



City of Jonesboro

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Minutes for the Depository Board meeting on July 2, 2008.

body

Board members City Clerk Donna Jackson, Mayor Formon and City Collector Becky Sharp were in attendance. Also in attendance were Operations Director Misty Micenhamer and Finance Director Jim Barksdale.

Police Chief Michael Yates explained the state forfeiture fund needs to be separate from the federal forfeiture fund. He noted the only time the collateralization will become a problem is when there is an unusually large amount of assets that are seized. He stated then it'll become important what bank the money is in. He added how the account is managed falls under state and federal law. Ms. Sharp explained the City has a state asset forfeiture and a federal forfeiture fund. She further explained the state fund is with the consolidated fund that is in the general fund. She added Chief Yates indicated by law the fund has to be separate. She stated they will open a state forfeiture account. Mr. Barksdale also stated the state forfeiture account will be separate from the federal forfeiture account.

Ms. Sharp noted the MATA account has not been closed due to the City receiving two bills from City Water and Light that pertain to MATA. She stated they will need to pay the bills before moving the money to Streets. Ms. Micenhamer added the bills will be taken to the Public Works Committee at the August meeting.

Ms. Sharp questioned whether Mr. Barksdale should be added as a third signor when new accounts are set up. She added Mr. Barksdale would not be a primary signor. Chairwoman Jackson stated that should be handled by the Mayor's Office. Mr. Barksdale stated he did not want to be a signor because of his duties as Finance Director. He explained from an auditing standpoint you generally don't want someone with the authorization to make general ledger entries to also be able to sign on the account. He suggested making someone else, like Ms. Micenhamer, a third signor. Mayor Formon questioned the need for a third signor. Ms. Sharp stated they will leave it with just her and Mayor Formon being signors.

Ms. Sharp referred to the discussion at the previous meeting concerning previous year's leftover money in the cafeteria plan account. She explained the Employee Representative Committee recommended using the leftover money for all full-time employees to receive a 1-year membership to Air Evac. Ms. Sharp stated she is not sure about the cost because she will have to figure out how many of the 484 eligible employees want individual or family plans. She estimated it would take the full \$21,000 in the account to pay for the benefit. Discussion was held concerning whether the Air Evac benefit would have to be bid out. Ms. Sharp stated she would get some prices and bring it back to the board. Chairwoman Jackson expressed concerns over the board taking bids and overstepping its bounds. She added the Finance Committee

should be informed of what the board's intentions are to do with the money.

Further discussion was held concerning making a separate state forfeiture account for the Police Department. Chairwoman Jackson clarified separating the accounts is by state law. Mr. Barksdale answered yes. He added there are very specific rules as to what can and cannot be done with the money in the account. He stated the City is not supposed to budget with a certain amount of money in mind because that government cannot guarantee the forfeitures.

Mayor Formon motioned, seconded by Ms. Sharp, to approve the minutes for the December 31, 2007, and April 29, 2008, meetings. All voted aye.

Mr. Barksdale questioned whether a motion is needed to move the cafeteria plan money out of Regions Bank. Chairwoman Jackson questioned what the motion would be. Mr. Barksdale presented a written authorization form for the board to sign authorizing the transfer of money out of Regions into whichever bank has the highest interest rate between BanCorp South, Liberty or First Security. Discussion was then held regarding which bank to transfer the money to. Mr. Barksdale noted the Payroll account is at Liberty. Chairwoman Jackson questioned why those three banks were chosen. Mr. Barksdale stated the City has funds in those three banks, but bids could be taken if needed. Ms. Sharp noted the money will be spent in the near future for the employee benefit, but she recommended the account stay open in case the cafeteria plan has extra money in the future. Chairwoman Jackson questioned whether bids need to be taken. Discussion was held concerning taking bids and what the City does with money donated for certain causes. Chairwoman Jackson asked for a recommendation from Mr. Barksdale. Mr. Barksdale recommended putting the money into Liberty Bank because the other Payroll accounts are in Liberty. He stated his initial thought was to put it in whatever bank would offer the best interest rate. Mayor Formon questioned whether this would be a restricted fund. Mr. Barksdale explained it is restricted as to what the money can be spent on, but it's not by definition a restricted fund. Chairwoman Jackson stated the money should be put into whatever bank is offering the highest interest, which may not necessarily be Liberty. Mr. Barksdale stated unless there is some law he doesn't know about that requires bidding, then he recommends to put the money in Liberty. Chairwoman Jackson questioned the need to further research to make sure there are no opposing laws. Ms. Sharp noted the money has already been moved from Regions to Liberty Bank. She stated the committee approved the transfer at the last meeting. After reviewing the minutes from the last meeting, it was determined no authorization had been given to transfer the money. Mayor Formon motioned, seconded by Ms. Sharp, to go back and check the accounts to see which has the highest interest rate and to put the money in that bank. All voted aye.

With no further business, Ms. Sharp motioned, seconded by Mayor Formon, to adjourn. All voted aye.

Mr. Barksdale questioned whether specific reports are needed to be brought to the board. Chairwoman Jackson answered due to the limitations of the board reports would not be needed. Mr. Barksdale questioned the purpose of the board. Chairwoman Jackson stated she would give Mr. Barksdale the state code that defines the duties of the Depository Board.
