



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, December 13, 2011

4:00 PM

Huntington Building

1. Call To Order

2. Approval of minutes

[MIN-11:101](#) Minutes for the Finance Committee meeting on November 22, 2011

Attachments: [Minutes](#)

[MIN-11:104](#) Minutes for the special called Finance Committee meeting on December 6, 2011.

Attachments: [Minutes](#)

3. New Business

Ordinances To Be Introduced

[ORD-11:089](#) AN ORDINANCE FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2012 AND ENDING DECEMBER 31, 2012, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR, AND FOR OTHER PURPOSES.

Sponsors: Finance

[ORD-11:090](#) AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF TEN (10) NEW 2011 FORD CROWN VICTORIA POLICE CARS AND TO DECLARE AN EMERGENCY BECAUSE THE AVAILABILITY OF THE CARS IS EXTREMELY LIMITED SINCE THEY ARE NO LONGER PRODUCED

Sponsors: Finance

Resolutions To Be Introduced

[RES-11:207](#) A RESOLUTION TO AUTHORIZE A CONTRACT WITH DISABLED AMERICAN VETERANS, CHAPTER 26 FOR TRANSPORTATION OF LOCAL VETERANS

Sponsors: Mayor's Office and Finance

Attachments: [DAV & COJ Contract](#)

[RES-11:213](#) A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION FOR

FUNDING OF ECONOMIC DEVELOPMENT SERVICES.

Sponsors: Finance

Attachments: [PBC NAIDC 2012](#)

RES-11:220

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS APPROVING A CONTRACT FOR PROFESSIONAL SERVICES BY BRACKETT, KRENNERICH & ASSOCIATES TO PERFORM A SPATIAL STUDY

Sponsors: Mayor's Office

Attachments: [Brackett-Krennerich](#)

4. Pending Items

5. Other Business

6. Public Comments

7. Adjournment



City of Jonesboro

515 West Washington
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-11:101 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 11/28/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the Finance Committee meeting on November 22, 2011
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

| Date | Ver. | Action By | Action | Result |
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title
Minutes for the Finance Committee meeting on November 22, 2011



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, November 22, 2011

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

In the absence of Chairwoman Williams, Councilman Street conducted the meeting.

Present 3 - John Street; Darrel Dover and Charles Coleman

Absent 2 - Ann Williams and Mikel Fears

2. Approval of minutes

MIN-11:098 Minutes for the Finance Committee meeting on November 8, 2011

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 3 - John Street; Darrel Dover and Charles Coleman

Absent: 2 - Ann Williams and Mikel Fears

3. New Business

Resolutions To Be Introduced

RES-11:201 A RESOLUTION TO ACCEPT INSURANCE PROPOSALS FROM BLUE CROSS BLUE SHIELD AND DELTA DENTAL TO PROVIDE INSURANCE COVERAGE FOR CITY EMPLOYEES

Sponsors: Mayor's Office and Human Resources

Attachments: [Airport ABCBS contract](#)
[COJ ABCBS contract](#)
[COJ ABCBS Medipak supp RX](#)
[JURH ABCBS contract](#)
[Library ABCBS contract](#)

Mayor Perrin explained they negotiated Blue Cross Blue Shield down to a 1.5% increase on the health insurance and Delta Dental will increase 8%. Councilman

Dover questioned whether the City will be absorbing the increase in cost. Mayor Perrin answered the City will pick up the increase on health insurance.

A motion was made by Councilman Charles Coleman, seconded by Councilman Darrel Dover, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 3 - John Street;Darrel Dover and Charles Coleman

Absent: 2 - Ann Williams and Mikel Fears

4. Pending Items

RES-11:205 A RESOLUTION TO ESTABLISH THE REQUIRED MINIMUM FINANCIAL RESERVES IN THE RESTRICTED FUNDS

Sponsors: Finance

Chief Financial Officer Ben Barylske discussed the reserve fund balance requirements for restricted funds. He stated typically they do not have reserve fund balances because there is no need for one due to money being put in and spent for the same amount. He further explained if this is not changed, then restricted funds such as the Library Fund will be required to have a reserve that is not needed.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 3 - John Street;Darrel Dover and Charles Coleman

Absent: 2 - Ann Williams and Mikel Fears

COM-11:085 Proposed contracts with First Security Bank, Intrust and NestEgg Consulting concerning the non-uniform pension plan

Sponsors: Finance

Attachments: [Non-uniform pension defined contribution plan 401\(a\)](#)
[Services agreement for 401\(a\)](#)
[457\(b\) Retirement savings plan and trust](#)
[Services agreement for 457\(b\)](#)

Mr. Barylske presented the committee with four basic contracts for the non-uniform pension plan with First Security Bank. The attorneys from the Friday firm have reviewed the contracts and approved the contracts to move forward. He noted they will have to make a resolution to accompany the contracts before the Council meeting so it can be approved by Council. He added the day after the next Council meeting the company will be here to enroll the employees in the new plan. Councilman Dover clarified the contracts are for review today and will be approved at the next Finance meeting. Mr. Barylske answered no, they would like the contracts approved today so they can be forwarded on to the next Council meeting agenda. Mayor Perrin noted they just received the last draft of the contracts a few hours ago. Councilman Dover then questioned what resolution is needed. Mayor Perrin explained it will be a resolution to enter into the contracts. He added the resolution has not been drafted, but will be prepared in order to be placed on the next Council agenda.

Councilman Dover motioned, seconded by Councilman Coleman, to develop a

resolution to allow the City to enter into a contract with First Security Bank for the non-uniform pension plan. Councilman Dover clarified the motion is to develop a resolution, not to enter into a contract with First Security. All voted aye.

Employee Representative Committee Chairman Larry Jackson asked to see the contract and stated he has not seen anything yet. Mayor Perrin noted he will be glad to provide the contracts to Mr. Jackson. Councilman Dover clarified that all the committee has authorized is to write a resolution and the contracts will be approved at a Council meeting.

Mr. Jackson asked if the contracts say anything about percentages and what the employees will get out of the plan. Mayor Perrin answered yes, it is all in the contract. Mr. Jackson noted the employees don't know anything now. Mayor Perrin reiterated he will give a set of the contracts to Mr. Jackson. It was also noted any changes can be made by the Council.

This item was Read.

Sales tax

Mayor Perrin stated the sales tax figures through November have come in. The City is up \$1.2 million from last year. The trend still continues that the City is taking in more than expected. The public safety tax has taken in \$614,097. They will be sending out the financial reports via email.

2012 budget

Mayor Perrin informed the committee the budgets will be ready this afternoon and will be out for delivery tomorrow. The budget reflects a projected surplus at the end of 2012. He will answer any questions the committee members have concerning the budget. He thanked the Finance Department for their work on the budget.

5. Other Business

6. Public Comments

7. Adjournment

A motion was made by Councilman Darrel Dover, seconded by Councilman Charles Coleman, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

Aye: 3 - John Street; Darrel Dover and Charles Coleman

Absent: 2 - Ann Williams and Mikel Fears



Legislation Details (With Text)

File #: MIN-11:104 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 12/7/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the special called Finance Committee meeting on December 6, 2011.
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

| Date | Ver. | Action By | Action | Result |
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title

Minutes for the special called Finance Committee meeting on December 6, 2011.



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, December 6, 2011

6:00 PM

Huntington Building

Special Called Meeting

1. Call To Order

Mayor Perrin was also in attendance.

Present 5 - Ann Williams; John Street; Darrel Dover; Mikel Fears and Charles Coleman

2. New Business

Resolutions To Be Introduced

RES-11:211

RESOLUTION TO AUTHORIZE A CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC TO PROVIDE ADMINISTRATIVE SERVICES FOR THE CITY OF JONESBORO NON-UNIFORM EMPLOYEES 457 (b) PROGRAM

Sponsors: Finance

Attachments: [City of Jonesboro 457\(b\) Retirement Saving Plan](#)
[457 \(b\) Plan Administrative Services Agreement](#)

A motion was made by Councilman Mikel Fears, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 4 - John Street; Darrel Dover; Mikel Fears and Charles Coleman

RES-11:212

RESOLUTION TO AUTHORIZE A CONTRACT WITH 1st SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC. TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 401 (a) DEFINED CONTRIBUTION PLAN AND 457 (b) RETIREMENT SAVINGS PLAN AND TRUST

Sponsors: Finance

Attachments: [City of Jonesboro 401\(a\) Defined Contribution Plan](#)
[401\(a\) Plan Administrative Services Agreement](#)

Employee Representative Chairman Larry Jackson discussed the new non-uniform pension plan. He noted the transition will be hard since the employees are used to the City paying for everything.

A motion was made by Councilman Mikel Fears, seconded by Councilman John Street, that this matter be Recommended to Council . The motion

PASSED by a unanimous vote

Aye: 4 - John Street;Darrel Dover;Mikel Fears and Charles Coleman

3. Adjournment

A motion was made by Councilman Mikel Fears, seconded by Councilman John Street, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

Aye: 5 - Ann Williams;John Street;Darrel Dover;Mikel Fears and Charles Coleman



Legislation Details (With Text)

File #: ORD-11:089 **Version:** 1 **Name:** Adoption of 2012 budget
Type: Ordinance **Status:** To Be Introduced
File created: 12/1/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: AN ORDINANCE FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2012 AND ENDING DECEMBER 31, 2012, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR, AND FOR OTHER PURPOSES.
Sponsors: Finance
Indexes: Budget adoption
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
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Title
AN ORDINANCE FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2012 AND ENDING DECEMBER 31, 2012, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR, AND FOR OTHER PURPOSES.

Body
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

WHEREAS, the City Council has made a comprehensive study and review of the proposed budget submitted; and

WHEREAS, it is the opinion of the City Council that the schedules and exhibits of financial information prepared and reviewed revealing anticipated revenues and expenditures for the calendar year appear to be as accurate as possible for budgetary purposes.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF JONESBORO, ARKANSAS:

SECTION 1: This ordinance shall be known as the budget ordinance for the City of Jonesboro, Arkansas, for the twelve (12) month period beginning January 1, 2012 and ending December 31, 2012, reflecting estimated revenues and expenditures as hereinafter set forth on succeeding pages. All revenues herein are estimated and subject to change and all appropriations are calculated upon available revenues.

SECTION 2: The respective amounts of funds for each and every item of expenditure classification herein proposed in the budget for 2012 are hereby approved by the City of Jonesboro, Arkansas, and are hereby authorized and appropriated for the purposes herein set forth for the calendar year ending December 31, 2012.

SECTION 3: Expenditure of funds appropriated by this ordinance shall not be restricted to the line item expenditure but shall be restricted to office/departmental expenditures except for funds appropriated for

personnel salaries and wages and related employee benefits. Personnel expenditures shall not exceed the dollar amounts, number of employees and salary or wage rates specified in the annual budget or an amendment thereto.

SECTION 4: WHEREAS, it is necessary for the efficient operation of city government that a budget be planned and adopted, now therefore an emergency is hereby declared to exist and this ordinance being necessary for the preservation of the public peace, health and safety shall take effect and be in force from and after its passage and approval.



Legislation Details (With Text)

File #: ORD-11:090 **Version:** 1 **Name:** Purchase of police vehicles
Type: Ordinance **Status:** To Be Introduced
File created: 12/1/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF TEN (10) NEW 2011 FORD CROWN VICTORIA POLICE CARS AND TO DECLARE AN EMERGENCY BECAUSE THE AVAILABILITY OF THE CARS IS EXTREMELY LIMITED SINCE THEY ARE NO LONGER PRODUCED
Sponsors: Finance
Indexes: Property purchase - personal, Waive competitive bidding
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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Title
AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF TEN (10) NEW 2011 FORD CROWN VICTORIA POLICE CARS AND TO DECLARE AN EMERGENCY BECAUSE THE AVAILABILITY OF THE CARS IS EXTREMELY LIMITED SINCE THEY ARE NO LONGER PRODUCED

Body
BE IT ORDAINED by the City Council of the City of Jonesboro, Arkansas that:

SECTION 1: That the Police Department of the City of Jonesboro needs to purchase the following:
Ten (10) new Ford Crown Victoria Police Cars

SECTION 2: That said cars may be purchased from Philpott Motors of Nederland, Texas for the sum of \$23,960 each for a total of \$239,600.

SECTION 3: That the City Council in accord with the terms of A.C.A. Section 14-58-302 hereby waives the requirement of competitive bidding and directs the Purchasing Officer to purchase the above described for the price set forth in Section 2 above.

SECTION 4: It is further found that there is an immediate need to acquire this equipment. The current fleet is made up primarily of these vehicles and communications systems and other equipment are easily moved from one vehicle to another. This particular type vehicle is no longer manufactured and availability is extremely limited, therefore an emergency is declared to exist and this Ordinance being necessary for the preservation of the public peace, health and safety shall take effect from and after its passage and approval.



Legislation Details (With Text)

File #: RES-11:207 **Version:** 1 **Name:** Contract with DAV for veteran transportation
Type: Resolution **Status:** To Be Introduced
File created: 11/29/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: A RESOLUTION TO AUTHORIZE A CONTRACT WITH DISABLED AMERICAN VETERANS, CHAPTER 26 FOR TRANSPORTATION OF LOCAL VETERANS
Sponsors: Mayor's Office, Finance
Indexes: Contract
Code sections:
Attachments: [DAV & COJ Contract](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

A RESOLUTION TO AUTHORIZE A CONTRACT WITH DISABLED AMERICAN VETERANS, CHAPTER 26 FOR TRANSPORTATION OF LOCAL VETERANS

Body

WHEREAS, Disabled American Veterans Chapter 26 sponsors two (2) vans to serve veterans in this area with transportation including transport to and from Veterans Administration hospitals in Little Rock, Arkansas and Memphis, Tennessee, and

WHEREAS, the City of Jonesboro desires to contract with Disabled American Veterans, Chapter 26 to assist in providing said transportation by providing five thousand (\$5,000.00) dollars.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: The City of Jonesboro shall enter into a Contract with Disabled American Veterans Chapter 26 to provide transportation to and from Veterans Administration facilities for local veterans, for the sum of Five Thousand (\$5,000.00) dollars.

Section 2: That Mayor Harold Perrin and City Clerk Donna Jackson, are authorized to execute such document as are necessary to effectuate this agreement.

PUBLIC SERVICE CONTRACT BETWEEN THE CITY OF JONESBORO
AND DISABLED AMERICAN VETERANS, CHAPTER 26

This contract is entered into on this ___ day of _____, 2011 between the DISABLED AMERICAN VETERANS, CHAPTER 26, located at P. O. Box 195, Jonesboro, Arkansas and the City of Jonesboro, located at 515 W. Washington, Jonesboro, Arkansas.

Disabled American Veterans Chapter 26 currently sponsors two (2) vans in this area to provide transportation for veterans in this area to Veterans Administration locally, in Little Rock, Arkansas and Memphis, Tennessee.

The City of Jonesboro by way of this contract will provide Five Thousand (\$5,000.00) to assist with these efforts.

With these funds, the Disabled American Veterans, Chapter 26 will provide services to the veteran citizens of Jonesboro and Craighead County as normally associated with this type of transportation and use the funds towards obtaining additional grant funding.

This contract shall be effective _____, 2011 and remain in effect for a period of one (1) year and expiring _____, __, 20___. This contract will be entered into annually at the beginning of each calendar year to satisfy the scope of the law.

CITY OFFICIAL:

DISABLED AMERICAN VETANS, CHAPTER 26

BY: _____

BY: _____

HAROLD PERRIN
MAYOR CITY OF JONESBORO

BILLY CRIBBS
COMMANDER, CHAPTER 26

ATTEST:

DONNA JACKSON, CITY CLERK



Legislation Details (With Text)

| | | | | | |
|-----------------------|---|----------------------|---|----------------------|--|
| File #: | RES-11:213 | Version: | 1 | Name: | Contract with NEAIDC for funding |
| Type: | Resolution | Status: | | Status: | To Be Introduced |
| File created: | 12/1/2011 | In control: | | In control: | Finance & Administration Council Committee |
| On agenda: | | Final action: | | Final action: | |
| Title: | A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION FOR FUNDING OF ECONOMIC DEVELOPMENT SERVICES. | | | | |
| Sponsors: | Finance | | | | |
| Indexes: | Contract | | | | |
| Code sections: | | | | | |
| Attachments: | PBC NAIDC 2012 | | | | |

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION FOR FUNDING OF ECONOMIC DEVELOPMENT SERVICES.

Body

WHEREAS, The City of Jonesboro has received a contract from Northeast Arkansas Industrial Development Commission; and

WHEREAS, This contract is for the purpose of providing economic development services to the City of Jonesboro; and

WHEREAS, It is in the best interest of the City of Jonesboro that the City Council authorize the Mayor and City Clerk to execute this contract.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: This contract is for the purpose of obtaining economic development services from Northeast Arkansas Industrial Development Commission.

Section 2: That this contract is for the best interest of the residents of the City of Jonesboro.

Section 3: The Mayor and City Clerk are hereby authorized to execute said contract.

**Public Service Contract
between the
City of Jonesboro and
Northeast Arkansas Industrial Development Commission**

This contract is entered into on this ____ day of _____, 2012 between the Northeast Arkansas Economic Development Commission (NAIDC) and the City of Jonesboro, located at PO Box 1845, Jonesboro, Arkansas; the NAIDC at PO Box 789, Jonesboro, Arkansas.

The NAIDC is partially funded by the City of Jonesboro by Ordinance No. 3548, to fund economic development services.

Whereby, the appropriation of these funds to the NAIDC is a one time appropriation and is for a one-year contract and must be used to provide economic development services, such as but not limited to: professional economic development services, land, recruitment of industry and creating jobs and services relative to helping the citizens of Jonesboro as normally associated with this type of organization.

The amount of this contract will be \$377,250.00. This contract shall be effective from January 1, 2012 and remain in effect for a period of one (1) year and expiring December 31, 2012. This contract will be entered into annually at the beginning of each calendar year to satisfy the scope of the law.

City Official:

Northeast Arkansas Economic
Development Commission Official:

Harold Perrin, Mayor
City of Jonesboro



John Freeman, Chairman

ATTEST



Legislation Details (With Text)

File #: RES-11:220 **Version:** 1 **Name:**
Type: Resolution **Status:** To Be Introduced
File created: 12/6/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS APPROVING A CONTRACT FOR PROFESSIONAL SERVICES BY BRACKETT, KRENNERICH & ASSOCIATES TO PERFORM A SPATIAL STUDY
Sponsors: Mayor's Office
Indexes:
Code sections:
Attachments: [Brackett-Krennerich](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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Title

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS APPROVING A CONTRACT FOR PROFESSIONAL SERVICES BY BRACKETT, KRENNERICH & ASSOCIATES TO PERFORM A SPATIAL STUDY

Body

WHEREAS, The City of Jonesboro, Arkansas desires to have a spatial study performed to develop a plan for constructing a new administration building; and

WHEREAS, Brackett Krennerich & Associates have been selected to perform the study.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: That the City of Jonesboro approves the contract for a spatial study for a new administration building with Brackett Krennerich & Associates.

Section 2: The Mayor, Harold Perrin and City Clerk, Donna Jackson, are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.



AIA[®] Document B102[™] – 2007

Standard Form of Agreement Between Owner and Architect without a Predefined Scope of Architect's Services

AGREEMENT made as of the Twenty-eighth day of November in the year Two Thousand Eleven
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

City of Jonesboro
515 W. Washington Ave.
Jonesboro, Arkansas 72401

and the Architect:
(Name, legal status, address and other information)

Brackett Krennerich & Associates P.A.
100 E. Huntington Ave., Suite D
Jonesboro, AR 72401
Telephone Number: 870-932-0571
Fax Number: 870-932-0975

for the following Project:
(Name, location and detailed description)

Spatial Study
City of Jonesboro
Jonesboro, Arkansas

The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

TABLE OF ARTICLES

- 1 ARCHITECT'S RESPONSIBILITIES
- 2 OWNER'S RESPONSIBILITIES
- 3 COPYRIGHTS AND LICENSES
- 4 CLAIMS AND DISPUTES
- 5 TERMINATION OR SUSPENSION
- 6 COMPENSATION
- 7 MISCELLANEOUS PROVISIONS
- 8 SPECIAL TERMS AND CONDITIONS
- 9 SCOPE OF THE AGREEMENT

ARTICLE 1 ARCHITECT'S RESPONSIBILITIES

§ 1.1 The Architect shall provide the following professional services:

Assist the city in evaluating the current and future spatial requirements for the City Hall Administrative, Public Works Offices, and Police/Courts.

The study will be performed through individual interviews with the department heads and key staff, and a review of the information on existing space provided in the spatial physical planning analysis that was prepared by ASAI Architecture for the city in 2006. Interview process will begin on or about December 1, 2011 with completions of interviews and research in approximately two weeks.

Brackett Krennerich will then analyze information gathered and make five and ten year projections of current and future space requirements. A preliminary report on recommendations will be prepared and ready for review around mid-January 2012 with each department head and key staff. Then a final report, ready to make recommendations to the City Council, will be delivered to the City Council or committee of city's choosing around mid-February 2012. (20 copies of each report will be provided)

§ 1.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 1.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 1.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 1.5 The Architect shall maintain the following insurance for the duration of this Agreement. If any of the requirements set forth below exceed the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional cost:

(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)

- .1 General Liability

Init.

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User Notes:

(827226744)

\$1,000,000.00

.2 Automobile Liability

\$1,000,000.00

.3 Workers' Compensation

Bodily Injury by Accident \$100,000.00 Each Accident

Bodily Injury by Disease \$500,000.00 Policy Limit

Bodily Injury by Disease \$100,000.00 Each Employee

.4 Professional Liability

\$1,000,000.00

ARTICLE 2 OWNER'S RESPONSIBILITIES

§ 2.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

§ 2.2 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 2.3 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of consulting services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided.

§ 2.4 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 2.5 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

ARTICLE 3 COPYRIGHTS AND LICENSES

§ 3.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Architect intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions.

§ 3.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 3.3 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for the Project, provided that the Owner substantially

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performs its obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Sections 5.3 and 5.4, the license granted in this Section 3.3 shall terminate.

§ 3.3.1 In the event the Owner uses the Instruments of Service without retaining the author of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 3.3.1.

§ 3.4 Except for the licenses granted in this Article 3, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

ARTICLE 4 CLAIMS AND DISPUTES

§ 4.1 GENERAL

§ 4.1.1 The Owner and Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 4.1.1.

§ 4.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201-2007, General Conditions of the Contract for Construction, if applicable. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 4.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 5.7.

§ 4.2 MEDIATION

§ 4.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 4.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this Section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

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§ 4.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 4.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 4.2, the method of binding dispute resolution shall be the following:

(Check the appropriate box. If the Owner and Architect do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.)

Arbitration pursuant to Section 4.3 of this Agreement

Litigation in a court of competent jurisdiction

Other *(Specify)*

§ 4.3 ARBITRATION

§ 4.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration, which unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 4.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 4.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 4.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 4.3.4 CONSOLIDATION OR JOINDER

§ 4.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 4.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 4.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 4.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

ARTICLE 5 TERMINATION OR SUSPENSION

§ 5.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 5.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 5.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 5.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 5.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 5.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 5.7.

§ 5.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

§ 5.8 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 3 and Section 6.3.

ARTICLE 6 COMPENSATION

§ 6.1 The Owner shall compensate the Architect for services described in Section 1.1 as set forth below, or in the attached exhibit or scope document incorporated into this Agreement in Section 9.2.

(Insert amount of, or basis for, compensation or indicate the exhibit or scope document in which compensation is provided for.)

| \$18,000.00

§ 6.2 COMPENSATION FOR REIMBURSABLE EXPENSES

§ 6.2.1 Reimbursable Expenses are in addition to compensation for the Architect's professional services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
- .3 Fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, standard form documents;

| *(Paragraph deleted)*

- .5 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .6 Renderings, models, mock-ups, professional photography, and presentation materials requested by the Owner;

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- .7 Architect's Consultant's expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance in excess of that normally carried by the Architect's consultants;
- .8 Other similar Project-related expenditures.

§ 6.2.2 For Reimbursable Expenses, the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus an administrative fee of One and one-quarter percent (1.25 %) of the expenses incurred.

§ 6.3 COMPENSATION FOR USE OF ARCHITECT'S INSTRUMENTS OF SERVICE

If the Owner terminates the Architect for its convenience under Section 5.5, or the Architect terminates this Agreement under Section 5.3, the Owner shall pay a licensing fee as compensation for the Owner's continued use of the Architect's Instruments of Service solely for purposes of the Project as follows:

§ 6.4 PAYMENTS TO THE ARCHITECT

§ 6.4.1 An initial payment of Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 6.4.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Twenty-one (21) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

5.50 % per annum

§ 6.4.3 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 6.4.4 Records of Reimbursable Expenses and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 7 MISCELLANEOUS PROVISIONS

§ 7.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 4.3.

§ 7.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 7.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 7.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 7.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 7.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 7.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

§ 7.8 If the Architect or Owner receives information specifically designated by the other party as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

ARTICLE 8 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

If Brackett – Krennerich is chosen to be the architect/design professional to provide services on the projects that result from the survey our architect engineer fee will be 7% of the cost of construction for the projects. Should the city select Brackett – Krennerich to provide architect engineering services for the projects we will credit back to the city \$8,000.00 in the Schematic Design Phase of our fee schedule.

ARTICLE 9 SCOPE OF THE AGREEMENT

§ 9.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 9.2 This Agreement is comprised of the following documents listed below:

- .1 AIA Document B102–2007, Standard Form Agreement Between Owner and Architect

This Agreement entered into as of the day and year first written above.

OWNER

(Signature)

Harold Perrin, Mayor
City of Jonesboro

(Printed name and title)

ARCHITECT

(Signature)

George Krennerich III, President
Brackett Krennerich & Associates P.A.

(Printed name and title)