



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, July 31, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Present 5 - Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

Absent 1 - Charles Coleman

3. Approval of minutes

[MIN-18:074](#)

Minutes for the Finance Committee meeting on July 13, 2018.

Attachments: [Minutes](#)

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; David McClain and LJ Bryant

Absent: 1 - Charles Coleman

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-18:050](#)

AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT OF JUSTICE TO ACCEPT THE FY2017 JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD AND AMEND THE 2018 BUDGET

Attachments: [Grant Award JAG FY 2017 DJ-BX0833](#)
[FY 2017 JAG Program Budget Narrative](#)

Councilmember David McClain said the only question I had was when we're talking about scanners on here, are those for scanning I.D.s. Is that what it is for?
Councilmember John Street said to scan driver's licenses. It gets your name and all that stuff. It fills it in so you don't have to sit there and type it in. Councilmember L.J. Bryant asked so, this is 35 cars, and we already have it in some cars, right?
Councilmember Street said no. I don't think so. Well, yes, there are some. Community

Development Director Tiffny Calloway said yes. I asked Chief Rick Elliott about this particular grant. This will complete all cars, but about 20 cars. So, we're getting close to getting every police cruiser certified with the E-Citation and E-Crash software. So, we're 20 short after we receive this grant. So, it's really helpful. Councilmember McClain asked if there were grants or anything to help as far as for reading license plates because there are scanners that you can mount on the car. Ms. Calloway asked if that was legal in Arkansas. Councilmember McClain said I don't know. Councilmember Street said no. We don't have that. Councilmember McClain said I'm asking are there things we could look for. Ms. Calloway said at the next Finance meeting, we will actually be putting in a resolution to apply for the funding for FY18, and Chief Elliott has some ideas on what he wants to use the \$32,000 for FY18. I don't think that was one of the topics of discussion, but give me a call and we can discuss that offline. Councilmember McClain said okay. That will work.

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

RESOLUTIONS TO BE INTRODUCED

[RES-18:112](#)

A RESOLUTION TO CONTRACT WITH KIWANIS CLUB OF JONESBORO FOR SPONSORSHIP OF ONE OUTFIELD SIGN AT THE MIRACLE LEAGUE COMPLEX

Attachments: [Exhibit A](#)

A motion was made by Councilperson John Street, seconded by Councilperson David McClain, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

[RES-18:117](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 457 (b) RETIREMENT SAVINGS PLAN AND TRUST

Attachments: [Amendment Two to COJ 457\(b\) Plan](#)
[City of Jonesboro 457\(b\) Plan - Restated Loan Policy\(2\).pdf](#)

Councilmember David McClain asked Chief Financial Officer Bill Reznicek if he would care to talk about this resolution. Councilmember McClain said Chairmember Joe Hafner mentioned the main change was allowing loans to happen. Is that correct, or is there something else I am missing? Mr. Reznicek said what this does is it gives the employees the ability to borrow 50% up to \$50,000 of their vested balance in the 457(b), which is their contribution portion of the NestEgg plan. There are two plans. There is the 401(a), which is the city's match, and a 457(b), which is the employee's contribution. This gives them the capability to borrow against that and, basically, their fund is a collateral for that loan and they can repay that over a period of five years through payroll deductions.

Chairmember Hafner said loans are a pretty standard part of most retirement plans. Mr. Reznicek said there are two major requirements with the IRS. One is that the repayment period doesn't exceed five years, and two, is that there's a minimum of quarterly payments. So, our plan complies with both of those criteria for the IRS to allow this under their tax guidelines. Councilmember McClain said I guess the fees that come along with getting a loan, the interest and all that that comes with it, does that go right back into their account like any other one. Mr. Reznicek said yes. There is a \$100 processing fee for the loan itself and that comes out of the liquidation of their account to fund the loan. So, the employee pays a \$100 loan origination fee anytime they take out a loan, and then the interest that they pay themselves is based upon prime plus 1%. So, today, prime rate is 5%. For example, the employees would be repaying themselves the loan at a 6% interest rate that would go back into their fund, then they would be repurchasing the mutual fund or whatever investment vehicle that their plan or their account is in. The other thing I'll mention about this is, obviously, you know this was not in the original NestEgg program. There was not a loan provision. The Employee Rep Committee had asked us to consider this. They have actually been asking for this for some time now. We agreed to take a look at it. Most loan provisions allow for multiple loans. That was one thing that we did was that we paired it back to just one outstanding loan at any given time.

Mr. Reznicek said the other thing, I had lunch with representatives from First Security Bank a couple of weeks ago, and they are in agreement. They are going to come in and assist us with this. Once this is adopted, assuming it's adopted, we're going to have an education process with the employees. We're going to combine that with kind of reselling the plan to everyone. It's kind of an update and here's what's going on with the plan. If you want to make changes then this is how you do it and also educate the employees on the considerations for taking out a loan. In some cases, it might behoove them to go to a bank or a credit union, rather than borrow against their retirement plan, because once they pull that money out, even though they're paying themselves interest, they don't experience any other growth that they might have in a mutual fund. We're going to try to not necessarily, I don't want to use the word, discourage employees from using this feature, but we certainly want to make them aware that this is a retirement plan. This is not like a Christmas club that they need to be hitting every other year for a loan. So, we're going to try to at least give them some education on the importance of really taking a hard look at whether or not they should be using their retirement plan for a loan, but we do feel like it's a reasonable request and a reasonable feature of the plan. As Chairmember Hafner said, most plans that you see typically would have this feature. With the 457(b), there is more limitation on hardship withdrawals than you find in a 401(k). In a traditional 401(k), a private employer has what is called safe-harbor rules that you can take withdrawals from. A 457(b) is a little tougher to get money out of. You have to have a truly catastrophic situation to be able to get money out of the 457(b). This does facilitate their ability to access their funds if they need to.

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

[RES-18:118](#)

A RESOLUTION TO ALLOW THE MAYOR TO ADVERTISE A REQUEST FOR QUALIFICATIONS FOR A CONSULTANT TO STUDY IMPACT FEES IN THE CITY OF

JONESBORO

Attachments: [resolution to advertise for impact fee consultant.pdf](#)

Councilmember Ann Williams said City Attorney Carol Duncan drafted this as an RFQ but one question might be, and we can discuss this as a committee, whether or not we might want to go with an RFP based upon the estimated cost. I don't know if Planning Director Derrel Smith would want to address this or not. The estimated cost will be over \$20,000. Councilmember David McClain asked if we are anticipating that right now. You said over \$20,000. Councilmember Williams said based upon what has been indicated by one of the firms.

Mr. Smith said the people I have talked to who have done these everything is going to be over \$20,000. I don't know if they get out of bed for less than that. Councilmember McClain asked how long does it usually take. Mr. Smith said probably six months. Councilmember McClain said okay. Councilmember Williams said Duncan Associates is the firm that has done these for other cities in Arkansas. There are two firms that have done a lot of these, and they did it most recently for Sherwood, Arkansas. I read the study they did for them, which is a pretty lengthy study. It's 28 pages. I think they project at least six months as far as estimating what they have communicated to get everything together. It's very detailed what they do as far as the fee structure and what they recommend, even up to drafting an ordinance, if need be.

Chairmember Joe Hafner said, just to emphasize, we can't just take one from the City of Conway or from northwest Arkansas because the fees and the study have to be specific to the cost for Jonesboro and the needs for Jonesboro. Councilmember Williams said that's correct. Mr. Smith said they have to be tied to the plans for Jonesboro.

Chairmember Hafner said back to Councilmember Williams' question about if this needs to be a request for qualifications or a request for proposal. What do you all think? Mr. Smith, do we just stick with qualifications right now, or do we need to change it? Mr. Smith said I would do it as an RFP, but I think you could do it either way. There are only a few out there that have the qualifications and we're going to send it to all of them. So, I think we would want to go ahead and get a proposal from them. Chairmember Hafner asked if we leave it for RFQ right now, then, once everybody has sent their qualifications in, we'd have to do an RFP any way, right? Mr. Smith said right. Councilmember Williams said you're saying leave it like it is right now. Chairmember Hafner said I'm just saying is it necessary to leave it like it is. Mr. Smith said we'll publish it. There are two firms that have done 90% of the impact studies in the United States. So, we're going to send it to those two for sure, and, then anybody else, we'll publish it and if they're interested, they can also send in. Chairmember Hafner asked if the cleanest way to do it is to leave it as an RFQ then follow it with an RFP. Is that the cleanest way? Mr. Smith asked Engineering Director Craig Light what he thought would be best. Mr. Smith said you do more of these than I do.

Mr. Light said it would be, in my opinion, cleaner to do the qualifications because you only request a proposal from one firm once you rank them based on their qualifications. You don't want multiple firms spending 40 hours putting together a detailed proposal for you when you know you're only going to hire one of them. So, if you do the qualifications, they generally have an annual statement or something they send out. You rank them and you request a proposal from one firm. Either you like their proposal or you don't. You modify it and you begin negotiating a contract. That would be my recommendation to stay with the qualifications. Chairmember Hafner said

I would leave it the same then. Let's keep it clean.

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

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

5. Pending Items

Chairmember Joe Hafner said these next three items are kind of all related.

[RES-18:107](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 457 (b) RETIREMENT SAVINGS PLAN AND TRUST

Attachments: [Amendment Two to COJ 457\(b\) Plan](#)

Councilmember David McClain said Chairmember Hafner, if you don't mind, I was going to ask if this was the same thing we just did in the original. Chairmember Hafner said this is related to the entry date where the other one was a loan policy. Councilmember McClain said you had a loan policy and then an amendment, but I was just curious. Chief Financial Officer Bill Reznicek said we actually, and I probably should have stopped you possibly before you went through the whole thing, but I think we want to withdrawal these because one of the three does duplicate the loan provision. We made some amendments on that, and then the other two were a change to the entry date and a change to the frequency of changing contribution rate. So, we would like to basically withdraw those other two amendments and only do the loan provision at this time. Chairmember Hafner asked so you wish to withdraw RES-18:107 and RES-18:109. Mr. Reznicek said correct. Councilmember John Street said you want to withdraw them or you want to postpone temporarily and bring them back. Mr. Reznicek said I think at this time we are going to withdraw them because I don't think we have any plans to reintroduce them, at least for the remainder of this year.

Councilmember John Street motioned to remove RES-18:107 and RES-18:109 from consideration, seconded by Councilmember L.J. Bryant. City Clerk Donna Jackson said postpone indefinitely? Councilmember Street said yes. Chairmember Joe Hafner said there's a motion and a second to postpone indefinitely RES-18:107 and RES-18:109. All voted aye.

A motion was made by Councilperson John Street, seconded by Councilperson L.J. Bryant, that this matter be Postponed Indefinitely. The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

[RES-18:108](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 457 (b) RETIREMENT SAVINGS PLAN AND TRUST

Attachments: [Amendment Three to COJ 457\(b\) Plan](#)
 [Loan Policy](#)

Chief Financial Officer said this one was replaced by RES-18:117. Chairmember Joe Hafner said it was replaced by RES-18:117. Mr. Reznicek said yes. We introduced RES-18:117 with a different version of the loan document. So, we want to pull this one permanently, as well.

Councilmember Street motioned to postpone indefinitely RES-18:108, seconded by Councilmember Ann Williams. All voted aye.

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Postponed Indefinitely . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

[RES-18:109](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 401 (a) DEFINED CONTRIBUTION PLAN

Attachments: [Amendment Two to 401\(a\)](#)

Councilmember John Street motioned to postpone indefinitely RES-18:107 and RES-18:109, seconded by Councilmember L.J. Bryant. All voted aye.

A motion was made by Councilperson John Street, seconded by Councilperson L.J. Bryant, that this matter be Postponed Indefinitely. The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

6. Other Business

Chairmember Joe Hafner said I'm going to be traveling again for work. I think the next Finance meeting is scheduled for August 14th. I hate to do this, but I would like to ask that we move that meeting to Friday, August 17th, at 4 p.m., if that's okay with the committee. Otherwise, you all can have it on the regular date and Councilmember David McClain or somebody else can run the meeting. I would just hate to miss the meeting if we can reschedule it. Councilmember L.J. Bryant motioned that the next Finance meeting be moved from Tuesday, August 14th, to Friday, August 17th, at 4 p.m., seconded by Councilmember McClain. All voted aye.

Chairmember Hafner said I know Councilmember John Street has been working with city staff some on a professional services ordinance and I was going to ask him for an update. Councilmember Street said I have met with Interim Chief Operations Officer Roy Ockert once and I have received a revised proposal. I understand Mr. Ockert has another one, as well, but I haven't seen it. I was going to get with Mr. Ockert and get that if he has it.

Mr. Ockert said I'm on my fourth draft now. There is another law that City Attorney

Carol Duncan has advised. We have a choice between one law and another. One law applies to projects of construction that cost \$2 million or more. I was hoping that we could avoid that, but the alternative is a lot more complicated. The next draft, I think, will be the final version, but we do have to have something for \$2 million and above, which is a different process. It's a two-step process that requires two evaluations by the same committee, but still two evaluations and two rating systems and so forth.

Chairmember Hafner asked do you think you'll have something done that will go back in front of the Public Safety Committee at the next meeting or do you think it will be a little more time. We don't need to rush through it. Mr. Ockert said yes. We will distribute it to all the council before that. Chairmember Hafner said I just wanted to get an update. I know you all have been spending quite a bit of time on it.

Councilmember Street said you mean Public Works. Chairmember Hafner said yes, Public Works is what I meant. Councilmember Street said I was going to get with Mr. Ockert again. Mr. Ockert said we are also working on separate policies for financial services, as you all discussed this evening, and for legal services. We haven't had a policy for those two areas, but we will have now. Those drafts seem to be okay. Chairmember Hafner said thank you.

7. Public Comments

Ms. Patti Lack, 4108 Forest Home Hill Road, asked what is the city's contribution to the employees. What is their percentage to the city's retirement plan to match? Chief Financial Officer Bill Reznicek said the city currently matches 100% of the employee's contribution up to 5% of their salary. Chairmember Hafner said thank you. Good question.

8. Adjournment

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

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman