



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Tuesday, November 28, 2023

4:00 PM

Municipal Center, 300 S. Church

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### 1. CALL TO ORDER

### 2. ROLL CALL (ELECTRONIC ATTENDANCE) CONFIRMED BY CITY CLERK APRIL LEGGETT

**Present** 7 - Joe Hafner; Charles Coleman; Ann Williams; John Street; David McClain; Brian Emison and Anthony Coleman

### 3. APPROVAL OF MINUTES

[MIN-23:110](#)

Minutes for the Finance and Administration Committee Meeting on Tuesday, November 14, 2023

**Attachments:** [Minutes](#)

**A motion was made by John Street, seconded by Brian Emison, that this matter be Passed . The motion PASSED with the following vote.**

**Aye:** 5 - Charles Coleman; Ann Williams; John Street; David McClain and Brian Emison

**Absent:** 1 - Anthony Coleman

### 4. NEW BUSINESS

#### *RESOLUTIONS TO BE INTRODUCED*

[RES-23:267](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS, TO ENTER INTO AGREEMENT WITH THE OFFICE OF JUSTICE PROGRAM (OJP) OF THE UNITED STATES DEPARTMENT OF JUSTICE TO ACCEPT AND ALLOCATE THE FY23 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) LOCAL SOLICITATION

**Sponsors:** Grants, Police Department and Finance

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 6 - Charles Coleman; Ann Williams; John Street; David McClain; Brian Emison and Anthony Coleman

[RES-23:268](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS, TO ENTER INTO AN AGREEMENT WITH THE ARKANSAS STATE POLICE TO ACCEPT

A GRANT AWARD FROM THE FY2024 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP)

**Sponsors:** Grants, Police Department and Finance

*Councilmember Dr. Anthony Coleman said, yes sir. So I just want some understanding. While I am very much so for the car seats and child seats, I am just asking about the \$45,000 match; and then it says 'in-kind services.' So I'm very much aware. I know what in-kind services means; but with this matching grant, are we actually giving this back or do we just have to show record of these persons doing this work? Assistant Chief of Police Lynn Waterworth with the Jonesboro Police Department approached the podium and said, we provide the officers for the car seat clinics. The funds go to pay for car seats and things like that; and the officers that install those car seats, they have to go to a week-long car seat installation class. We fund all of that and send them to that training and everything like that. It will also provide some overtime money for officers where they may immediately following a shift or on a day off, they will come in and work a little extra traffic enforcement in problem areas. We have done this for several, several years. Councilmember Dr. Anthony Coleman said, great. I'm just learning. Thank you.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 6 - Charles Coleman;Ann Williams;John Street;David McClain;Brian Emison and Anthony Coleman

[RES-23:269](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS, TO ENTER INTO AGREEMENT WITH THE DEPARTMENT OF JUSTICE TO ACCEPT AN AWARD FROM THE FY2023 BULLETPROOF VEST PARTNERSHIP

**Sponsors:** Grants, Police Department and Finance

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 6 - Charles Coleman;Ann Williams;John Street;David McClain;Brian Emison and Anthony Coleman

[RES-23:270](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO APPROPRIATE FUNDING TO HIRE 12 FIREFIGHTER PERSONNEL AND AMEND THE SALARY AND ADMINISTRATION PLAN BY INCLUDING REVISED PAY GRADES AND SALARY RANGES FOR THE FIRE DEPARTMENT

**Sponsors:** Mayor's Office, Fire Department, Finance and Human Resources

**Attachments:** [Cap Imp Plan JFD Additional FF Personnel](#)  
[JFD Revised Pay Grades & Salaries effective December 2023](#)  
[2023 JFD Step Grid](#)  
[2023 JFD Department Salaries State Comparision](#)

*Chairman Joe Hafner said, before I open it up to the committee, are there any comments that the staff or mayor or city staff wants to make before we open up the floor for questions? Mayor Harold Copenhaver said, Mr. Chair, thank you for the opportunity to speak; and Chief, if you would like to come up and speak as well. We've had multiple conversations along this; and I just want to say I appreciate Chief Hamrick and his entire administration on the communication process that we've had. And I think that I would like Chief Hamrick to speak on this. I think it is important that the public hear from their chief and his opinion and the direction that he feels we are*

headed in. Fire Department Chief Marty Hamrick approached the podium and said, absolutely. So if I can, I will start with the 12 new personnel and what that will mean for us and for the city as a whole. As we look at our current ISO rating, which was done back in 2021, we did manage to retain our ISO 1. The weakest link in that whole process is the amount of personnel we can put on the fire ground or on the scene of a structure fire. We currently are able to put 13 fire personnel there on a structure fire. According to what ISO numbers recommend, we should be able to supply 17 personnel. By hiring the 12 new additional people, we will be able to meet that on an everyday basis. What that would do for us is currently we have three personnel assigned to our engine companies and two personnel that are assigned to our ladder trucks. You get three fire engines and two ladder trucks to any structure fire in the city. That is why we provide so many pieces of equipment is to get the personnel on the scene that we need. We will put the new personnel on the ladder trucks, supplying that with four personnel on each ladder. That is how we will get to the 17 personnel that we are required by, so helping to secure that rating for the future. We are expecting when we are re-rated in 2025, there will be a need for a fire station, and they will help us identify a little better of where that place will need to go at that time. Plus we will have trained personnel ready to go in that station as well. And that is how that piece of it would work. Any questions on that part?

Councilmember Dr. Charles Coleman said, the fire stations that we have now, are they in the what I call right proximity of places that they need to be? Chief Hamrick said, yes sir. They are in a fairly good spot, the current stations that we have. They cover a good part of the city. We have recently swapped from a district-based dispatching where historically we have been. Now we go to a GPS-based, and it will assign the closest units regardless of what fire station or where they are traveling in the city. So the GPS-based actually helps a lot getting the correct units on scene quicker. There are areas of the city that we are aware of that potentially will need fire stations in the near future, either out toward Valley View or out toward the Farville curve area. Those areas are really growing, getting populated. Population is going to bring the need for an additional fire station, so we have that immediate response in that area.

Councilmember Dr. Charles Coleman said, I'm thinking really that I am glad this is happening as far as the Finance is concerned, but I think I also, it's not a question. It's more like 'I need an answer.' When you guys go out, it seems like there is extra work here lately, you know, for medical conditions; and I think you need to speak on that to the public because I think sometimes the public doesn't understand if there is a heart attack or potential heart attack, that type of thing.

Chief Hamrick said, sure. Absolutely. We are seeing, if you remember, I think a couple of meetings ago, Ronnie Sturch mentioned that we are seeing a 10% increase across the board on all emergency calls, whether it be for ambulance, PD, FD. Our population is growing, and most of our apparatus now, we are well over half of our department that are certified EMTs. So as part of the service, one thing we feel we need to provide to the public is to run ahead of those ambulances. We are able to get on the scene quicker and start assessing those and doing EMT level work to provide better care to the patients in the medical setting. And many times, that is the difference between them living and dying, because we only run on emergency calls. But we do also run quite a few lift assist and things maybe not an emergency. But what that does is it frees up our ambulance companies who continually are tied up and were waiting on ambulances anyway. So if it's a service we can provide, it's what we want to do. It's something we need to do for the public. Councilmember Dr. Charles Coleman said, well, again, I am glad to get an answer to that question. We had an incident over at our church not too long ago. You guys showed up, and I was sure glad that they showed up. A lot of people in the community said 'well, there's no fire, so why are they

showing up?’ And I was saying, you know, that is part of their job now, and that is part of the things that you need to back us for is helping the fire department to do the things that we need done in the community. Thank you.

Chairman Joe Hafner said, any other questions for Chief? Councilmember David McClain said, I had a quick question. So you said in 2025 we get reassessed for the ISO. Do you think we will need maybe two fire stations? Chief Hamrick said, it’s possible. I mean, it all depends on the growth of the city between now and then. You can look at it several different ways. So we’ve looked at it to the tenth degree, if you want to call it that. How do we get 100% coverage for our total square mileage? We would need four or five. Councilmember David McClain said, four or five additional? Chief Hamrick said, yes, to cover the complete city limits. Now, obviously there are sections of that where there is not any population, so it is not important for that to be covered with a station when there is nobody living out there. ISO takes into account the number of roof tops that are in a mile and a half radius area; and they also look at how many fire hydrants are in that same area. Once you start getting over 100 fire hydrants, that shows an increase in population; and that is one of the criteria they use for determining where a station needs placed. Also they look at a four-minute response time from that fire station, how far they can reach in four minutes. Hopefully it’s that mile and a half diameter around the station. That is what the goal is. So you can see there are areas of the town right now that are just outside of that. Some, Sage Meadows for example, is way outside of that; and there is not a good way to fix that particular problem. If we were to put a fire station out there just for Sage Meadows, then we are not doing the best service to the whole public that we could. So definitely the two hot areas right now somewhere down toward Valley View, one a little further down toward Farville even though we have the station at Hilltop. It can’t get all the way out there; and then with the new developments off of Prospect and with all that coming in, there is going to be a future need out that way. So that one moving out toward Farville could come in when that new bypass and everything gets open. They would be able to hit that pretty quick. Like I say, we are hoping ISO and they will help us dial in the locations that we would need. But it would just be in addition to the current placement. We were not looking at moving stations like we did several years ago when we moved everything out to where their current location is. It would just be adding additional places.

Councilmember David McClain said, let me follow up to that. So say we need two stations. We add two stations. Cost of building that facility, but also staffing it, how many people does it take to staff it fully? Chief Hamrick said, you are looking at least 12 personnel to staff a fire station if all it has is one piece of equipment in it. So typically those stations we are talking about would probably be a single engine company station. And you are looking at, of course, you’ve got to have a fire truck. You’ve got to have all the equipment, 12 personnel. There are some promotions that are involved in there for captains and things of that nature to run the station. And then the station itself. So depending on what square footage, I think the last estimate we saw was probably around \$400 a square foot to build a fire station; and we are looking at for that size of station, maybe a 6,000 square foot building.

Chairman Joe Hafner said, any other questions for Chief? Councilmember Dr. Anthony Coleman said, I don’t know if it’s for Chief. I appreciate the work, and thank you for explaining. That was literally one of my questions about future station and what are the plans on it. So I appreciate that. I don’t know if it’s for you or Steve or who this is for; but when I was reading this resolution, there was of course the 12 new persons, and then I saw a six and a half percent increase for current personnel, which is over \$500,000. So I wanted clarity on that. Are we saying \$1.5 million for 2024’s budget that

would include the 12 new personnel? Chief Hamrick said, that is two different pieces. So the 12 new personnel is the 1.5. That is personnel, equipment, training for those, and you know salary and all that is in there. And then the second piece, the salary plan, that is a second piece. That would apply to current and future hires. One thing that was part of my goals when I became chief is the current system we are under is not really a good system. The steps are not even. There is overlap and things of that nature; and that was one of the things that we started talking about early on was how do we fix this. How do we get a good plan moving forward that is easily adjustable as we move down the road and we won't run into this problem again. The product that we proposed brought to Mayor and Mr. Purtee was much less than what they came up with. They did a really good job in designing that plan with some assistance from us, some guidelines that we wanted to see. They met all of those, and we are very happy with what they have put together. Councilmember Dr. Anthony Coleman said, okay, so for my understanding, 1.5 is for the 2024 budget; and then there is a 6.5% increase for current fire personnel. Chairman Joe Hafner said, that's not correct. Yes, the way this is written, it is \$1 million provides the funding for the 12 new personnel, and then \$522,000 is to account for the 6.9 increase. Councilmember Dr. Anthony Coleman said, that's what I was assuming. Okay. Chief Hamrick said, and just another piece on the fire station deal, in our talks that we had, the mayor asked the question. He said which one is more important, a fire station or personnel right now? And I said to get us where we need to be to create a safer working environment for the guys that are on the street today, the personnel was what we needed to go after first. Anything else?

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 6 - Charles Coleman;Ann Williams;John Street;David McClain;Brian Emison and Anthony Coleman

[RES-23:271](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO APPROPRIATE AMERICAN RESCUE PLAN ACT FUNDS AND A PORTION OF EXCESS RESERVES TO CREATE RESTRICTED FUNDS FOR CAPITAL IMPROVEMENT AND COMMUNITY PROJECTS

**Sponsors:** Mayor's Office and Finance

**Attachments:** [ARPA and Reserves Allocation Memo](#)  
[ARPA and Reserves Spreadsheet](#)  
[Mayors Handout on Capital Improvement Projects Funding Summaray 1128](#)  
[Joe Hafners QandA Handout 11282023](#)

Chairman Joe Hafner said, as we move into the next agenda item, these next two items are going to kind of run together. So as best as we can we will try to keep the discussion on the particular resolution or agenda item at hand. I know there will probably be some crossover as we talk about projects; but what I will do is I will read this first resolution, then I am going to open up the floor to the mayor for his comments and then we will go to committee comments and questions and then public comments and questions.

Before I turn the floor over to the mayor, I just want to say I laid in each committee member's chair a document that starts with Cope at the top. This is basically an email that I sent to Mayor Copenhagen and Tony and Brian yesterday with some questions and comments and their responses to those. I don't know if it may serve some good information as we go through this discussion. Mayor Copenhagen, the floor is yours.

Mayor Harold Copenhaver said, alright, thank you, Mr. Chair. And I appreciate that, Joe. Please, everyone, if you would read those responses. Also, Council provided you all. We did have an open forum yesterday to the general public, and it went very well. A lot of people attended, a lot of questions. A lot of it was positively in nature curiosity, and it's good to have those public formats. That was the second actually public hearing that we've had, and so it went very well. I also laid the information that we provided to the general public. There is also a copy on the stand if nobody has received it in the room, but it is available. Committee, if you would, hang with me a few minutes. I am going to really kind of narrow down the scope of what I spoke about earlier. First of all, I want to start out and say thank you to all the community members, and too the councilmembers that participated in conversations over the last several years but more importantly the last four to five months as we move forward with our request. So what I would like to do is initiate conversation and answer any concerns that anybody might have initially. And then Mr. Phillips will follow up later on the revenue bond itself. So as we take up the spending package to prepare and transform Jonesboro for the imminent future, I want to thank each and every one of you for the time that you have taken with me to express your approvals and concerns. It was with your help that this presentation is completed. While including opportunities for smaller adjustments as needs arise, this plan will carry Jonesboro toward a bright future. To be clear, Jonesboro is a success and has grown successfully over the years. We are not a small community that we were in the past; and we are still a community with a common desire to see changes that continue to be good with an eye on sometimes unintended consequences that come with growth and change. I think you will find this proposal vetted through every department and examined by the best financial eyes to ensure we can get the most out of every penny of taxpayer dollar. It is a product of a great balancing act by Administration and the leadership in every department in the city. We start with Public Safety, because this is a concern in every corner of America right now; and it also is a key component to the growth that is meaningful and helpful. Crime is a byproduct of growth; and I want to commend our Jonesboro Police Department for keeping our crime rates comparatively low both for our recent history and other cities. That said, we are not content; and this funding summary dedicates \$4 million to a new facility for E-911 Dispatch and Real-Time Crime Response, and another million to 12 new firefighter positions, equipment and salary raises over the next three years.

Trails, sidewalks, and pedestrian projects have been a priority of this administration; and you've seen spending triple on these the last three years. This plan also calls for \$13 million in the area over the next three to five years including one million for additional soft surface trails. And if Council will remember, the previous two years we allocated \$250,000 on Phase One at Craighead Forest. We did receive a matching contribution of an additional \$300,000. It's important that we continue to invest so others will reinvest in our community. Because we know people like to get outside and have things to do, we are investing \$14 million in parks through 2025 including a master plan, which \$3 million for a new park in Northeast Jonesboro, \$4 million in Lacy Park improvements for an indoor turf facility for multiple sports including soccer, and \$3.5 million for a needed clubhouse at the shooting sports complex. Because infrastructure is rarely top of the mind until a dangerous situation occurs, we are committing \$12 million to street and infrastructure including \$6 million in street overlays and an equal amount to widen Caraway Road from I-555 to Fox Meadow.

Finally we dedicate \$500,000 to humanitarian support, another \$250,000 to upgrades at the Forum Theater, and \$500,000 for land bank development. It is important to understand that how we are funding this is the best use of our taxpayer dollars. A vote of Council would pledge roughly 75% of franchise fees to debt services for revenue

*bond to create \$17.5 million in projects. The rest comes from ARPA funding already sitting in our accounts, reserves that we have built because of our balanced budgets and yearly budget appropriations. This is responsible use of tax dollars. It is also important to note that because the plan involves multiple funding sources, a project not listed under the bond can be devoted to another funding stream. As of November 1st, we held \$33.2 million in reserves, \$9.6 million of which is required by the ordinance as a rainy day fund. It is important to remember that in the next three to five years, the city will be asked to participate in state highway projects; and we will need a new fire station and a JPD patrol facility. So before you this evening, what I would like to ask after the conversation is a favorable vote to move forward to full Council not on December 5th, but on December 19th, providing the ability for less confusion of a revenue bond which will be presented on December 5th, thus allowing further conversation for those in the community if need be and more transparency if asked for a December 19th on the rest of this. So, that is the end of my comments.*

*Chairman Joe Hafner said, alright, Mayor, thank you. Just a few comments. So point of clarification, you would like for RES-23:271 to be on the December 19th agenda if it gets forwarded to full Council, right? Mayor Harold Copenhaver said, correct. Yes, sir. Chairman Joe Hafner said, so just a couple of comments from me. I really like the approach of the revenue bonds, the rescue plan money, the reserves, and current budget appropriations. I think it allows us to get some projects done we needed to get done for years. You know, we can always fuss and discuss different projects, different priorities. I think it always depends on who you are talking to. On RES-23:271, the thing I want to clarify and Steve or you can step in and make sure I am correct. The projects that are listed in here right now, if this gets forwarded to full Council and Council approves this resolution, this is what the money would be appropriated and set aside for, for us to use in the future, and hopefully in the near future. I don't want this to be something where the money is still sitting there in five years and we don't have any plans, and we haven't done anything. You know, a lot of some of the feedback that I have heard is, why do we not wait on the master park plan in order to figure out what projects when it comes to parks that we are going to fund? Am I correct in saying, when we receive the master park plan, if one of these projects that we currently have on here, whether it be Lacy Park, the indoor turf facility, the Northeast Jonesboro park creation, if those items aren't what the master park plan identifies as a priority, Council can vote to amend this resolution to reallocate or re-appropriate the funds, correct? That correct, Steve? Mayor Harold Copenhaver said, that is correct. Finance Director Steve Purtee said, that is correct. Chairman Joe Hafner said, okay. What is presented here is Administration's vision based upon the meetings you have had with departmental people, public, etc. So this, unlike the revenue bond, these items can change with Council approval. It cannot change without Council approval. Mayor Harold Copenhaver said, that is correct. Chairman Joe Hafner said, alright. These are my only comments right now. I'm sure the council is going to have comments, so let's try to keep this as orderly as possible. Make sure I recognize you before you talk. So I open up the floor now for council discussion, and let's try to, as I said earlier, I don't want to get too involved in the next agenda item until Paul has had a chance to come up here and explain it. So let's try to focus on this item for right now as much as we can. Dr. Coleman?*

*Councilmember Dr. Charles Coleman said, are we wanting to table this until those dates or are we wanting to not do anything with this stuff now? Chairman Joe Hafner said, no, he wants it to go ahead and get forwarded to full Council, but just not for the next meeting, for the December 19th meeting. Councilmember Dr. Charles Coleman said, okay. Chairman Joe Hafner said, this is my understanding. Mayor Harold Copenhaver said, that is correct.*

Councilmember David McClain said, Mr. Chairman, I had a couple of questions. A few questions, and it doesn't matter if Steve, Mayor, Bill, whoever wants to answer. I understand what you are saying as far as identifying parks in our master park plan. So I am trying to figure out why would we rush to go ahead and say, 'this is what we are going to do' and we don't have the plan back, number one? Number two, Lacy Park, having that facility out there, aren't we going to have an indoor facility at the new sports complex? Yes, no, maybe? Mayor Harold Copenhaver said, Danny, why don't you speak on the particulars of that, and then the master parks plan, of course, we were anticipating the master parks plan obviously to be finished a little bit earlier than in January; but through the initial phases of what we have seen in that, the projects that are available (and you can specify if you want to a little more on that), this will provide the funding immediately. And I think what we have seen in the past, and when this administration took office, for example the trail out here on Creath, it started in 2019. We just broke ground on that three months ago or two months ago. That was a six-year project where we had to piecemeal projects together. The master parks plan will include obviously the priorities of what we are going to have initially, and this will provide the funding for us to act quickly on that. This money will be set aside in a fund that will continue to earn interest on it until that project is started. But, go ahead, Danny.

Parks and Recreation Director Danny Kapales approached the podium and said, absolutely. So obviously while we work on the master parks plan, I've been involved in it the whole year. So some of the things we already have in here are items that they have already described as priorities. You know, the park on the Northeast side of town, that is going to be coming in at probably priority number one, the fact that we have such a deficit there with no park space. And so we are already utilizing the master parks plan in a sense with this since we've already been involved. I'm already starting to get reports back on it, and we are putting that plan together. We just don't have the final plan to present yet. So I already have information that we were able to utilize as we're moving forward. So we are feeding off of it some. And then when looking at the sports complex, yes, I believe that as they're moving forward with it, the turf is not going to be part of that. So looking at the turf being built out there by the baseball soccer complex, so that it's in the same location as the kids that are already practicing outdoor. They have their indoor location right next door to it. It just makes perfect sense. We already own the property that is right there located next to it.

Councilmember David McClain said, so in the cost of, if my math is correct, \$4 million, is that including any kind of flood work? Because if I am not mistaken, one of the reasons we didn't put the sports complex out at Joe Mack was because there was going to be a lot of mitigation work that had to go with it. Mr. Kapales said, to answer your question, we've not actually had anybody come in and do the design on the property, but there is plenty of space to work on and look at the right location. So we could build it on the right spot of that 72 acres, so we don't have to do as much of the flood work as you're talking about. There are some spots that are low-lying, but that whole piece of property is not low-lying, no. Councilmember David McClain said, okay. So you said the indoor sports complex, we may not have, or do we know for sure? Mr. Kapales said, not for sure. I think that we should be getting report back on it sometime in late December. Councilmember David McClain said, okay. I've got a few more questions.

Mayor Harold Copenhaver said, can I have him follow up on that? Danny, why don't you go ahead and speak on the anticipation of the other uses that facility would utilize? Mr. Kapales said, oh, absolutely. So when you look at an indoor turf facility, what we are



*looking at is not only just a soccer practice facility, it's going to be baseball, softball, football, any other sport. You know, you look at the one that we just completed, the youth center. Right now we have folks calling constantly trying to get into it, and we can't accommodate everybody that wants to use that facility currently. And so having a larger facility that we can spread out in and actually have our practices in it is going to be huge. But then in turn, it will also be opened up for all sorts of senior activity in there if we'd like. Currently, I am working with our East Arkansas Area Agency on Aging about possibly having a program at the youth center in the mornings basically where they can come in and utilize the turf for exercise classes. Well now we will have a much larger facility that we can have early morning. It can also be a place for folks to come in and walk, especially during the winter months or when it's too hot outside. It will be a great location to open up for that type of exercise and a much safer location to walk on instead of walking on a hard surface.*

*Councilmember David McClain said, I guess that's why I am confused. If I am not mistaken, again, the new facility will have some of the features you're talking about. Mr. Kapales said, some of them. Councilmember David McClain said, so I guess I don't see the reason in having two different facilities, but that is just something that I struggle with in terms of spending \$4 million on another facility when we have a facility that we are already building; and we don't have all the specifics around that. That's all I've got right now for parks. I have some other questions. Chairman Joe Hafner said, is it for the bonds? Councilmember David McClain said, no, it's going to be a combination of all, but go ahead.*

*Councilmember Dr. Anthony Coleman said, thank you, Mr. Chairman. You said something that concerns me that I never thought about. You said that the plans, that you don't necessarily have a plan for the mitigation or infrastructure and that type of thing. So with the \$2.5 million or \$4 million that we're asking for, who's to say would cost more in that regard, and what is the contingency on that? Because obviously if it's going to cost more because of the mitigation, infrastructure, I don't know what the term is, it may cost more. What is the contingency on that? Mayor Harold Copenhaver said, originally the growth of the program, we've got about 2100 youth who play soccer, okay? So the program has grown immensely. The economic impact and their impact in our community, people coming here for tournaments has really escalated to the point to where the conversation built. And I think a year and a half ago with Craig we looked at estimated costs, and it was around \$2.5 million that we could build an entire facility, and with the growth of that, cost has gone up. So with this, this is setting aside the funding opportunity, and again, if something else comes along that we need to prioritize over that, that is one thing. But the other side of that is in doing so, we are setting aside that with the possibility of a naming rights or partnership to help finish out the rest of the facility. Councilmember Dr. Anthony Coleman said, so that is the contingency. And then my follow up question is, because I try to keep things simple for me, and one thing that is confusing for me is I hear plans, plans, plans, plans, plans. Okay? And I need this streamlined, and so we're saying plans, and who's to say that we are going to agree with the master plan? I mean, I am just speaking arbitrarily, but who's to say we do? And I understand that you have conversations with them with the plan, which is great. But I am totally confused with all these plans; and then when you have parks, then you have trailways, you want these to coincide with the parks and the trailways, they need to coincide, all of that. So I am just trying to really streamline to understand the reason for this amount. I understand the growth of the city, and we need things. I get that part, but when I consider infrastructure, when I look at the flooding, when I look at all the other things that are happening. And we are talking, what is this? And I guess this is part of my next question too when it relates so I can stay on the agenda. With ARPA, because I've read a little bit about ARPA, but how*

*does parks, that type of thing, fit into ARPA funding that can be allocated? Mayor Harold Copenhaver said, Danny, why don't you allow Steve to answer that question on that for the financial end of it?*

*Finance Director Steve Purtee approached the podium and said, I think, Dr. Coleman, your question is specific to the American Rescue Plan Act. As you know that was a federal program that had very specific guidelines, very specific measures that were Covid-related. Those were in general and in a very high level of review where the promotion of physical activity, healthy lifestyles, those types of things that would assist someone who may have contracted Covid or prevent having Covid, all of those things. So since that time, the guidelines have been relaxed a little bit; but we are challenging ourselves to still stay within those guidelines relative to the original intent of the program. The requirement of that is that the funds have to be allocated by the year end '24. They have to be spent by the year end '26. There are some municipalities that are taking the income replacement approach. That is a \$10 million window that is available to that. We are challenging ourselves through our administrations to stay within the original guidelines relative to the American Rescue Plan. So again it is promotion of healthy lifestyle and probably in your reading mostly likely you can make a better definition than I am able to at this point. Councilmember Dr. Anthony Coleman said, great, and you said something that I want to make certain that I get a clear understanding. You said that these funds need to be allocated by the end of '24 and disbursed or appropriated by '26. Is that correct? Mr. Purtee said, that is correct. Yes Councilmember Dr. Anthony Coleman said, okay. That's all I have at this point. Thank you.*

*Chairman Joe Hafner said, and I will say this. I know Dr. Coleman referred to plan this, plan this. As someone who has been on the council for several years, we talked about having plans and plans. I think one thing that this approach does, is it gives us a funding mechanism that we can plan to spend instead of just having a plan and not having a funding mechanism. So I think some people have said there is not enough stuff in here to move the needle. I think when you start talking about \$13 million for pedestrian pathway, trailway, sidewalks, eight and a half for public safety, \$14 million for parks, I think you can start moving the needle because you know you're going to have the funding available. We've made a lot of plans without having any idea how we were going to fund it. This helps us start being able to fund those projects, and hopefully like on the trails, the \$13 million for that. I mean, it's not unreasonable to think that we can find some matching grants and turn that \$13 million into a considerable amount more than that. So I just like the fact that this will help fund some stuff that we've been talking about for years.*

*Councilmember David McClain said, Mr. Chairman, if I may, just to follow up on a little bit of what you said. \$13 million in the grand scheme of things. I think the Creath to downtown is a little over \$2 million? Mayor Harold Copenhaver said, yes, somewhere around there. Councilmember David McClain said, so a couple of questions. One, I think we should have included mosquito control in here to make a serious investment in that as well. We had our first cases of malaria here in Arkansas this year, so I really felt like we should have invested more in that. Our goal, in my opinion, should have been to move the needle and consolidate some of these things and really focus. I really feel like we don't have a focus in this. I think we need a focus, maybe a couple of things, a couple of items that as you said would move the needle for us. I don't think we've completed a trail project in three years yet. I could be wrong but I don't think we have. I hope we do with the money, if the money is allocated. But we haven't done that. I would love to know also, there was some discussion before about some baseball park downtown. Is that still something that if the master plan comes back and says*

*you need a baseball park downtown, are we going to switch money and switch directions and go in that direction? What direction are we going? I think that is why I have such reservation about even forwarding it to full Council because I don't feel like we have a plan that we are actually going to follow. We have a bike plan. We've altered, we've changed, we'll move the money here. We need to follow what we have in order to accomplish something. I mean, I would love for us to accomplish something, and I feel like we need to wait until we have some clear guides and clear direction.*

*Chairman Joe Hafner said, I'll just say this. I think you have to know how much you have to spend before you can actually start building something. The reason why one of the items, the trail from ASU to University Heights is taking so long is because the funding wasn't there for a while. This helps do the funding. Councilmember David McClain said, but we have reserves right now, right? Chairman Joe Hafner said, right, and all we are doing now is appropriating a portion of those reserves. This doesn't mean that we can't come back in the future and appropriate more reserves or re-appropriate these current reserves if this gets approved by Council.*

*Chief Administrative Officer Brian Richardson approached the podium and said, Joe partially explained some of that. I mean, obviously we have the existing one Jonesboro master connectivity plan. We also have the master street plan; and both of those outline pathways and connections such as the Creath Street trail and the trail that is funded to go to University Heights. We've also, and Councilman Hafner is part of this as well, we have a connectivity committee that is looking at those plans and trying to decide which is the most important immediate need that we see people using. And they are also looking at potentially some improvements or some small areas that might have been left out of the first go-around, because I believe that plan was first passed in 2018. And obviously a lot has changed in the City of Jonesboro in the last five years. It obviously always merits to make sure before you actually start going through that you review some of those plans and make sure that they still work. So the committee is doing that as well; but like Councilman Hafner stated, what this would do is set aside existing ARPA funding and reserves in a restricted fund to make sure that the money whenever it is ready to be spent on some of these trails and pathways that it is there; and that it doesn't continue to just sit in the excess reserves without any real bookmark on it to make sure that we make these funds available whenever we go to lay concrete. Because, as evident by the Creath Street trail, one of the biggest challenges that you face whenever you're trying to do a trail connection is utility relocations, right-of-ways. It's not just driving a skid steer down and laying down concrete afterwards, so there are certainly a lot of processes that go into that. It can get frustrating at times, but the needle is finally moving on Creath Street. I think we are all happy to see that. I feel like you can look at Culberhouse and see when you remove some of those variables how fast that we are able to go. That project happened relatively quickly in the grand scheme of things. So again, just to clarify, this is setting money aside to help implement plans that are existing and approved by Council on the books right now. Any changes to that or even really any additional expenditures as they come about contractual type agreements would come through Council and follow the normal purchasing procedures anyway, so it's not like you appropriate this \$4.5 million and then three years go by and it's all spent. Council will hear these again and will approve each of these projects again. So again, this is bookmarking and setting aside that funding to make sure that no matter what that funding is there until Council either appropriates it or changes it.*

*Mayor Harold Copenhaver said, and address the mosquito. Mr. Richardson said, yes. ASU, they have a study that I believe it's a grant fund to study that begins the first of the year. Dr. Tanja McKay is heading that up; and we are hoping that they can derive*

*some best practices from some of those studies that we could also incorporate. No idea what the price tag on that is going to be. It may be a little, may be a lot. It may be just the new spring techniques. I am not an entomologist, so I don't want to make those assumptions. But I do think it is wise to find out what some of those best practices might be; and then we can decide as a city what type of investment makes sense. Councilmember David McClain said, why wouldn't we ask Vector? I mean, they are in that business day in and day out. Mr. Richardson said, they are part of that discussion with ASU, is my understanding. Again, I'm not ASU and I am not Vector, but we can make sure that they communicate during this study. Councilmember David McClain said, last question. So, I remember ARDOT telling us Bridge Street had to be retired. Is there a reason we didn't put that in any funding or earmarking funds for that to, number one, to solve traffic, but then also to give us a pedestrian way to connect to downtown? That is my last question for now. Mayor Harold Copenhaver said, do you want to ask that again? Councilmember David McClain said, is there a reason we didn't put Bridge Street in this, or even a bridge that we've (again, going back to the myriad of plans we've had) putting a bridge over Patrick Street? Is there a reason we did not include that in either funding?*

*Engineering Director Craig Light approached the podium and said, I don't know that I can answer that. I stood up here to tell you that there is no requirement from ARDOT to close Bridge Street bridge to vehicular traffic at any time. At some point, it's almost a 100 year old structure. It's not going to be able to be widened. At some point, we are going to have to spend additional funds on it. Last time, about 10 or 12 years ago, we spent \$800,000 upgrading the bridge. At some point, we are going to have to spend that again doing additional work on it. At some point, the city will have to make a choice whether or not they are going to put more money into Bridge Street bridge or find another location. But there is no requirement from ARDOT to close that bridge. Councilmember David McClain said, my memory may have served me wrong, but I thought there was a closure date. Mr. Light said, no. There is no time. There is no ticking clock on it. It's just when it becomes, we stop wanting to spend money upgrading it, keeping it. There may be a choice by the city not to put vehicles on it anymore, but that is not today. I don't know if it's in the next couple of years. At some point it may be there.*

*Chairman Joe Hafner said, Dr. Anthony Coleman? Councilmember Dr. Anthony Coleman said, thank you. So, I was considering this earlier, and I just forgot to ask. But I know that humanitarian support is on here, and I thought I was reading some emails or something regarding that. And from my understanding, and you can correct me or help me, this \$500,000 would be money set aside for various organizations to apply and then receive. Is that what I saw? Is that correct with the humanitarian? Mayor Harold Copenhaver said, it would go hand in hand like CDBG funding, that type. Brian, you have anything else? Tony, you have anything else to add on that? Councilmember Dr. Anthony Coleman said, okay, so my follow up with that is, I've said this before, that homelessness and other things are part of my platform and agenda. And that is an issue in our city from safety to everything. So I would like to hear more about that in regard to this humanitarian support, especially when we're talking about ARPA funding. What could be allocated to that? I understand the city and the municipality cannot per se pay for things. However, I am aware that we can support; and I wanted to know what kind of collaborative plans are we having even now for that humanitarian outreach and support. Because obviously it's an issue, and with those collaborative discussions, can we come up literally with a solution instead of, to me, when organizations come and ask for money? Which is great, and they are doing a great job. It's just putting a Band-Aid on something and not providing a solution in my opinion. So I would like to see more in that regard in understanding and humanitarian outreach, which also says*

*after Steve's presentation that we even now have time to have future discussions on this with an allocation of ARPA funding.*

*Chief Operating Officer Tony Thomas approached the podium and said, yes sir. I can tell you. We have worked over the years. I know Dr. Coleman has been in a couple of meetings with members from community organizations that are trying to grasp an understanding of what some of those issue and needs are, and how in a collaborative way we can work together. I think the purpose here, the plan here, the idea here is to have some of that seed funding that organizations can use to match potential grant funding that is out there in order to come up with solutions that solve these big ticket items in our community. You'll note that here in the past couple of years, we've worked with our community development block grant in order to assist agencies in opening Hope House here in town, which is a day center for homelessness. We've provided funding to enhance some services as well as to provide some tools that they needed to open initially in order to provide services to the community. So when we've worked with CRDC in order to prevent homelessness by providing funding for rental assistance and different things along those lines. So when you look at this category, we are talking about continuing the work that we've done in a collaborative manner to bring organizations. We've had a couple of meetings where we invited every non-profit in this humanitarian space where we are trying to identify the gaps in services that are provided in our community, so that we can meet some of the unmet needs, but that we are also not duplicating services in our community and wasting funds in that way. So we have some tremendous needs out in our community, especially related to efforts to prevent homelessness, and we have some tremendous organizations that are coming to the table desiring to work on solutions to meet that need. And we want to have some funding as a city where we can come to the table and provide support in assistance where needed for them to address that issue.*

*Councilmember Dr. Anthony Coleman said, Mr. Chairman, I would like to add to this and just say that I appreciate you, Mr. Thomas; but I have a lot of questions. With all due respect, when I ask questions, I would like to hear from the administration in that regard; and I appreciate you for helping me try to understand. But I would like to hear from Administration, because they are the ones that are making the decisions in that regard. But I also, because of my reservations, I think, and based on Mr. Purtee's sharing earlier that we do have time to allocate these ARPA funds before having to make a decision. To me, it's just a little quick, and it's just my opinion. Thank you.*

*Chairman Joe Hafner said, any other questions from the committee? Councilmember Dr. Charles Coleman said, I think Dr. Anthony deserves an answer to one of the questions he asked. I am not sure I have the total answer, but one of the things that we talked about in the homeless issue was that I made the statement that we should not be in the homeless business, the city as a whole. But the second part of the story is, I would not support a homeless issue without a medical attachment. Most of our homeless individuals, I can't really speak for them, but most of them that I know that I've been involved with, it's been more of a medical, mental issue. And to have a homeless center just to have a homeless center to get people off the streets, not to have a place where they can go and be attended to holistically, meaning the head, the body, the whole nine yards, I think this is throwing money away. That has been my statement to that type of an organization. Basically speaking, yes, we need a homeless center, but without a medical attachment. Councilmember Dr. Anthony Coleman said, I agree with you. That is why I am asking for the conversation and for this to be addressed and dealt with. But thank you.*

*Finance Director Steve Purtee approached the podium and said, yes, Mr. Chairman. I*

wanted to clarify that the American Rescue Plan fund began with a fund balance of \$15.8 million rounded. We've allocated or appropriated nearly half of that to this point still with the basis of that 2024 allocation deadline as well as the 2026 spend deadline. So, as we've done before, as we saw projects that were very worthy, beneficial, and very appropriate, this body here, and the city council as well, has seen fit to appropriate that funding. So again we're on track to continue that process. A lot of good hard work has gone into that and thanks to all of your efforts as well in that regard. So thank you. Chairman Joe Hafner said, anything else from the committee before we open it up to the public? If there is anybody in the public that would like to speak on this resolution, please come forward to the podium and state your name and address please.

Scott McDaniel, 1812 MacArthur Park, approached the podium and said, Ladies and Gentlemen of the committee, Mr. Mayor, Mrs. Leggett, Friends, Staff, I appreciate the opportunity to talk to you all today. Many of you know me personally and know that I have for quite some time firmly and loudly advocated for massive capital expenditures on infrastructure, quality of life, and public safety. Many of you know that I firmly believe such spending is critical to the survival of this city. Many of you also know that I firmly believe we need to draw down our reserves. My understanding is we are sitting on roughly \$22 million and above in mandated reserves, and I share the opinion of many of you that this less a savings account, and more a representation of deferred capital expenditures and deferred maintenance. This is the people's money, and it needs to be spent on public safety, infrastructure, and quality of life. Many of you know that I firmly believe we need to lead to leverage our bonding capacity to further enhance our ability to construct a city that will attract and retain talent. In short, we need to build things that make the city safer and more enjoyable. Revenue bonds are an excellent way to do this. So all that said, it may surprise you that I am here today to speak against these two measures. I'm speaking here today to ask you to vote no on both these measures, and I do so for the following reasons. I understand that there are two, and some of these things might jive; but the reality is I only want to speak once, and I'm sure you only want to hear my Cookie Monster voice one time. Reason number one, where is the fire? And by that, I don't just mean, where is the spending on new fire stations, which is needed; but rather, why are we rushing this thing? Where are the public meetings? Why aren't there ward meetings? We've had one teaser at city council, one public comment period at city council, which resulted in a controversial termination, one open house, this meeting, which happened to be scheduled during work hours. And if the mayor gets his way, we won't even have three readings of the bond initiatives before Council. Why? Who benefits from this last minute rush initiative? And before you answer that question, consider what's already been mentioned. The entire plan calls for roughly \$30.5 million in spending. Nearly 50% of that spending is dedicated to parks. As already stated, we have a master park plan. Shouldn't we wait until this is complete? It's only a few months. We should have that plan by January or February. Why can't we wait to see? If we don't, we seriously risk a misappropriation of funds. There is literally no reason to rush this measure. A more responsible move would be to host a longer public comment period to get public feedback; and then after the master park plan is adopted, amend the plan if needed and then vote. Why rush this? And I hear (some of this is written out, some of this I made notes while you all were talking). I understand what you're saying is, 'oh, we can allocate it here, we can always change it later.' Well, that's like nailing Jell-O to a wall. We either have a plan, and we run the plan or we don't. If we're going to allocate block funding, allocate generic block funding and say we are setting aside \$30 million for parks or \$14 million for parks or whatever. Don't name the projects if you do it that way.

*Two, the police department operates out of three buildings, one of which is condemned and one of which has had structural issues for twenty years. If the next measure passes, they will operate out of four buildings. Furthermore, concerns voiced at City Council by Rachel Anderson were shared by her co-worker as verified in the text, and apparently by the assistant chief, which was ready to the record at the last meeting. Are you going to pretend that you all didn't hear those concerns? The people of Jonesboro need to know if a real-time crime center belongs with dispatch or with investigations. And my gut tells me the answer to that question is going to be yes, because the answer to that question is we need to allocate one building. We need a police headquarters. The entire department belongs under one roof. So rather than continuing the trend of piecemealing police department facilities, why don't we truly investigate the cost of a new police headquarters and begin working towards making it happen? If that turns out to be a phase plan, call it a phased plan. But determine the plan and start making it happen. We have the need, we have the resources. Our crime rate is rising, and it is past time we make a real investment in the department, not just a token investment. The real-time crime center portion of these two measures is reason enough to delay the vote until it can be studied further.*

*Three, out of all the possible road projects, why are we so committed to widening Caraway? What will this accomplish besides speeding traffic around a school? Shouldn't we be focusing instead on the asteroid of a traffic problem that is hurtling towards us, and by that I mean the areas around Race Street and Browns Lane? I'm no Nostradamus; but with the new multi-family development and sports complex going in, I fully expect a major traffic issue in the center of town. Should we not at least consider if Caraway is the best use of the money.*

*Four, I see no plans regarding O and M, operation and maintenance. Before we spend our savings and tap our credit card, the citizens of Jonesboro need to know if the projects are sustainable. The need to understand ROI, they need to understand the cost of ownership. Ladies and Gentlemen of this committee, do not get me wrong. Some of these are great projects; and let's be honest. We need to spend a lot more money on parks, public safety, and infrastructure. But the spending needs to be well planned, well executed, transparent, and more importantly debated. Let's call this thing what it is—a good rough draft. I'm not asking you to kill this thing forever. Instead I'm asking you to defer this thing until the master park plan is adopted. And during that time, I'm asking to give the public time to weigh in. Let's have real public comment period. Let's create a way for the police to weigh in anonymously so they don't fear losing their jobs for speaking out. Let's have ward meetings. Let's use the time between now and the acceptance of the master parks plan to fully bake this cake. And most importantly, let's use this time to answer the questions about the real-time crime center and in the process face the reality that we should really be talking about an entire police headquarters that includes a real-time crime center. I am asking you to vote no tonight. The people of Jonesboro do not benefit from a rush initiative of this nature. Let's don't just do something. Instead, let's do something right. Thank you.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion FAILED with the following vote.**

**Aye:** 3 - Charles Coleman; John Street and Brian Emison

**Nay:** 4 - Joe Hafner; Ann Williams; David McClain and Anthony Coleman

## **5. PENDING ITEMS**

## 6. OTHER BUSINESS

[COM-23:062](#)

SERIES 2024 BONDS COMMUNICATIONS

**Sponsors:** Mayor's Office and Finance

**Attachments:** [Memo Update-Steve Purtee 11-22-23](#)  
[Jonesboro-AR-Financing Schedule-Updated-11-22-23](#)  
[jonesboro-24-or 2](#)

*Mayor Harold Copenhaver said, Paul, if you would please go ahead and come forward. If you don't mind, just go ahead and express a lot of the conversations that we have been having about this over the past several months, what we've gotten to, the reason for the purpose of it, number one, and then the time frame. I think several things have been mentioned for the emergency clause as well, why that is always initiated, usually by every city. This is not the first time. We are not trying to hide anything or get anything done quicker. But if you would, go ahead and have your comments.*

*Paul Phillips with Crews & Associates approached the podium and said, yes, absolutely, Mayor. Thank you, Mr. Chairman, Admin and members of the Finance Committee. I'm not going to introduce myself again. I've been here a few times now, and I am glad to be back. A little bit of redundancy perhaps, but as many of you may recall, a little over a year ago the city embarked on a plan to try to identify a person and a company that would help and assist them in development of a financing plan; and I was very pleased that we came out on the winning end of that. I've spent in excess of a year working with officials of the city on a whole variety of different things, different projects at times, different thoughts, different ideas, other parts you come in with this. We haven't done a bond issue in a long time. We're talking about tax exempt bonds, a lot, a lot of rules and regulations as your team has found out—not the least of which the proceeds have to expended within a three year term. So we've gone through a little bit of education. We've gone through numerous number runs and iterations to arrive at this plan now at \$17.5 million in construction fund. And once we got to that point, many of you may recall that I came to the city council meeting in September. I outlined the process that we were about to take from that date moving forward. I did mention, not only during that meeting, the readings that I'll address here in a minute and the emergency clause. The thing that I brought out in that meeting was to let everyone know that the pledging of franchise fees for capital improvements by cities in Arkansas was a very common practice. This year, the bond issue has been a little slower than other years; but I can think of several off the top of my head that were franchise fee revenue bonds. So it's a common process used to fund capital improvements. That was one of the things that I mentioned; and then after we introduced that, I came forward with and said we have a definitive timeline and here is what we would like to do. And this definitive timeline took us to the December 5th Council meeting. So again, a lot of planning and a lot of things have to take place. So what's occurred is that we drafted documents. We've been in numerous Zoom calls and other calls trying to plan and bring this to fruition. I think the mayor mentioned this perhaps last week. My expectation was that this thing would land at an A credit rating with a stable outlook, but I was still tickled to death when we landed there. I think everyone at the city can be proud of that particular credit rating and that structure. On top of that, we solicit bids for insurance at times so we can kind of wrap that A rating, if you will. We got an excellent bid that we just had to accept because it was saving the city six figures. So now we've got an A-rated credit wrapped with double A*



*insurance. We've got a structure. I think Dr. Coleman, maybe you, Mr. McClain that asked me where insurance rates were back in September. And I can tell you what I said. I said they were a little over 4.5, you know, and I was kind of hedging myself. I knew the trend wasn't good. So I had a little bit of sleepless nights occasionally over this duration of time knowing that rates had ratcheted back up closer to five, and I was going to have to come in here and stand in front of you all and talk about that. That didn't feel too appealing to me. Well, we finished up the preliminary official statement last week; and when we did so, with the credit rating, the insurance wrap and all of the other things we've done to kind of efficiently structure this transaction (and a little bit of help from the market), we are now landing in the four and a quarter range. So a nice favorable movement, but a lot of that has to deal with some hard work from Steve and the administration, the mayor and others here who help put this thing together. So we've been very fortunate in that regard. So that is what we did after September in terms of massaging this and trying to bring it together.*

*So where are we at now? So the preliminary official statement, which is the document we use to market bonds, is finished. It's available. Potential investors want to see it. Potential investors want to invest, and we want to have conversations about interest rates, call provisions, any number of things about the city of Jonesboro. It's there and we're ready to do it. We are pre-marketing. So in this particular situation, your underwriter is in Little Rock. Your financial advisor is in Little Rock. Your bond lawyer is in Little Rock, so there are some logistical things we have to consider. So I gave the underwriter an option to try to market the bonds on December 4th, or do it early on the morning of December 5th, understanding that if you picked the morning of December 5th, if it's a bad market, you don't really have the capacity to restructure, reprice, do different things, get all that dropped in the document and have everybody travel here to be here for the council meeting. So an agreement was made to do it on December 4th. In our world, I mean, you all see the stock market every day. You see the Dow Jones quotes, you know, that's just out there in the public arena. But interest rates do the same thing. They move every single day. And investor preferences change. Sometimes investors say, I don't have money. You call them two days later and they've got money. Just different things that we can't control take place. So that is why we have to push this up against the meeting because these change every day. And so we still have a business that to a great degree is a verbal commitment. It is verbally based, verbal agreements. The way that the bond issue, the way that this particular bond issue is marketed (again, I've already mentioned. We are out in the pre-marketing period at this stage.) We are getting feedback from investors. We are finding out if they care. You know, we're going to find out that folks go, 'finally Jonesboro did something? Yes, I want to invest.' We are going to get some of that from local people. That is where we are in this stage. We will be having additional conversations with Steve and the rest of Administration on where we think we should offer these bonds. And by offer these bonds, I mean what sort of coupon rate is this supposed to have? What sort of yield should it have? What dollar price? And we do this because we've been soliciting feedback for quite some time. That is when we have an official order period. So on Monday, December 4th. Let's just say it's 9:30 to 11:00. It hasn't been officially set yet. So during that 9:30 to 11:00 period of time, we will have a large group of sales personnel obtaining orders. Those are input in a particular IPO system that builds that book of business, if you will. And if we find ourselves at the end of the order period where we've solicited more orders than there are bonds, that can be a good thing because we'll be able to ratchet the rates down a little bit and still keep investors in place. If we find ourselves on a bad day since we've got two wars. We've got all kinds of things going on that can affect it. If we find ourselves in a lousy position on December 4th in between 9:30 and 11:00, we still have some orders to fill, then at that particular point in time, we have to make an educated*

*decision as to, do we reprice the bonds? In other words, that probably means we have to ratchet the rates up a little bit to get the orders. Or are we at a level in which the underwriter will just take down the balance and assume that risk? So those are kind of some delicate discussions.*

*So that's kind of the process that takes place on December 4th. So as you can see the rates are moving on that day as we try to build the book and get everything in place. If once we are complete, then we get what is really a verbal acceptance. All the underwriter is asking for at that stage in time is we've sold the bonds. An underwriter doesn't use their money, if you will. What they've done is they have used other people's money for long term. But the underwriter says, we are willing to underwrite at these levels. Presumably those levels will be real close to the conversations we've had, the most recent conversation. Then there will be a verbal acceptance from both sides. The city will say it looks good. That is in line with what we've been talking about. Underwriters will say, okay we have a verbal agreement. At that point in time, the final numbers are put in place, and that is delivered over to your bond attorney. That is why you have an ordinance with blanks in it, because the blanks can't be completed until that process is completed. Then the bond lawyer will drop all of those numbers, interest rates, everything else into that bond ordinance. We will have that process complete by the end of the day on December 4th. What we typically do, is the bond lawyer will drop all that in there; and on the night of December 5th, when this is considered, you will have a clean copy of the bond ordinance and you will have a black line copy of that bond ordinance so you can see the changes that occurred during that meantime. The bond lawyer will walk you through each and every one of those changes. Your attention will be directed to the page and to the change, so everything is as transparent as it can be on that front.*

*I've encountered this for many years of places that hadn't been in the bond market for a while. Since interest rates can and do change every day, you can't have one reading at those rates and terms, then come back two weeks later and have another. Because the market can move 50, 70 basis points in that period of time. So that is how we lock in the rates through those three readings. And yes, it has the emergency clause. I tried to articulate that back in September, and I know it's a lot of information comes that may escape. I brought it back up again during the public hearing, but it is a process that every city uses to adopt all three and the emergency clause to lock in the rates. And once that is done, that would authorize the mayor at that point in time to sign what is called a bond purchase agreement; and that would be the agreement between the city and the underwriter to sell the bonds at the rates, terms and conditions that were approved in the ordinance. And because that ordinance has to get published and can be challenged over a 30 day period, we won't close until January 9th. But on January 9th, the funds would then be deposited into the trustee and be available for withdrawal for these projects as documented by various requisitions and certificates. This was probably a little more than you wanted to hear, but I wanted to kind of bring all that back together, so I am happy to answer any questions or address any other matters that I may have forgotten, Mayor.*

*Councilmember Dr. Charles Coleman said, I did ask about the interest rates; and mainly because I've had several phone calls even as of today. I understand about issues a lot more than people, but sometimes when you try to explain it to them on the phone without explaining it face to face, you get into trouble. So the only thing that I would suggest to the city, and I have also suggested this over a period of years, that sometimes when we do things here as far as bond issues and how to articulate that to the community, we should do a little bit better job. I think that what we have done has nothing to do with you. It's just I've said this to this Council ever since I've been here*

*that we need to articulate things to the community whether it be KAIT or the Jonesboro Sun just a little bit more expressively where people can understand them a little bit more. Mr. Phillips said, your point is well taken. I get a little nervous when quoting rates when I am way off in the front or something. But also I think, you know, I think about myself. I mean, I live this world every day, but you think about the average person that doesn't live this world, they know prime rate. They know that is 8.5%, and so they might think that is where the market is, and we are still looking over here at 20 years at 4.25%. That doesn't sound terrible given some of the remarkable movements we have seen in this market of late. Councilmember Dr. Charles Coleman said, I think what is really the basic principle that has bothered everybody is when you use the term taxes. It just throws the whole ball game into a loop. I just happen to be on a couple of boards that we do bond issues, but I try not to answer out of my league. Staying in your own lane is one of the best things I've learned how to do. Stay in your own lane.*

*Chairman Joe Hafner said, hey Paul, I have one question. You know, one of the projects listed in the handout was the Caraway Road expansion. If this determined that \$5 million needs to go to a different project, is that allowable under this? Because I noticed the ordinance just says street improvements. Mr. Phillips said, well that is more of a legal question. But I think if the ordinance says street improvements, that probably gives you some flexibility. But if you've said to the public that we are going to do Caraway, I would probably say stick to Caraway. And if Caraway comes in a little bit under budget, then you will probably still be okay to fund some other street improvements at that stage. But I think you are kind of committing yourself to Caraway here, yes. Chairman Joe Hafner said, okay. Thank you.*

*Councilmember David McClain said, Mr. Chairman, if I may, are we discussing projects, or are we just discussing the bond funding? Chairman Joe Hafner said, we're discussing the revenue bond, which includes the process and the project.*

*Councilmember David McClain said, perfect. I'll touch on a couple of questions first, Mr. Phillips. One, what type of fees will we have associated with the attorney, the actual selling of the bonds, the broker, all that stuff? What kind of fees will be associated with it? Is that a percentage of the 4.3? Mr. Phillips said, it's a percentage of the \$17.5 million. It's roughly right now about one and a half percent.*

*Councilmember David McClain said, that is for everybody? Mr. Phillips said, yes.*

*Councilmember David McClain said, you said business has slowed down in the bond market right now. Why is that? Mr. Phillips said, well, the primary contributor was that anybody who has done a bond issue over the last 20 years, they refinanced it during these ultra-low interest rate periods, these accommodated periods we've had really in the last decade maybe, but certainly in the last several years. So they have been refinanced. So we've lost the ability for the market to do refinances that could have been highest 20 or 30 percent of the market at that time. Councilmember David McClain said, so what type of rate would somebody have gotten last year? Mr. Phillips said, I would say we probably wouldn't be too far from where we are at now. We would probably be in the high threes. Councilmember David McClain said, anticipating going forward, do you anticipate the rates going to continue to decline? Because I think you said they are at 4.5, now they are at 4.3. Mr. Phillips said, yes they've gotten better for us. I think really what has kind of contributed to that is that the Fed seems to have signaled that they may hold for now at their target range, but their other kind of correlated with that is going to be higher for longer. So I mean that makes me feel like we are in this environment for a little while.*

*Chairman Joe Hafner said, if I may, it looks like back in June or so, I guess they got the money in August, but Springdale did almost a \$315 million bond project; and it was at 4.86%. Mr. Phillips said, we were involved with that, and that is correct. I had a*

*component of some taxable bonds too; and with it, we were involved with \$54 million for Bentonville a couple of weeks ago. It was in the mid-four range. There is still some action. You have \$300 million in Springdale and \$54 million in Bentonville, and Alma did \$16 million, and a few smaller ones. So there is still some action around the state in terms of people trying to make things happen.*

*Councilmember Brian Emison said, Paul, if you don't mind, those municipalities that you just listed there, did any of those go all the way out three readings without an emergency clause? Mr. Phillips said, they all went three readings with the emergency clause. Councilmember Brian Emison said, okay, so they did it all in one meeting. Mr. Phillips said, one meeting. Councilmember Brian Emison said, okay. Mr. Phillips said, and that is what we were going to ask you to do on the 5th. That is the only way we can sell bonds and lock the price of those bonds; because again, those are just verbal commitments. Not only the underwriter to you, but the sales personnel at the underwriter that called up XYZ insurance company and they said I'll take a million maturing in 2032. Until that bond purchase agreement is executed, that's the ticker. Those sales personnel can't write confirmations with the insurance company or the banks or the individuals, whoever committed to purchase those bonds. Councilmember Brian Emison said, thank you.*

*Councilmember David McClain said, I've got one more for you, Paul. I feel like maybe there is something that I am missing in terms of why it wouldn't have come to the committee first, to the Finance Committee first. Have you seen that as a common practice? Because we have rules that state anything like that should come to the Finance committee first. Have you seen where they go straight to City Council, or is it going to Finance first and then going to City Council? Mr. Phillips said, I think it varies from different places. There are some places that won't have a Finance Committee, depending on the size of the city or organization. Some places will be just by Council, and then some places will have a Finance Committee. So I don't know that there is one template I can say that is constant throughout the cities. Councilmember David McClain said, is there any particular reason we didn't bring it here? Chairman Joe Hafner said, we don't have all the information. Councilmember David McClain said, but we have an ordinance that we're trying to pass on the 19th. Or the 5th? Mr. Phillips said, 5th. Councilmember David McClain said, whatever day we're going with. So if we're going with that on that ordinance, we should at least brought it here first, according to our rules. So, again, my question is, is there a reason we did not? Are we just trying to speed up to get to the low interest rate? Or the interest rate you spoke of? Mr. Phillips said, I don't know what's made it into the agenda packet or whatever; but there is a draft of the bond ordinance that we have reviewed. It's still in the comment period, because as I mentioned earlier, we found it very favorable for the bond insurance. Their lawyers are going to have a few little tweaks to it. We're kind of waiting on that to return to us at this particular point in time. So we've got that. That is really a pending document. Those blanks, again, those have to be filled in. So I think it's there, but it doesn't have the content you'd love to see right now because we haven't sold the bonds and I get that. That is why I am trying to just walk through this process and make sure that you understand that it isn't something I developed. It's not something Administration did. This is just the nature of the beast and how this operates. Markets are volatile, as you know. I mean, they're just volatile. Anything can give. So the best we are able to do at this stage of the game absent, you know, having a special meeting of the city council or something like that. So we walked everything around the regular meetings. We didn't try to have some special and get something approved. So this is really the best we can do at this stage until there is an agreement made to buy the bonds and at what level.*

*Scott McDaniel, 1812 MacArthur Park, approached the podium and said, I won't reiterate what I said, but what I will say simply is a lot of the critiques that I mentioned were actually mentioned before. If you vote yes on this, but no before, you've essentially went against everything. So I ask again for a no vote on this, because again we need more time to bake this out. Because we need to wait on the master parks plan. We also need to determine what's up with the police. So again, I ask for a no vote on this one as well. Thank you. Chairman Joe Hafner said, just so you know, Mr. McDaniel, there is actually not a vote on this tonight.*

*Mayor Harold Copenhaver said, and Mr. Chair, I would like to clarify. I think Mr. McClain brought up a question and then I would just like to say that in our conversations with Paul, it was a normal process. And so the thought of what we've been visiting on this for six months was, you have a process. And that is what we laid out to Council on that, and so there was not any intent to not bring it to Finance. But that was the normal process that the bond issue went, so I guess that never came in question to us from that standpoint; because we had laid out, this is the process of how a bond is reviewed, how it is put in front of the general public, and the timeframe. And so with all of those put together, and it is still in front of Finance at this point, but again, that was the best way I can answer that question.*

**Filed**

## **7. PUBLIC COMMENTS**

## **8. ADJOURNMENT**

**A motion was made by David McClain, seconded by Brian Emison, that this meeting be Adjourned. The motion PASSED with the following vote.**

**Aye:** 6 - Charles Coleman; Ann Williams; John Street; David McClain; Brian Emison and Anthony Coleman