



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, January 30, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

3. Approval of minutes

[MIN-18:007](#)

Minutes for the Finance Committee meeting on January 9, 2018.

Attachments: [Minutes](#)

A motion was made by Councilmember Ann Williams, seconded by Councilmember LJ Bryant, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Joe Hafner;LJ Bryant;David McClain and Ann Williams

Absent: 2 - John Street and Charles Coleman

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-18:007](#)

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE LOW BID AND ENTER INTO A CONTRACT WITH BAILEY CONTRACTORS, INC. FOR THE JMC PARK SHOP BUILDING (2017:99)

Attachments: [JMPC Shop Building Contract](#)

Chairmember Joe Hafner said I'm in section 1 and shouldn't that read "with" Bailey Contractors? I think it should be "with." Mayor Perrin said that should be "with." We can make an amendment. Chairmember Hafner said would someone like to make a motion to amend section 1 of the resolution to read "with" Bailey Contractors instead of "is" Bailey Contractors. A motion was made by Councilmember L.J. Bryant to amend, seconded by Councilmember Ann Williams. All voted aye.

Chairmember Hafner said it looks like this is for \$724,900 and they have 200 business days to complete the work. Was the full amount budgeted? Mayor Perrin said yes. It was more than that. Parks and Recreation Director Wixson Huffstetler said the total budget was \$1.1 million so it came in well under.

Councilmember David McClain said Mr. Huffstetler this is just to give you a building. I mean explain to me. I was out there before. This is just to give the shop guys some room, right? Mr. Huffstetler said it gives me some room, but also it keeps me out of the plain and keeps from flooding. Every time it rains, I get about two to four inches in the shop, and this prepares us for the future of the Lacy property whenever we decide to develop that, too. But, yes, we are out of room with the equipment, and the major thing is the flooding. Councilmember McClain said okay. Mayor Perrin said I did talk to Mr. Bailey yesterday and I don't think it's going to take 200 days, but, again, it depends on when you get the building. Mr. Huffstetler said yes. The building is going to take 60 to 90 days, and then it's going to take another 30 days to erect it. The reason why we put 200 days in there is because we don't know when he can start once we give it to him. Because the way it's going, there's trees that have to be cut down. The dirt has to be dug up and new dirt has to be brought in for the undercut, and, right now, it's in a really wet area. It doesn't flood. It's just really wet because of all the trees. Councilmember McClain asked what side? Mr. Huffstetler said it's actually on the new piece of property we bought. It's right next to the tennis courts in the woods right there. Councilmember McClain said okay. Mayor Perrin said it will be back down on the end. Councilmember McClain said okay.

Mayor Perrin said the other thing on that too is he was right about getting it out of the flood plain. Of course, this is a resolution so if you all approve this it will go to the council, and if you all approve it, I've already set up a precon meeting for two days after the Council meeting, which is February 8th, and he already has a bond on it. The bids are good on that. If you look down through there, he is the low bid at \$724,900. You have a \$788,200 and you have a high down there of \$927,774, but that's from Searcy, which means he is going to have to leave his people up here and pay a motel and all that stuff. They didn't vary as much as I thought they would. That's a good bid on that size of building. Mr. Huffstetler said it's 8,000 square feet. Mayor Perrin said right, plus all the stuff he has to do inside, and restrooms and all that stuff. The difference in this money and the other is a savings and we're going to be using that as kind of like budget neutral. Last Sunday, we rebid the concession stand at Joe Mack Campbell Park. We budgeted \$400,000. Mr. Huffstetler said the bid came in at \$647,000. Mayor Perrin said so this is going to give us enough cushion to move and to get that, too. We should have that site plan now to go ahead and bid that other one right now out at Southside, right? Mr. Huffstetler said we're close. Councilmember McClain said you said Joe Mack, but you were talking about Southside. Chairmember Hafner said they're doing a concession stand at each place. Mr. Huffstetler said we're getting two. Councilmember McClain said okay. Mayor Perrin said we did rebid this one just to see. It was so high compared to what we had budgeted, but again, it was the build-up of the two feet, if you remember. Then you have to talk about the rails that go all the way around it, but the question is, is it \$250,000 more? Councilmember McClain said I'm with you. Mayor Perrin said it's a good bid.

A motion was made by Councilmember Ann Williams, seconded by Councilmember LJ Bryant, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Joe Hafner;LJ Bryant;David McClain and Ann Williams

Absent: 2 - John Street and Charles Coleman

[RES-18:009](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS REQUESTING CITY WATER & LIGHT (CWL) PAY FOR THE REMAINDER OF THE NEW JONESBORO FIRE DEPARTMENT PUMPER TRUCK

Attachments: [Pierce Mfg. Purchase Order.pdf](#)

Chairmember Joe Hafner said once again it is very nice of City Water & Light. Mayor Harold Perrin said yes, very nice. They have been buying us a truck every year for a long, long time, and that, plus them putting up the hydrants, and all these deals is why we got a Class 1 rating, plus, what we have done ourselves. They are a big partner in that.

A motion was made by Councilmember David McClain, seconded by Councilmember Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Joe Hafner;LJ Bryant;David McClain and Ann Williams

Absent: 2 - John Street and Charles Coleman

5. Pending Items

6. Other Business

Mayor Harold Perrin said I don't have anything other than I'm going to go ahead and put on the agenda the State of the City at the next Council meeting. Also, Chief Financial Officer Bill Reznicek has been working on several reports we have to file with the State of Arkansas. In fact, one is already gone. As you know, after we get this February balance out of that then we will do the Clean Up ordinance. Then, we will probably put an ad in the paper and do a financial statement in the paper, which we have always done. It will look good, but I'm just kind of giving you all a heads up about how that sequence goes. Mr. Reznicek said the deadline is April 1. Mike Burroughs and Trever Harvey said it was advertised on the last Monday of March last year.

Mayor Perrin said you might want to tell this committee, Mr. Reznicek, if you don't mind, a couple things. You might want to talk about the things you are changing in the audits, what I call the audits within the city. We have legislative audits, but we also, ourselves, do certain things. He has changed some of those, particularly on the vehicles and the collections department. Mr. Reznicek said we are doing a 100%, what I call, hands on inventory of all city-owned vehicles, and this is city-wide anything that, basically, is driven on the road, including trucks, cars, police cars, sanitation trucks. There are a couple of reasons that I want to do this. From conversations I have had with folks here is that this hasn't been done in some time. I get concerned when, and I'm just using this as an example because they have the highest volume of activity. For example, the Police Department ordered a lot of cars recently. I have low visibility to what happens with the old cars. It's kind of a hand-me-down and keeping track of those things is tough sometimes and that is one of the reasons. The other reason is that the Finance Department is the custodian of the assets of the City. If someone asked me the highest value of assets in the City, it would be buildings first and vehicles second. There might not be a huge difference in the value. So, I feel it's incumbent upon us to make sure we're safeguarding the assets. If legislative audit came to me this year and said, by the way, how comfortable are you with your vehicle inventory? I would have to say, I'm not real comfortable. I want to do this because it's the right thing to do.

The other thing is the reporting to the insurance company to deal with the potential of having vehicles on there that aren't even in service anymore that we're paying insurance

on, or the potential to be driving vehicles that aren't on the insurance coverage. That's another way for us to have something to bump against with the insurance company as to make sure we have the right valuation for our insurance. We're going to have people do, what I call, "hands-on inventory." I'm going to do it sheet to shelf, shelf to sheet. I'm going to do it in both directions, which is the most comprehensive way to do an inventory. I'm going to have the people who are operating those vehicles to take a picture of the VIN number through the windshield, a side view of the car and then we have a text and e-mail account set up specifically for this project. They will send that along with a description, make, model, year and mileage. We have descriptor codes of the condition of the vehicles, as well. We'll accumulate all of that information, and there's actually a fixed asset module in Springbook, and we'll load this into Springbook, along with the pictures of the vehicle. We are rolling it out with Mr. Huffstetler's department as kind of a test to get the bugs worked out of it. Once we have this all accumulated, we will have, what I think, is an excellent go forward point where we can manage our vehicles. Chairmember Hafner said that's a great idea and very much needed.

Councilmember L.J. Bryant said Mr. Reznicek or Mayor Perrin, do we have GPS on non-emergency vehicles? Mr. Reznicek said I believe we have GPS on emergency vehicles. I know we do on the police and fire. They are installed on every unit. Chairmember Hafner said he said non-emergency. Councilmember Bryant said non-emergency. Mr. Reznicek said no. Mayor Perrin said I don't think you have any on any of them. The only thing I could think of would be under Code Enforcement. I'm not sure if we have GPS on those. I don't think we do. That's something in inventory that you need to check too. What has happened in the past, and we have caught some, is that some police cars were wrecked or out of service and we were still paying \$49 per month on the Automatic Vehicle Locator (AVL) and that thing had been wrecked for six months and, yet, another car was bought. He is going to cross-reference everything to pick up that stuff. We have talked about it for several hours on this thing. So, that would be picked up, as well, on the AVLs.

Chairmember Hafner said like on old vehicles that are scrapped out is there a disposition list that's turned in or a sheet? Mr. Reznicek said there's supposed to be and that's a loose end that I need to tie up. Once I'm comfortable that I have a 100% starting point then I'm much more capable of tracking dispositions going forward. Chairmember Hafner said, if you can next month, probably at the second meeting of next month, could you give us an update on how the process is going? Mr. Reznicek said sure, absolutely. Mayor Perrin said we've done that when we have a sale of cars, etc. It goes to Purchasing Agent Steve Kent and Mr. Kent is to take it off the inventory list and all that stuff, which again should go on down to Information Systems. There's so many people who touch that, which means you turn it off from the \$49 per month. If you don't tie all that communication together, you're going to have somebody out there hanging. That's what Mr. Reznicek is doing. He's making a map of everything in there that should be touched. Chairmember Hafner said and what you did elude to is there's so many assets that you lose visibility of, especially old stuff. You don't know if it sitting somewhere or if it is gone. Mayor Perrin said they've got a good maintenance deal. We do have that on computer. It can tell you when there needs to be an oil change and when it was. All that is in place, but, the disposition, purchase and the use, and which ones are in the bullpen are not on there.

Mr. Reznicek and I rode Friday night and in the back behind the patrol division there was probably 12 or 15 cars. Mr. Reznicek said behind the Justice Complex. Mayor Perrin said am I correct. Mr. Reznicek said yes. Mayor Perrin said I asked the question, and I knew the answer to it, but I wanted to make sure. Three or four of

those cars may be just for back up. If we do wreck one, we have to have one to put on the road with everything equipped and ready to go. Chairmember Hafner said, and the other thing, like on that maintenance, you probably run a report showing the last time a vehicle was serviced and if you have stuff on there that has not been serviced in "x" number of years, you're like, okay, we'll lose this truck or we'll lose this car. Mr. Reznicek said exactly. Mayor Perrin said yes. Chairmember Hafner said that could help you in this process. Mr. Reznicek said yes. Mayor Perrin said every department is different. You have Dan Avenue who will take care of theirs. You have Karen Odom who takes care of that in the Police Department. You have City Hall. You'll have several of those that you can cross-reference, and that's what I'm saying to you is cross-reference. Mr. Reznicek said it's a much more efficient way to do it this way rather than having one or two people going out trying to chase down 400 vehicles in this city.

Mr. Reznicek said the other thing we are going to do, once we get that finished, I have already talked to Information Systems Director Jason Ratliff and he has given me the initial listing of all the information systems assets, computers, laptops. It was a pretty significant list. I was actually kind of surprised. So, that's going to be the next project from a major inventory standpoint that we are going to do. Mr. Ratliff and I are looking at our Verizon cost. Our Verizon cost has kind of spiked here recently with both phone and data usage and devices. I'm sitting down with Mr. Ratliff right now and we are going through that. We are looking for devices that are not being used or excessive usage. We are making sure that the people who have devices in their hands that it is really mission critical type of utilization that those people really need that. I think there's some opportunity to save some money there.

The other thing we're doing from an internal audit standpoint or changing our audit practices, and we mentioned this before, on the alcohol and beverage tax we've actually redesigned the request for information and now we're going to ask for the copy of their state filing of their monthly sales and use tax, which has the alcohol breakdown on there. So, that's corroborating evidence, where in the past we were essentially taking it on an honor system. They were reporting their general ledger, and we got as many different entities in the city establishments serving alcohol. We got that many variations and varieties of sales reports. There was really nothing to corroborate whether or not those were legitimate. Not saying that people would not report legitimate numbers, but, from an audit standpoint, that's not really the way to conduct an audit. You at least need one corroborating piece of evidence and their sales and use tax filing with the state gives us that. So, we're changing that. After we get that piece of it set up and running to my satisfaction, then we're going to move to the hotel tax and tighten up the audit process on that. Because again, that's been basically an honor system. Not that necessarily saying people aren't reporting the correct numbers, but we would like to have some additional corroboration of what those numbers are, as well. So, we have a number of things working that I think should true up some of the reporting and give us a higher, at least if nothing else, a higher level of comfort that the information and numbers we're getting and the taxes we are collecting are indeed accurate. Chairmember Hafner said great.

Mayor Perrin said I called Larry Walters, at Department of Finance and Administration (DFA). Mr. Reznicek is going to be meeting with Tom Atchley. Tom is going to give him all the reporting that he can to be able to pull from the State of Arkansas. We've been doing this for years. I guess I done it my first or maybe about 2010 or 2011, I guess, somewhere in there. They will give us a tape or send us everyone who remits a sales tax, and you can take it and butt it against ours in the Collections Department. We came up with about 200 or 300 prospects really quick as people paying sales tax

that don't have a business licenses. So, we started going down there and selling a lot of business license. They are going to sit down and talk Thursday about every report the State of Arkansas gets and how can that tie it to municipalities. I think that will be good.

Chairmember Joe Hafner said thanks for that update. It sounds like some really good programs. The only other thing I have and just because it was in the paper, I guess, yesterday was on the Citizens Bank building. It looks like there's movement there. Mayor Perrin said Price Gardner would be here Thursday to sit down and visit with the City of Jonesboro. I am going to be in Little Rock, and I regret that, but I tried to move it around and I couldn't do that. I'm flying down that morning for a meeting. He's bringing up a letter after he meets with some people who have said they have an interest in the building, but then he will give us a letter. Hopefully, I should have it by Friday of this week, if not early next week, that I can share. When I get it I will share it with all of you what he says, and that's all the benefits. He is taking his time to look and meet with Ralph Waddell, who is the attorney for First Security Bank, and with Tim Grooms, who is the attorney for Mr. Burrow. In other words, what he's done is an attorney has gone out and pulled everything. All I know now, again, is that there has been a new LLC formed, I think it's One Main Place, LLC. That corporation has paid the back taxes and they are also holding a mortgage on the leasehold improvements. Really, what that means is they have either loaned or given somebody some money that had leasehold improvements and they're holding the mortgage on that. So, he's going to tear all that apart and explain all that. He should be here Friday. As you all know, he's on the Board of Trustees and he's coming up to meet, I guess, with the Chancellor on some stuff that morning and meeting with us at 1:30 p.m.

Chairmember Hafner said and he specializes in real estate? Mayor Perrin said yes, and he's one of the managing partners for Friday, Eldredge & Clark, LLP, in Little Rock, and he is one of the top real estate people in the state. Bill Bristow and several attorneys recommended him to me for the City. I called and asked if you had an issue like this where would you go? The way the motion was kind of made with Councilmember Chris Moore was let's get an independent counsel and I took that as outside Jonesboro, and somebody that's really independent because he knows none of the players, and he was the one. He has been very good about it. He also has a lot of contacts. I mean, who knows, he may even be able to find us a developer. Chairmember Hafner said that would be great. Mayor Perrin said that is all he does for the Friday, Eldredge & Clark is writing real estate contracts and all of that. Chairmember Hafner said as we all know that used to be just a beautiful building coming into downtown and now it's just an eye sore. Mayor Perrin said well, let me just say this. I think the biggest liability could be your biggest asset on that building because it's structurally sound. Now, somebody has to be smart enough with how much money you put into a building to get your return on your investment. It's like anything else. It's a capitalist system. What I saw in Springfield, Missouri, when you take an MFA building, an old feed store, and Missouri State University goes to Springfield and buys it, and does some other stuff, and now they have \$52 million invested in downtown Springfield, but they also have their incubator system. They have all that stuff. They have national companies that have their sub office inside that building. In Springfield, it's amazing what's happened with economic development.

Chairmember Hafner said well, the way I think we want to develop downtown and these surrounding areas and connectors to Arkansas State University and maybe dog parks, or whatever, that has kind of been thrown in the air down here. Compared to about 25 years ago, the way the downtown has improved over the last several years, it's been amazing, but some of the things we want to do and I think are going to happen. I

mean, that could be a prime spot for living or working, or both. Mayor Perrin said yes, you could have condos on the top two floors. There's 4,000 square feet per floor. That's a pretty good size, I call it a condo, or whatever you want to call it. You could have two per floor on the top two, come down, and have three more floors for what I call work. We've had some companies that are on the exchange that had an interest in maybe coming here to put in a sub office in Jonesboro because they do a lot of business in Jonesboro. You're absolutely right.

If you just stop and think what has happened in the last two or three years. First of all, First Baptist Church took down the old Holiday Inn. That was a bad eye sore for years. Right? That's been taken down. Second, George Stem and them went around Union and got all the Massanelli. They done all that and cleaned all that up, and then St. Bernards is spending almost three or four hundred million dollars and they're coming this way down to Jackson Street. Then we are going to propose to look and show you all green space that we will do next to the United Way, and close Monroe Street. That will all be grass and trees. That's going to be the biggest green space in downtown Jonesboro. That's really what these people want. You know what I'm saying. There's a lot of good things going on.

Chairmember Hafner said I'm just bringing up some of this stuff out of the blue and you all are probably ready to go, but that thought led me to another thought. What's the status of some of the Brownfield studies? Mayor Perrin said he would have to get with Community Development Director Tiffny Calloway. After Kimberly Marshall left and Ms. Calloway came in, I'm gonna be honest with you, we have been concentrating more on grants and working with our grants division on refiling and getting some money back, and then getting new grants, so I have not looked at that. There are five sites. I will tell you that I have been in contact with General Electric (GE) on three different occasions. The real estate division is supposed to be calling me this week. If she does not call me by Thursday then I'm going to call her and start dialogue with them. I have asked them for the entire GE building, for free, which is 33 acres. That would be where I would get with Becky Keogh, immediately, with Arkansas Department of Environmental Quality (ADEQ), and get her whole staff up here, which has been up here on my fourth floor, and her give me a Letter of Understanding. GE has already done all the environmental because they knew they were obviously going to try to get rid of this building in the last year. They have done every phase that you can on environmental, all that has been done. So, we would want those records. I have notified City Attorney Carol Duncan that this is the same situation as Wolverine, so I need her help on that deal, on legal and all that stuff as we get to that.

Chairmember Hafner said and a lot could be done with the GE building. Mayor Perrin said I went there the other day. I had forgot about it, and I live here. They have a four-lane entrance off Washington with a divided deal in there and I kept thinking the only way to get in there was Gee Street. I can't believe that, as much as I go down Washington. I just go down Washington and never think to look to my right and here's four lanes going in and that's how you get into the office area. Chairmember Hafner said I probably never realized that too. Mayor Perrin said I mean, it's already paved. It's beautiful. Nothing wrong with the driveway. Absolutely nothing, even to Gee Street, but then you get into the fencing and the building and you have a completely different issue. Chairmember Hafner said thank you. Thanks for the updates. I didn't mean to hit you out of the blue. Mayor Perrin said no, I love to talk about it because it's things I want you all to be aware of and just to let you know what I'm doing. It's just like, three years ago people said we would never get Wolverine, but we got it free. If you don't go after it, you're not gonna get it. Chairmember Hafner said right.

Councilmember Ann Williams said now the status on the Wolverine property as far as the cleanup or Brownfield, what is that exactly? Mayor Perrin said we've already got that one cleaned up. That has been done. Councilmember Williams said that has been done? Mayor Perrin said yes ma'am. We put a cap on that and did all of that, even the place where the hill operation was over there by Pepsi. That's all been done. Councilmember Williams said right. I see. Okay.

Mayor Perrin said you have heard about and talked about the veteran's homes, the Veteran's Village. You know we looked at the property on Johnson Avenue. It was gonna take so much site work to put them in the very back of that wooded area due to drainage and stuff like that. Now, one place to put these, possibly, is the parking lot that Wolverine owned right across the street from the road there. We could put the original 10 homes for the veterans there. We met with Beck Pride Friday and they were 100% behind this project. Councilmember Williams said that's on the other side of Aggie. Is that right? Mayor Perrin said it would be right there on Aggie. Councilmember Williams said yes, but on the other side than the plant. Is that right? Mayor Perrin said the plant is here and there's a road that runs beside it, that's Patrick, and then there is all this clean area. Councilmember Williams said right. Mayor Perrin said they bought that from Gene Vance's family for parking and right there is where we would do it. Councilmember Williams said okay. Mayor Perrin said it kind of turns down and what goes down is the parking lot. City Engineer Craig Light and them and Geographic Information Systems (GIS) have already set these houses in there with Beck Pride's buildings. The veterans could go right around here to Beck Pride and get any information they want and the Veterans' Administration wants to be inside there, too. If the City owns that there will be no utilities cost and this is what killed the people in Kansas City because it was so high to run the sewer and getting the infrastructure. If we own it, there's a possibility all of that could be done by City, Water & Light. That would help us.

Councilmember Williams said is there also a storage building that was owned by a private citizen on that Wolverine property. Mayor Perrin said there is a little building there that is owned by an individual that we tried to buy and she asked us for a pretty large amount of money. We just cleaned everything around it up. It's a very small place. Eventually, she will sell it, but it won't be to us. Chairmember Hafner said just build around it. Mayor Perrin said that's what we done. I mean we actually almost own around it. Councilmember Williams said there's no point in us chasing it, right? Mayor Perrin said exactly. So, we've got that. It's good. It's going good. It really is.

7. Public Comments

8. Adjournment

A motion was made by Councilmember LJ Bryant, seconded by Councilmember David McClain, that this meeting be Adjourned. The motion PASSED with the following vote.

Aye: 4 - Joe Hafner;LJ Bryant;David McClain and Ann Williams

Absent: 2 - John Street and Charles Coleman