare of the residents of Osceola, Arkansas, and to allow Hometown Supermarket, Inc. to move forward with its relocation forthwith. It shall, therefore, take effect immediately upon the passage.

**PASSED** and **APPROVED** this 17<sup>th</sup> day of September, 2018.

**APPROVED:**

**ATTEST:**

by:   
Dickie Kennemore, Mayor

BY:   
Jessica Griffin, City Clerk/Treasurer

## INCENTIVE GRANT AGREEMENT

This Incentive Grant Agreement (the "Agreement") is made and entered into as of the \_\_\_\_ day of September, 2018 by and between Hometown Supermarket, Inc., (hereinafter referred to as the "Corporation"), an Arkansas corporation qualified to do business in the State of Arkansas, whose corporate address is 5085 E. County Road 134, Blytheville, Arkansas 72315, and The City of Osceola, Arkansas, ("City"),

### WITNESSETH:

WHEREAS, Arkansas Code Annotated 14-173-104 grants cities the authority to make appropriations for the purposes of aiding and encouraging the location/expansion of certain business enterprises in the City or for other purposes which the City's governing body finds, in its discretion, will increase the population, taxable property base, and business prospects of the City; and

WHEREAS, Ordinance No. 2018-4 lists specific economic development activities which the City deems necessary to promote the revitalization and redevelopment of certain areas of the City, which list is not exclusive; and

WHEREAS, the Corporation is relocating its operations to 815 West Keiser Avenue, Osceola, Arkansas, and employing an additional 20+ employees at their facility to be renovated in the City of Osceola; and

WHEREAS, the Corporation will improve facilities at said location (the "Facilities") which may require some site improvements, construction of buildings, and installation of additional machinery and equipment to accommodate the Corporation's operations; and

WHEREAS, the City Council of the City has determined that the proposed activity by the Company will tend to increase the population, taxable property base and business prospects of the City, and will encourage the Company to relocate in the area, and that it is in the public interest to provide assistance, as authorized; and

WHEREAS, the City Council finds that the consideration the City will receive, based on prospective tax revenues and increase in employment to be generated over the next seven (7) years will exceed the amount of the grant offered herein; and

WHEREAS, The City is authorized to contract with and appropriate money to any person, association, or corporation in order to carry out any public purpose that the City is authorized by law to engage in.

NOW, THEREFORE, in consideration of the promises and other considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Real Estate Purchase, Construction/Renovation, and Machinery and Equipment Acquisition: The Corporation shall lease the Facilities on behalf of the Company, and shall produce the lease agreement or other legal instruments showing proof of right to enjoy the Facilities; documentation for improvements which have been made to the real estate; and receipts showing proof of acquisitions of machinery and equipment for the Facilities by the Company and/or Developer, for the purpose of operating a facility for retail grocery store sales and food sales. Such premises to be improved in accordance with the following:
  - a. All improvements shall have been designed, constructed, and completed in accordance with applicable standards established by federal, state, local, and City regulations and laws; and
  - b. The City shall not be responsible for any aspect of the design or construction of the premises.
2. Performance By Corporation: This Agreement and the expenditure of City funds is expressly contingent upon Corporation achieving certain performance requirements and within the time period set forth herein. These requirements are set out below.
  - a. Investment in Real Estate Improvements and Equipment: It is estimated that the improvements to the property and installation of machinery and equipment shall be at least \$100,000.00 and shall have occurred on or before November 1, 2018.

- b. Employment: It is anticipated that the Corporation will employ a minimum of 20 new full-time equivalent employees by November 1, 2018. Calculations in this agreement are based upon the employment of 20 new full-time equivalent employees, and are subject to change based on the final total investment. Corporation must employ at least 20 new full-time equivalent employees, who reside in the city limits of Osceola, by December 31, 2019 to avoid default.
  - c. Use: The improvements shall be made to accommodate the intended purpose as follows: retail grocery store and/or deli services.
  - d. Payment of Taxes by Corporation: The City must receive confirmation from the Mississippi Tax Assessor's Office that all state, county and local taxes have been paid in full.
3. Documentation from the Corporation: In connection with each request for reimbursement, the Corporation shall deliver to the City's Finance Director a performance letter certifying that (1) it has undertaken the acts to meet the goals enumerated in Section 2 for the applicable phase; (2) it has completed the improvements in accordance with the deadlines described in Section 2 for the applicable phase; and (3) that at the date of the letter, the Facilities have been substantially completed in accordance with the established timeline, a Certificate of Compliance has been issued therefore, and are in operation with no reduction in the number of new positions, wages, and benefits as set forth in Section 2. If the Corporation does not meet all of the conditions required to be certified in the performance letter, it shall qualify for no reimbursement for that year. Upon the request of the City's Finance Director, the Corporation shall present to the City such evidence as may be reasonably requested to confirm the facts in the performance letter, especially those relating to employment. To the full extent allowed by law, such requested evidence shall not be considered a public record, shall be kept confidential and shall remain the property of the Corporation to be returned after the City's review.

It is agreed that the City, through its auditors, shall have the right upon reasonable notice and during normal business hours, to inspect, audit, examine and copy corporate records pertaining to capital expenditures made in respect of the Facilities and the wages paid to Corporation's employees. All records revealed by the Corporation to the City's internal

or external auditors are not public records and shall remain confidential and may be used by the City only for audit purposes to the full extent allowed by law.

The Corporation acknowledges that it has been informed by the City that the City is required by law, upon request, to disclose "Public Records" as the term is defined by the Arkansas Freedom of Information Act. All information disclosed to the City by the Corporation which is subject to that definition and whose disclosure is not otherwise protected by law will be released by the City upon request as provided by the Arkansas Freedom of Information Act. The City may withhold from disclosure confidential records as defined in the Arkansas Freedom of Information Act. The Company acknowledges that it has read and is familiar with the City's obligations of public disclosure of documents and the definitions of confidential documents. In order to prevent the disclosure of the confidentiality of information identified by the Corporation as confidential pursuant to FOIA, the City shall, if it receives a request for disclosure of such information, notify the Corporation of such request so that the Corporation may defend any claims or disputes arising from efforts of others to cause such trade secrets to be disclosed as a public record. The Corporation acknowledges that this disclosure of the City's public records requirements is given pursuant to FOIA and agrees that such disclosure is full and sufficient to the satisfaction of the Company.

4. Payment of Grant:

- a. The City agrees to provide an incentive to the Corporation for creating jobs and making capital investments within the City. A cash grant will be paid to the Company for the above-described costs on an annual basis in the amount of \$75,000.00.
- b. Once the Corporation has met the performance requirements set forth in Section 2 and has submitted the required documentation under Section 3, the Corporation shall be eligible to receive the grant payments described herein. The grant payments shall begin in 2020 provided that the benchmarks have been achieved as of January 1, 2019. The exact date of payment during the year shall be at the discretion of the City but shall be made during the period of January 1 through March 31 each year of the grant.

The obligation of the City to reimburse the Corporation for the sums provided herein shall not be limited or restricted to any particular source of funds but such reimbursement may be paid from any funds lawfully available to the City for such purpose.

d. Grant payment are to be made payable to the Company and mailed directly to \_\_\_\_\_; or at such other address as shall be provided to the City in writing.

6. Amendments to Agreement: This Agreement can be modified or amended only with the mutual written consent of both parties.

7. Parties. This Agreement shall be binding upon and shall inure to the benefit of the parties and their heirs and successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

8. Entire Agreement: This Agreement contains the entire agreement of the parties and there are no other representations, inducements, or other provisions other than those expressed in this writing. All changes, additions, or deletions hereto must be in writing and signed by all parties.

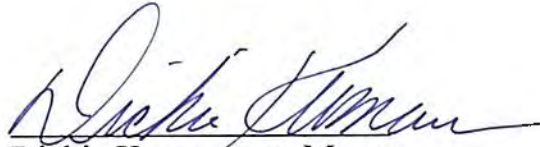
It is specifically understood and agreed that the Corporation will be subject to applicable City ordinances, policies, procedures, and other regulations.

9. Laws of Arkansas to Control This Agreement: The parties agree that this Agreement is to be controlled by the laws of the State of Arkansas. The provisions of this agreement will be upheld by the City to the extent allowed by Arkansas law. The City will be held harmless to any provisions of this agreement deemed illegal in an Arkansas court of law.

10. Jurisdiction: Any controversy or claim arising out of this Agreement shall be settled by an action initiated in the appropriate division of the Circuit Court for the Osceola District of Mississippi County, Arkansas.

11. Assignment: The Corporation may assign all or part of its rights and/or obligations under this Agreement to one or more affiliates designated by the Corporation upon receiving written approval of the City.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be fully executed as of the date and year first above written.

  
Dickie Kennemore, Mayor

\_\_\_\_\_  
Clerk for City of Osceola

\_\_\_\_\_  
Hometown Supermarket, Inc.

\_\_\_\_\_  
Property Owner

Dr. Thakor told the council about the plans for the new grocery store.

Motion was made by Tyler Dunegan and seconded by Sally Wilson to suspend the rules and places ordinance and its second reading.

Roll was called and the following council members voted aye: Linda Watson, Sandra Brand, Dot Pollock, Tyler Dunegan, and Sally Wilson.

Council members who voted nay: NONE

Jessica read the ordinance by title only.

Motion was made by Tyler Dunegan and seconded by Sandra Brand to suspend the rules and place ordinance on its third reading.

Roll was called and the following council members voted aye: Linda Watson, Sandra Brand, Dot Pollock, Tyler Dunegan, and Sally Wilson.

Council members who voted nay: NONE

Motion was made by Tyler Dunegan and seconded by Sally Wilson to approve the ordinance with the corrections discussed.

Roll was called and the following council members voted aye: Linda Watson, Sandra Brand, Dot Pollock, Tyler Dunegan, and Sally Wilson.

Council members who voted nay: NONE

Motion was made by Sally Wilson and seconded by Tyler Dunegan to adopt the emergency clause.

Roll was called and the following council members voted aye: Linda Watson, Sandra Brand, Dot Pollock, Tyler Dunegan, and Sally Wilson.

Council members who voted nay: NONE

Ordinance was adopted on the 17<sup>th</sup> day of September, 2018 and given number 2018-05.

Next on the agenda, Ammi Tucker came forward with the Chamber report.

Following Ammi, Julie came forward with the Main Street report. (see details attached)

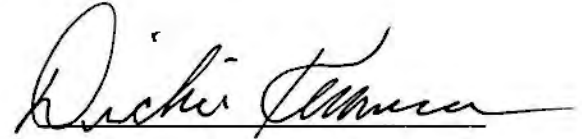
Tim with Vector gave the mosquito report.

Motion was made by Tyler Dunegan and seconded by Sally Wilson to approve all minutes from August regular meeting and September special meeting. All council members were in favor.

Steve Purtee then came forward and presented the financial report and discussed the details of that and the charge offs for the month. (details are attached)

Motion was made by Tyler Dunegan and seconded by Linda Watson to approve charge offs in the amount of \$11,192.69. All council members were in favor.

After announcements, motion was made by Linda Watson and seconded by Sandra Brand for meeting to be adjourned.

A handwritten signature in cursive script, appearing to read "Dickie Kennemore", written over a horizontal line.

Dickie Kennemore, Mayor

ATTEST:

A handwritten signature in cursive script, appearing to read "Jessica Griffin", written over a horizontal line.

Jessica Griffin, City Clerk/Treasurer

Main Street Osceola  
City Council Report  
9-17-18

Main Street Bingo is continuing to do well. We gave away our \$500 Jackpot this past Thursday night.

The next Arts on the Square event is coming up on September 29. We already have some musical groups booked for that. We are also looking at working with the Chamber of Commerce on a downtown clean-up, as it is the same day as the county-wide clean-up. On October 20, we have the Fall Car Show and Festival event with Joe Harris and the Chamber of Commerce. Main Street is in charge of food vendors and music. We have Shotgun Billys and Arkansas Brothers as part of our line-up for that day. If you are a food vendor and would like to sell that day, please contact Susan Fetsch at the Main Street Office.

Farmer's Market has discontinued for the season, but we hope to be up and running next year as soon as fruits and vegetables are available.

Our Main Street Destination Downtown meeting was last week in Eureka Springs. It involved Main Street organizations from Arkansas, Mississippi and Louisiana. Susan and Michelle had some great learning opportunities that we hope will help our local organization.



Julie Wakefield, President  
Main Street Osceola Board of Directors

August 2018	Current Month			Year to Date			Annual
	Budget	Actual	Var (+) (-)	Budget	Actual	Var (+) (-)	Budget
<b>Revenue:</b>							
01 - Osceola Light & Power	1,763,085	1,760,935	(2,150)	12,266,833	12,088,343	(178,490)	18,207,458
02 - City General Fund	265,412	242,162	(23,250)	2,396,117	2,465,166	69,049	4,286,778
03 - Street Fund	45,003	44,901	(102)	360,024	364,280	4,256	540,859
04 - Sanitation Fund	81,668	79,691	(1,977)	647,339	636,803	(10,536)	972,802
<b>Total Funds</b>	<b>2,155,168</b>	<b>2,127,690</b>	<b>(27,478)</b>	<b>15,670,313</b>	<b>15,554,591</b>	<b>(115,722)</b>	<b>24,007,897</b>
<b>Operating Expense:</b>							
01 - Osceola Light & Power	1,626,734	1,579,064	47,670	11,286,876	10,888,781	398,095	16,179,086
02 - City General Fund	546,097	525,839	20,258	3,900,952	3,749,427	151,525	5,567,629
03 - Street Fund	99,030	112,510	(13,480)	704,764	749,077	(44,313)	1,165,821
04 - Sanitation Fund	97,070	89,899	7,171	750,721	695,728	54,993	1,058,850
<b>Total Funds</b>	<b>2,368,931</b>	<b>2,307,312</b>	<b>61,619</b>	<b>16,643,313</b>	<b>16,083,014</b>	<b>560,299</b>	<b>23,971,386</b>
<b>Capital Exp &amp; Reserves:</b>							
01 - Osceola Light & Power	-	-	-	-	-	-	-
02 - City General Fund	-	-	-	-	-	-	-
03 - Street Fund	-	-	-	-	-	-	-
04 - Sanitation Fund	-	-	-	-	-	-	-
<b>Total Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Impact to Surplus:</b>							
01 - Osceola Light & Power	136,351	181,872	45,521	979,957	1,199,562	219,605	2,028,372
02 - City General Fund	(280,685)	(283,677)	(2,992)	(1,504,835)	(1,284,262)	220,573	(1,280,851)
03 - Street Fund	(54,027)	(67,608)	(13,581)	(344,740)	(384,797)	(40,057)	(624,962)
04 - Sanitation Fund	(15,402)	(10,208)	5,194	(103,382)	(58,925)	44,457	(86,048)
<b>Total Funds</b>	<b>(213,763)</b>	<b>(179,622)</b>	<b>34,141</b>	<b>(973,000)</b>	<b>(528,422)</b>	<b>444,578</b>	<b>36,511</b>

**Quarterly Meeting  
Osceola Planning Commission  
Osceola City Hall  
303 West Hale  
Osceola, Arkansas 72370  
Tuesday, October 2, 2018**

**Commissioners Present: Chairman Bryant Whitted, Rita Parker, Stan Williams, Tony Maynard, Dot Pollock.**

**Commissioners Absent: James McFatridge, L. B. Keller, Jimmy Gann, James Baker, Steven Son, Tyler Dunegan.**

**Also Present: Billy Griffin, Code Enforcement Officer.**

**Chairman Bryant Whitted offered invocation and called the meeting to order.**

**Secretary Dot Pollock called the role.**

**Chairman Whitted asked for any old business to be discussed and there was none.**

**Chairman Whitted asked for any new business and there was none.**

**Rita Parker made the motion to adjourn.**

**Seconded by Stan Williams.**

**Motion passed by unanimous vote.**

**Report submitted by:**

**Dot Pollock,**

**Secretary**

**MONTHLY  
REPORTS IN  
MINUTES ON  
FILE.**