



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, March 8, 2011

4:00 PM

Huntington Building

Special Called Meeting

1. Call To Order

Mayor Perrin was also in attendance.

Present 3 - Ann Williams; John Street and Darrel Dover

Absent 2 - Mikel Fears and Charles Coleman

2. New Business

Ordinances To Be Introduced

[ORD-11:023](#)

AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET AND THE CITY SALARY & ADMINISTRATION PLAN FOR THE CITY OF JONESBORO TO ADD A SOFTBALL COORDINATOR TO THE PARKS AND RECREATION DEPARTMENT

Sponsors: Parks & Recreation and Finance

Attachments: [Softball Coordinator - 28736](#)

Councilman Street questioned who has been doing these duties up until now. Parks Director Jeff Owens stated the duties are currently being handled by the Jonesboro Softball Association. Councilman Street then questioned why the Softball Association is no longer handling the duties. Mr. Owens stated they no longer desire to be responsible for the duties. Councilman Street expressed concern regarding the City having to pay \$30,000 a year for an employee to handle the duties when the Softball Association has been handling it. Mayor Perrin explained they have looked at the revenue and expenses concerning the softball field and have noticed very few teams play at the field anymore causing the City to lose money. He further explained the City will be hiring Mrs. Turman in order to put on more tournaments in order to bring in more revenue and to help utilize the field more. He discussed recent improvements with the park. He noted they are going to try out the position for one year because he thinks Mrs. Turman will be able to bring in enough money to offset some of the expense of the softball field.

Chairwoman Williams questioned whether anyone has looked into how much money comes into the City from tournaments. Mr. Owens stated they attempted to do a study last year with the Jonesboro Baseball Boosters, but they did not get enough people to respond to the surveys in order for them to have enough information to figure out what the economic impact is. He added any tournament that brings teams into the City of Jonesboro overnight will have a large economic impact on the City. Councilman Dover questioned who receives the money that is collected at the gate.

Mr. Owens stated that money is currently going towards the Jonesboro Softball Association. Councilman Dover then questioned who gets the money collected from entry fees for tournaments. Mr. Owens answered that money also goes towards the Jonesboro Softball Association. Councilman Dover asked who receives the money from the concession stands. Mr. Owens stated the Jonesboro Softball Association also receives that money. Councilman Dover asked if that will change. Mr. Owens stated yes, the City will now be receiving all of the money from the gate, entry fees and concession stands. He added last year's registration fees totaled \$60,000. Councilman Street questioned whether the Advertising and Promotions Commission contributes towards the games. Mr. Owens answered yes, last year they received money to improve some areas of the fields and the concessions stands in order to bring in more tournaments.

Mayor Perrin explained according to their figures the City should be in the good about \$34,000 the first year due to the extra revenue. Mr. Owens stated the figure is closer to about \$10,000 the first year, but that revenue will increase after the first year due to additional tournaments not being added until next year.

Discussion was held concerning job duties for the position.

Chairwoman Williams questioned whether the resolution has been to the Public Services Committee yet. Mr. Owens answered no, this is the first committee the resolution has been presented to. Chairwoman Williams asked if this should go to Public Services Committee first. Mr. Owens explained he was told to present it to the Finance Committee, so he can't answer why it didn't go to Public Services first. Mayor Perrin stated that because it's a new position they decided to take it to Finance. Councilman Dover stated that because of the financial impact it would need to be presented to Finance. Mayor Perrin stated it's his understand items to be taken to the Public Services Committee are new programs, entering into contracts, etc. He added this is a new position, which is personnel, and that is why it was presented to the Finance Committee. He further stated he will take the item to Public Services if the committee requests, but he can't see it.

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: 2 - John Street and Darrel Dover

Absent: 2 - Mikel Fears and Charles Coleman

Resolutions To Be Introduced

RES-11:031

RESOLUTION AUTHORIZING FINANCING UNDER AMENDMENT 78 FOR CAPITAL IMPROVEMENTS WITH INTEGRITY FIRST BANK

Sponsors: Mayor's Office and Finance

Attachments: [2011-99 Tax Exempt Financing - Bid Sheet](#)
[Written Proposal Integrity First Bank](#)
[Information concerning loan](#)

Mayor Perrin explained they want to take out a loan while the interest rates are low in order to finish the Streets facility on Lacy Drive and to construct a new fire station on Harrisburg Road. They will also be expanding City Hall, but there are currently no plans and there is nothing in concrete for the expansion just yet. He added, in fact,

they just came from a meeting at Nabholz Construction concerning the expansion. He discussed the projects and the information that he presented to the committee. He explained \$5.689 million will be spent to finish the Public Works facility on Lacy, \$1.920 million will be spent on building the new fire station on Harrisburg, which will leave \$2.890 million for the City Hall expansion project.

Councilman Dover questioned what phase of the City's plan concerning fire station relocations the new fire station fits into. Fire Chief Leonard Jadrich answered this is phase three, which leaves just the relocation of Fire Station #5 in order to move it south closer to Valley View.

Mayor Perrin explained nine bids were received from banks located in town with Integrity First Bank being the low bidder at 2.37% interest for five years. He added the bank is located on Highland Drive and Mr. G.L. Lieblong, who he has worked for in the past, is the bank president.

Councilman Dover clarified that the first year loan payment would be for the interest only. Mayor Perrin answered yes, but that interest won't start until money starts being drawn down. Councilman Dover then stated the payback will come from the Capital Improvement Fund. Mayor Perrin answered yes. Councilman Street added he has had several people question what would happen if the economy took another downturn while the City has this outstanding loan. Chief Financial Officer Ben Barylske stated the \$10.5 million is the lowest amount the City could borrow and still get the projects done, but the City could've borrowed up to \$35 million over the next five years without hurting the Capital Improvement Fund. He explained the City averages \$7 million a year in revenues for the Capital Improvement Fund. He further explained paying the loan out of Capital Improvements will actually free up money for drainage projects. He added this loan has nothing to do with the public safety tax or turnback money.

Chairwoman Williams questioned why they didn't go with a bond issue. Mr. Barylske explained they have contacted the Attorney General's office to determine whether or not a bond issue could be used to fund the projects they are wanting to complete, but they don't expect that opinion back for four or five months due to the current legislative session. He added if the AG's opinion is favorable for the City and if the rates are still low, then they may come back and ask for a bond issue which could be repaid over 18 years.

Councilman Dover questioned whether action will be needed by the Finance Committee and/or City Council whenever the Mayor is ready to draw down money on the loan. Mayor Perrin stated no, he would not need to come back every time money needs to be drawn down. He added they will include the draw downs on financial reports in order to keep the City Council updated on the information.

Further discussion was held concerning a bond issue. Mayor Perrin explained that if the rates are still low whenever they receive the AG opinion they may look at taking out the bond issue and start on other projects, such as the fire station in Valley View, since repaying a bond issue can be spread out over 18 to 20 years.

Councilman Street asked for the resolution to not be placed on the consent agenda so the Mayor can make a presentation to the full Council concerning the loan. A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this matter be Recommended Under New Business. The motion PASSED by a unanimous vote.

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Mikel Fears and Charles Coleman

3. Other Business

Non-uniform pension plan update

Mayor Perrin stated they received an email from Principal saying they received the revised service agreement and they want to have a conference call. Human Resources Director Gloria Roark explained they have a meeting scheduled with Principal on Thursday and they will be including the attorney, as well as the actuaries. She further explained the service agreement included a provision for Principal to provide the record keeping and updating the records. She stated they are not sure if Principal will be providing those services or if Stephens will be doing it. She noted there are a few employees who have recently discussed retiring.

COM-11:018

2010 year end financial report

Attachments:

[Summary concerning 2010 year end financials](#)

[Statement of Revenues & Expenditures for year ended December 31, 2010](#)

Mayor Perrin stated he will be sending the information out to all of the City Council members, as well as sending the press release to the Jonesboro Sun. He discussed the financial reports. He noted the O&M account had \$738,000 in the good as opposed to the deficit that was budgeted. He explained that is due to the work of the department heads to keep costs low, as well as other budget cuts that were done during the year, such as cutting employee cost of living increases and less travel to conferences. He also noted there were no fixed asset purchases last year, which is going to need to be done this year along with taking care of the employees.

4. Adjournment

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

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Mikel Fears and Charles Coleman