

City of Jonesboro

Municipal Center 300 S. Church Street Jonesboro, AR 72401

Meeting Minutes Public Safety Council Committee

Thursday, March 29, 2018 5:00 PM Municipal Center

Special Called Meeting

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Present 4 - David McClain; Mitch Johnson; Chris Moore and Gene Vance

Absent 1 - Chris Gibson

3. New Business

<u>COM-18:016</u> Possible violations that reportedly occurred at The Office Sport Bar & Grill

Attachments: Reports The Office Bar and Grill.pdf

Letter.pdf

Anonymous Letter.pdf

Chairmember Mitch Johnson said the purpose of this hearing is to consider possible violations of the City of Jonesboro's Code of Ordinances Chapter 6, Article 1, Section 6, which reportedly occurred at The Office Sports Bar & Grill, 1509 Marketplace Drive, on or about January 20, 2018, and for this committee to determine the actions to be taken from the results of this hearing.

Section 6 was allegedly violated by Dr. Keith Hendrix. According to our permits, Dr. Hendrix is listed as the owner of The Office Sports Bar & Grill. Section 6 covers unauthorized entertainment on the premises and immoral conduct on the premises. Councilmember Chris Moore asked if there was a short section that could be read, for the record, by City Attorney Carol Duncan. Ms. Duncan said there was not a short section. Councilmember Moore asked if she could just read the part that was pertinent. Ms. Duncan read the following from Section 6-5 of the Jonesboro Code of Ordinances: (a) Generally. It shall be unlawful for the holder of any permit issued under the provisions of this chapter to permit any disturbance of the peace of obscenity or any lewd, immoral or improper entertainment, conduct or practices in the permitted premises or to operate the business in such manner as to constitute a nuisance, and (j) Nudity. No person who has received a permit under any ordinance of the city for the sale or dispensing of alcoholic beverages for on premises consumption including private club permits shall suffer or permit any person to appear on the permitted premises in such manner or attire as to expose to view any portion of the pubic area, anus, vulva or genitals or any simulation thereof, nor suffer or permit any female to appear on the premises in such manner or attire as to expose to view any portion of her breast below the top of the areola or any simulation thereof. Councilmember Moore

said I take it from what Ms. Duncan read that we are considering that there was some form of nudity? Is that the only violation we are considering? Ms. Duncan said yes, that is my understanding. Councilmember Moore said okay.

Chairmember Johnson said Dr. Hendrix has representation who would like to address the committee. Mr. Michael Langley, attorney with the Barber Law Firm, said I want to thank you all for allowing me to be here today. I am not trying to step on anybody's toes. Ms. Duncan and I just spoke about making sure that we acknowledge that the file is going to be made a part of the record. On behalf of Ms. Susan Pollard and Dr. Hendrix, first thing I would like to do is apologize to the committee, Mayor Harold Perrin, the City Council, the citizens of Jonesboro and to the patrons and members and guests of The Office that we have to be here today and that this even occurred. It is unfortunate, and it should have never happened. We have looked at everything and, on our behalf, we take full responsibility for what occurred on January 20, 2018. It was our outlet and our employee who participated. Dr. Hendrix and Ms. Pollard did not know this was going on and had no acknowledgement this activity was going to occur. It is our responsibility, as the people who operate this outlet, and we own that. We again apologize. The Office did not sponsor what occurred that night. Let me be clear about that. This was not something The Office arranged or brought in. Somebody from the outside did. Our manager participated. Our manager misled in the investigation and, as a result, she has been fired. We have taken the steps, we think, necessary to start moving forward, but the first thing is accepting responsibility.

Mr. Langley said I want to give you a quick little bit of background from our perspective. The event occurred. As soon as Dr. Hendrix heard about the event, he called and notified the Alcohol Beverage Control, ABC. After speaking with the ABC attorney, it was explained to me they considered it a "self-reporting" incident because Dr. Hendrix reported it himself. It was not reported by some other incidence. The ABC issued a fine of \$3,000, which has been paid, and has placed these folks on probation for one year. With my experience, that leads you to be held to a much higher standard for the year that follows. We inquired of our employees what happened on that evening and we received a narrative. That narrative led to us feeling it was not something that had occurred with activity from our staff and the staff had immediately interrupted it. Subsequent to that, as I continued the investigation, I spoke with Ms. Duncan, who provided me a copy of the video recording. The video recording revealed something completely different. As soon as we realized a staff member was involved and had committed acts that were, to us, appalling, we immediately terminated her and began to take steps to improve how things operate at The Office. As I said, we fired the manager and Ms. Pollard has stepped in and is taking a more day-to-day role until we can find an appropriate manager to fill in. ABC has a class and if you're an applicant, and you happen to be the manager, you are required to complete this class before you can complete this permit. The class tells you everything from taxation to what you can and cannot do. On April 12, 2018, the entire staff will take the class so there is not an issue with the chain of command where the person at the top takes a step like this and prevents us from not knowing what is going on. We want everyone to know the rules and regulations. ServSafe is a nationwide company that focuses on alcohol responsibility. They are certified with the State of Arkansas. Each employee is going to take that class to be certified. It benefits insurance rates. It benefits with the ABC. It is certainly a good thing that we recommend everybody take.

Mr. Langley said we've paid the \$3,000 fine and accepted the probation. This type of entertainment, which was again brought in from somebody from the outside, will never occur in this outlet again. If live entertainment is allowed, and when I say live entertainment I mean in the form of bands only, then before anybody will be allowed to

come in as a band, Dr. Hendrix and Ms. Pollard have committed to hiring certified law enforcement officers to be security there at all times. If there is going to be live entertainment, we will coordinate with whomever local law enforcement would like. We will put together a security plan and discuss that with the police chief or whoever the police chief would tell us to go talk to, so that is properly handled and mandated. They have made an application for dancing. It hasn't been taken up yet. When the say dancing, it's just like going to the prom. If the music is playing and the customers want to dance then they will do that. They recognize now, after several years of operation, that they were outside of the ABC rules and regulations, and they have taken the steps to step back into those regulations. There has been no live entertainment since this incident first arose. There will not be any until the ABC takes action and decides one way or the other. Mr. Langley said Ms. Pollard and Dr. Hendrix are committed to making this work. They want to be good corporate citizens. They want to continue to have an opportunity to make an impact. This packet explains where the proceeds from The Office go, which is for helping people with dental issues around the world and repairing them, along with other donations that have been given to them. They want the opportunity to continue to try to be contributors in those areas in this way. After corrective actions have been taken, we have had no issues with the ABC or anyone else.

The ABC agent, who handled this, Mr. Jesse King, is here if you desire to inquire with him. I spoke with him earlier and his statement to me was that Dr. Hendrix got out in front of this, was cooperative, was professional, did not run from it and immediately made them aware of the problem. I know you all haven't dealt with these issues much. I can recall one, when I was the ABC director, of an issue with a downtown outlet that had an incident. It was the second or third incident at that outlet involving violence, and you gave them probation for one year. They abided by your decision and took that into account. The reason probation is important and so effective here in Jonesboro is that your rules and regulations state if somebody is on probation and they have a violation, you all are required to revoke their permit. That's a pretty heavy standard to hold on to. We would ask to allow us to continue our beneficial work. To allow us not to lose enormous amounts of money. Depending on whether is a band or not, The Office is a \$30,000 to \$40,000 a month revenue generator. That is gross not net, but if you shut them down for a period of time, you don't only lose that period of time of lost revenue, but the loss of business will multiply three or four times and trying to get back is almost impossible. We would ask that you follow in the footsteps of the ABC. Put them on a year's probation. Hold them to the standards you all have. Allow the \$3,000 to serve as a penalty. That's roughly what a weekend without bands is these days. With bands it's about double that, and, with that, we be able to go forward. I am certainly open to any questions. I just want to reiterate that we apologize. We accept responsibility, and we hope that we can move forward and continue our efforts to redeem ourselves.

Councilmember Moore asked Ms. Duncan to give the committee options for disciplinary choices in this matter. I appreciate Mr. Langley's statement that they accept full responsibility and acknowledge the incident. I intend to take that into consideration. Ms. Duncan said it is in Section E of your packets under Suspension and Revocation, 6-47. Under Section E, it states if after the hearing the Public Safety Committee finds a violation has occurred the permit may be placed into probationary status, suspended or revoked depending on the severity, facts and circumstances of violation or violations. It does go on to repeat what Mr. Langley said that if any offenses occur during an act of probationary period, the permit shall be revoked and once that decision is rendered by the Public Safety Committee, the permitee has a right to appeal to Circuit Court.

Councilmember Moore said so we can suspend their business license. Ms. Duncan said it's really their local alcohol permit that you would be suspending. Everyone is required to have a local alcohol permit in addition to the ABC permit. That's what can be revoked, suspended or put on probation. Mr. Langley said if you want to recommend a suspension, we would ask that that be held in abeyance, or we're gonna suspend you for two weeks, two days, two hours, to hold that over your head to make sure you operate properly. I think that is the goal anytime somebody gets a business license and you try to maintain it. The goal is to be a consistent operator. We don't have a series of violations over a long period of time. This is a one-time incident. I think the last ABC violation was about three to four years ago. This is isolated. This is, certainly, a lesson learned and I believe we would move forward.

Councilmember Moore asked Ms. Duncan if there was a record of any other violations of city ordinances in the last 12 months. Ms. Duncan said no. Councilmember Moore said upon placing them on probation is Mr. Langley correct that if they have one more violation of the city ordinance that it would be mandatory we revoke their permit or is it a period of time that we would need to wait. Ms. Duncan said it says while on probation. So, for example, if you put them on probation for six months, during that probation period if any new offense occurs, then it's revoked. If that probation is 12 months, then it's any time during those 12 months. Councilmember Moore said it's not revoked forever. Is it revoked for a specific amount of time? Ms. Duncan said the next section says in the event the permit is revoked, no permit should be issued to the same person for a period of five years. Councilmember Moore said okay. Personally, I think that's a pretty steep rule. If Dr. Hendrix has one violation in 12 months, he is out of business for five years. I can live with that, myself. I think it was a mistake out there. They acknowledged their mistake. I think Dr. Hendrix has probably suffered in the media and social scene here. I would recommend we place him on probation for 12 months and take no further action. Councilmember Gene Vance seconded. Councilmember David McClain said I would like to ask a few more questions. Councilmember Chris Moore said let's let the record reflect we do have a motion and a second.

Councilmember David McClain said the main thing I was trying to get a hold of was that someone came in, but how did she get in and who paid her to be there. Was this something that you all knew was coming? How did that happen? Please help me understand. Mr. Langley said there was more than one birthday party taking place at The Office. Somebody in that group arranged for that young woman to be there. No money or anything came from The Office. One of the people, who was having their birthday celebrated, knew the manager. The manager allowed the, what I will call, "extracurricular activities" to continue. The outlet did not have anything to do with bringing in that young woman. We had a letdown when the manager allowed and overstepped her authority to allow that to occur. Councilmember McClain asked approximately how long did she dance. Mr. Langley said we don't know. There is a short video of her dancing, what I would call inappropriately, but legally in that she was dressed properly and didn't violate the rule. The only video we saw of her completely violating the rule was about six seconds, but I would say it was a good, I'd bet, 10 or 15 minutes. Councilmember McClain said once whoever realized she was dancing, then what happened. Mr. Langley said unfortunately, the manager, whom we fired, continued to allow it to happen for a period of time and then our bartender shut it down. He realized it had gone way too far, shut it down and they escorted the woman out. Councilmember McClain asked at what point did he decide it had gone too far. Mr. Langley said when she had no clothes on. When she had no top on. Councilmember McClain asked if it was three minutes after she had no top on or five minutes after she

had no top on. Mr. Langley said all we have is six seconds.

Councilmember McClain said okay. I'm curious just to get an idea. I have not seen the video. I just wanted to know how long it took, the actions that took place, and if this was being celebrated with everybody in the bar. Mr. Langley said two men were sat down in two chairs. A young woman began to dance in a provocative manner in front of them and remove her clothing down to her, what would be underwear. That is one video that lasted for a while. One man touched her one time, which he should not have done. That video ended with that. During that period of time, people were watching. People were involved in it, unfortunately, that included the manager that we had to fire. If you listen to the video closely, you will hear somebody inquire about Dr. Hendrix, and she says no, he's gone, to make sure he was out. She's heard yelling pay your cover charge to the band. There was a band playing while this was going on. I have no idea whether it was 30 seconds later or 30 minutes later when this young woman then appeared nude. I assume it was in a relatively similar timeframe. It is six seconds without a top on and then it just ends. Councilmember McClain asked if she was just dancing around. Mr. Langley said there was a pole, next to the bandstand, that has been there for a long time. What was explained to me is that Jim Dandy likes to swing around on it when he comes and plays. People have danced in and around it. Not without clothes on ever before. This young woman did dance on the pole without clothes on this time, but it's the only time that's ever occurred. The pole is gone. Bad mistake. Somebody trying to copy something from a bar somewhere else, but it didn't work.

Ms. Duncan said in the essence of full disclosure and since I have seen the video, we have to admit the manager said now everybody get ready, she's going to go get on the pole. She said to back up because she's going to go get on the pole. Mr. Langley said correct. No question. Ms. Duncan said so I don't think that was a spontaneous occurrence. That was an orchestrated occurrence. I just know they haven't seen the video so I wanted to be clear on that. Mr. Langley said I'm not trying to imply that. We are ashamed and appalled at what happened that night. We are ashamed that manager thought that was a good idea. We are ashamed to have hired her and are happy to have fired her. We will not have anything like that ever happen again. We are extremely sorry for the events that occurred that night. It is not something that Dr. Hendrix or Ms. Pollard would ever sanction, ever okay, or ever want to be a part of.

Councilmember Moore said that is what the important part of my motion was. So, now we just need to look at the facts. Nobody is disputing that this incident happened. I think we all have an idea of what went on that night. Dr. Hendrix and the group have accepted full responsibility. They fired the manager. They have not had a violation in the last 12 months, according to Ms. Duncan, and maybe longer than that, but at least for the last 12 months. My motion to put them on probation means that if they have even just one violation of a city ordinance pertaining to alcohol, they're out of business for five years. That's a pretty stiff penalty. Ms. Duncan said just to be clear, if they violate an ABC ordinance or ABC rule, that's considered a violation of ours. Councilmember Moore said that is correct, too. That's what I'm saying. This isn't a light slap on the hand. One misstep by Dr. Hendrix or any of his employees, and he's done. Because five years, you wouldn't be coming back. Mr. Langley said it sends a strong message to any other outlet.

Chairmember Johnson said I think that's probably a realization they have faced and, just a reminder, serving alcohol in the City of Jonesboro is a privilege. It's not something that everybody can do. I hope that they'll keep our rules and ABC rules in order now and in the back of their minds and follow everything to the letter of the law.

Mr. Langley said I can promise you they won't do anything without calling and asking me first. Councilmember Moore said I imagine so.

Chairmember Johnson said I have a motion and a second on the floor to place Dr. Hendrix and Ms. Pollard's permit on a 12-month probation. All voted aye.

Ms. Duncan said just for purposes of the record, even though I doubt you will appeal that, we will give City Clerk Donna Jackson a copy of both videos so she'll have that for purposes of the record. We didn't play them today, but they were referenced.

A motion was made by Councilperson Chris Moore, seconded by Councilperson Gene Vance, that this matter be Filed. The motion PASSED with the following vote.

Aye: 3 - David McClain; Chris Moore and Gene Vance

Absent: 1 - Chris Gibson

4. Adjournment

A motion was made by Councilperson Chris Moore, seconded by Councilperson Gene Vance, that this meeting be Adjourned . The motion PASSED with the following vote:

Aye: 3 - David McClain; Chris Moore and Gene Vance

Absent: 1 - Chris Gibson