



# City of Jonesboro

900 West Monroe  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Tuesday, November 10, 2009

4:00 PM

Huntington Building

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### 1. Call To Order

*Mayor Perrin was also in attendance.*

**Present** 5 - Ann Williams; Jim Hargis; John Street; Darrel Dover and Mikel Fears

### 2. Approval of minutes

**MIN-09:108** Minutes for the special called Finance Committee meeting on October 13, 2009.

**Attachments:** [minutes 10/13/09](#)

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

**Aye:** 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

**MIN-09:111** Minutes for the Finance Committee meeting on October 20, 2009.

**Attachments:** [minutes 10/20/09](#)

**A motion was made by Councilman John Street, seconded by Councilman Jim Hargis, that this Minutes be Passed. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

**MIN-09:114** Minutes for the special called Finance Committee meeting on November 3, 2009.

**Attachments:** [minutes 11/3/09](#)

**A motion was made by Councilman John Street, seconded by Councilman Jim Hargis, that this Minutes be Passed. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

### 3. New Business

**COM-09:146** Presentation by Stephens, Inc. concerning the City's non-uniform pension plan

Attachments: [Stephens Group defined benefit plan portfolio summary](#)

*Finance Director Jim Barksdale explained the City previously approved separating the duties of investment advisor, management and actuarial services. He added Stephens, Inc. was awarded the investment advisory duties for the City's non-uniform pension plan. He noted as investment advisor, Stephens, Inc. will send out the RFP's for management of each fund.*

*Mr. Larry Middleton with Stephens, Inc., explained they manage more police, fire and non-uniform pension plans than any other company in the state. He noted they manage approximately \$4.5 billion and 90% of the assets are retirement assets.*

*He stated they will serve as a direct interface for the City concerning the administration, actuary, investment managers and custodian duties. He added it is a pretty standard format across the country in regards to one person serving as investment advisor and assisting with reconciling accounts, statements, negotiating fees and being an interface.*

*Discussion was held concerning defined benefit plans statistics.*

*Mr. Middleton stated they use active managers who are in the top quartile and they are managed on a quarterly basis to see if they meet or exceed their index. He added they do not intend to hire their own managers; rather, they will hire money managers who meet all their requirements and if they do not perform they will be replaced. He noted they typically move \$50 to \$100 million to a money manager.*

*He explained after reviewing the City's plan they can save the City approximately 20% on the overall cost of the City's plan for services outlined in the RFP versus what the City is currently paying for. He stated they will send the City a explicate bill every 90-days, which will be deducted from the City's account. He noted the City could receive institutional pricing instead of retail pricing due to the City's account being over \$3 million.*

*Discussion was held concerning the company.*

*Councilman Mikel Fears inquired how often a money manager is terminated. Mr. Middleton answered in the last 15 years there has been approximately a 15% to 20% turnover rate. He added 70% of the City's funds are allocated to indexes, which leaves 30% allocated to money managers.*

*Councilman Dover asked what allocation models other cities use. Mr. Middleton answered Stephens, Inc. is strict about this and will draft a policy and set parameters they are allowed to manage within. He stated it depends how the market looks, but the City could see a minimum 40% equity to a maximum of 60%. He added 85% to 90% of the fixed income in the portfolio will be direct obligations to the United States Government. He stated the City needs to stay in short and intermediate bonds for the time being.*

*Discussion was held concerning fixed equities.*

*Councilman Dover inquired how Stephens, Inc. would help the City determine where they need to be in terms of the economy, fixed assets and equities. Mr. Middleton answered if Stephens, Inc. does their job right the process will be easy. He added they will assist the City in determining the City's comfort level, but they already know the City's timeline, size of accounts, cash flow and number of retirees so they can*

*already forecast with some high degree of certainty what the City's cash flow needs are.*

*Councilman Dover questioned how often the City would have interaction with Stephens, Inc. Mr. Middleton answered some clients like to see them more in the beginning than during the later stages. He stated they will meet with the City again to show sample investment policies, sample ranges and portfolios and how the portfolio performed in the last 36 months. He noted meeting quarterly is too often. Mr. Barksdale stated it was previously discussed Stephens, Inc. would meet with the City on a quarterly basis due to the City not having developed policies in the past. Mr. Middleton stated they require at least one meeting annually.*

*Councilman Hargis asked if a monthly report would be provided. Mr. Middleton answered yes, which will include every trade and show their value. He noted they will provide a more detailed report every 90 days.*

*Councilman Hargis then questioned if Principal Group is holding the City to a contract where the City has to purchase annuities upon the termination of the contract. Mr. Middleton answered he reviewed the contract and saw nothing indicating the City has to purchase annuities upon the termination of the contract. He added if the City transfers the broker of record to Stephens, Inc. they will be the interface on the City's behalf in negotiating with Principal Group for the best way to transition the assets from Principal Group.*

*Councilman Dover inquired if Stephens, Inc. purchases individual equities and mutual funds. Mr. Middleton answered no, because indexes are considered an equity. He added they might buy an individual bond if it will add value.*

*Councilman Dover questioned what the difference is between a mutual fund and equities. Mr. Middleton answered equities are called exchanged traded funds (ETF) and mutual funds are a managed pool of securities. He added indexes are passive and operate at about 30% of the cost factor of a mutual fund.*

*Discussion was held concerning standard investment grades.*

*Mr. Middleton explained they are not an actuary, but can make recommendations concerning actuaries at the City's request. He noted they can work with any actuary in the country and they have 180 plans that they interface with the actuaries.*

*Councilman Dover asked if Stephens, Inc. would advise the City on what allocation model the City will need and what each particular investment would be. Mr. Barksdale answered yes, because they will pick the investment managers.*

*Discussion was held concerning the 3 functions of the retirement plan, which include the investment manager, investment advisory and actuarial services.*

*Councilman Dover stated Principal Group could do the check writing duties if the City chose. Chairwoman Williams stated the City is not leaving any functions with Principal Group. She noted the actuary will be Foster and Foster, who indicated they could help the City move away from Principal Group.*

*Councilman Dover inquired what is the status of the administration duties. Mr. Middleton answered they are working with numerous companies that could perform the administration duties and currently have \$400 million invested with those companies. He added Stephens' price point is ½ of what it would be if they had direct conservation due to having such a large amount of money with those*

companies. He stated he priced those functions into the savings and will pass the economies on to the City. Mr. Barksdale noted Assistant Finance Director Jim Eagan has prepared a cost analysis.

Councilman Dover asked if the City can move forward with whom to chose or does it need to be studied further. Mr. Eagan answered the City had sent out the RFPs for the investment portion, but questions arose concerning if the account was a fixed income mandate or balance fund mandate and why the City doesn't have an equity mandate. He added the City only received 3 responses for the managerial duties and each of those were narrow minded investment strategies, which did not achieve a more balanced strategy or fund to fund strategy. He added that would be detrimental on the pricing structure.

He explained he had Human Resources Director Gloria Roark obtain the cost summary from Principal Group, which the City previously didn't have. He added currently 1.32% of the City's planned assets is going to Principal Group regardless if the plan makes money or not. He noted Principal Group had a \$2.2 million actuary loss last year.

Councilman Fears asked if Mr. Eagan was recommending allowing Stephens, Inc. to handle the investment advisor duties. Mr. Eagan answered the City has already approved a resolution allowing Stephens, Inc. to be the investment advisor. He added the City will not choose separate investment managers due to it not being cost feasible.

Chairwoman Williams asked if the Finance Committee needs to take any further action concerning this matter. Mr. Eagan answered no.

Councilman Dover inquired if Stephens, Inc. would be picking the administrator. Mr. Eagan answered yes, they will be picking the money managers.

Councilman Hargis requested Mr. Eagan let him know when the City is completely free from Principal Group. Mr. Eagan stated he would do that.

Councilman Dover asked if a motion needs to be made allowing Stephens, Inc. to choose who the administrator will be. Mr. Eagan answered yes, it should be verified by resolution saying Stephens, Inc. as the City's investment advisors will be the entity that chooses the money manager in accordance with an investment strategy, which is to be formulated at their advice and adopted by the Finance Committee and ratified by the full Council. He added a division of Stephens, Inc. will handle the writing of the checks.

Chairwoman Williams stated everyone needs to review the financial policy before the next meeting. She added it needs to be placed in Legistar as an ordinance.

Councilman Darrel Dover motioned, seconded by Councilman Mikel Fears, that the Finance Committee meeting recess for a short period so the Public Works Committee can hold their meeting. All voted aye.

**This item was Read.**

## **REVENUE ENHANCEMENT ORDINANCES AND RESOLUTIONS**

**ORD-09:087** AN ORDINANCE TO AMEND TITLE 14.44.06 NOW SEC. 177.35 INCREASING FEES FOR MULTIPLE FAMILY DWELLINGS; COMMERCIAL BUILDING

PERMITS; RESIDENTIAL ZONING DISTRICTS SINGLE AND MULTIPLE FAMILY;  
NON-RESIDENTIAL ZONING DISTRICTS; SPECIAL DISTRICT APPLICATIONS  
AND FOR OTHER PURPOSES

**Sponsors:** Planning

*Councilman Darrel Dover motioned, seconded by Councilman Mikel Fears, that all revenue enhancement ordinances and resolutions be approved in one motion. All voted.*

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:088**

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO AMEND ORDINANCE NO. 07-81; TECHNICAL CODE SEC.14.32.11 FOR THE PLANNING AND ZONING DEPARTMENT; ON/OFF PREMISE SIGNAGE (BILLBOARDS)

**Sponsors:** Planning

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:089**

AN ORDINANCE TO AMEND ORDINANCE # 05-231 INCREASING FEES FOR CEMETERY LOTS; BURIAL PERMITS; MONUMENT SETTING FEE AND FOR OTHER PURPOSES

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:090**

AN ORDINANCE TO AMEND ORDINANCE #3026 SEC.1 INCREASING FEES FOR STREET PLATES; BARRICADES; ASPHALT REPAIR; STREET CUTS AND FOR OTHER PURPOSES

**Sponsors:** Streets

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:091**

AN ORDINANCE TO AMEND ORDINANCE NO.783 INCREASING FEES FOR ENCROACHMENT PERMIT

**Sponsors:** Engineering

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion**

**CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:095** AN ORDINANCE TO AMEND ORDINANCE 08-099 SETTING FEES FOR FLOODPLAIN PERMITS; DRAINAGE ALTERATION/MODIFICATION PERMITS; GRADING PERMITS; STORMWATER MANAGEMENT PLAN REVIEW; AND FOR OTHER PURPOSES

**Sponsors:** Engineering

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:096** AN ORDINANCE TO AMEND ORDINANCE NO. 2779 INCREASING FEES FOR DRIVEWAY PERMITS

**Sponsors:** Engineering

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:097** AN ORDINANCE BY THE CITY COUNCIL OF JONESBORO, AR ESTABLISHING NEW FEES FOR HVAC INSPECTIONS, AND FOR OTHER PURPOSES

**Sponsors:** Inspections

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:098** AN ORDINANCE BY THE CITY COUNCIL OF JONESBORO, AR ESTABLISHING PERMITS FOR RE-ROOFING, INSULATION AND NEW CERTIFICATES OF OCCUPANCY, ESTABLISHING FEES FOR SAID PERMITS AND FOR OTHER PURPOSES

**Sponsors:** Inspections

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**ORD-09:099** AN ORDINANCE BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, AR INCREASING FEES FOR NEW CONSTRUCTION, INSPECTIONS, AND FOR OTHER PURPOSES

**Sponsors:** Inspections

Attachments:     [Valuation Fees for Residential Permit](#)  
                          [Valuation Fees for Commercial Permit \(2\)](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:161**     RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ESTABLISH FEES FOR THE PLANNING AND ZONING DEPARTMENT

Sponsors:     Planning

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:162**     A RESOLUTION TO ESTABLISH FEES FOR THE ANIMAL CONTROL DIVISION, JONESBORO POLICE DEPARTMENT

Sponsors:     Animal Control

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:163**     A RESOLUTION TO ESTABLISH FEES FOR THE CEMETERY DEPARTMENT FOR DISINTERMENTS AND CREMATIONS

Sponsors:     Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:164**     A RESOLUTION TO ESTABLISH FEES FOR PARKS AND RECREATION DEPARTMENT FOR HOURLY RENTAL AND STRIPING AND DRAGGING OF NORTHSIDE BASEBALL FIELD

Sponsors:     Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:165**     A RESOLUTION TO ESTABLISH FEES FOR PARKS AND RECREATION DEPARTMENT RENTAL OF THE COMMUNITY CENTER AND THE COMMUNITY CENTER CLIMBING WALL

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:166**

A RESOLUTION TO ESTABLISH FEES FOR PARKS AND RECREATION DEPARTMENT FOR THE EARL BELL POOL PUNCH CARDS

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:167**

A RESOLUTION TO ESTABLISH FEES FOR PARKS AND RECREATION DEPARTMENT FOR JOE MACK CAMPBELL FIELD HOURLY RENTALS, BASEBALL & SOCCER STRIPING AND SOCCER LAYOUT

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:168**

A RESOLUTION TO ESTABLISH THE FEE FOR PARKS AND RECREATION DAILY RENTAL FEE FOR JOE MACK CAMPBELL FIELD

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:169**

A RESOLUTION TO ESTABLISH THE FEE FOR PARKS AND RECREATION RENTAL FEE FOR ALLEN PARK TENNIS COURT

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:170**

A RESOLUTION TO ESTABLISH THE FEE FOR PARKS AND RECREATION HOURLY RENTAL FEE FOR COMMUNITY CENTER ROOMS AND BASKETBALL COURTS

**Sponsors:** Parks & Recreation



**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:171** A RESOLUTION TO ESTABLISH THE FEE FOR PARKS AND RECREATION RENTAL FEE FOR CRAIGHEAD FOREST PARK CAMPGROUND

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:172** A RESOLUTION TO ESTABLISH THE FEE FOR PARKS AND RECREATION DAILY RENTAL FEE FOR EARL BELL POOL

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:173** A RESOLUTION TO ESTABLISH THE FEE FOR PARKS AND RECREATION DAILY RENTAL FEE FOR NORTHSIDE BASEBALL FIELD

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:178** A RESOLUTION TO ESTABLISH FEES FOR THE CFP #6 AND ALLEN PARK PAVILIONS FOR THE PARKS AND RECREATION DEPARTMENT

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:179** A RESOLUTION TO ESTABLISH FEES FOR AFTER HOURS AND THE BASKETBALL TEAM PRACTICE RATE FOR THE COMMUNITY CENTER FOR THE PARKS AND RECREATION DEPARTMENT

**Sponsors:** Parks & Recreation

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**MILLAGE RESOLUTIONS**

**RES-09:174** RESOLUTION TO LEVY .5 MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE POLICE PENSION FUND

**Sponsors:** Finance & Administration Council Committee

*Chairwoman Williams noted the millage resolution is routine business and is done on a yearly basis.*

**A motion was made by Councilman John Street, seconded by Councilman Jim Hargis, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:175** RESOLUTION TO LEVY 2 MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE PUBLIC LIBRARY TAX

**Sponsors:** Finance & Administration Council Committee

**A motion was made by Councilman John Street, seconded by Councilman Jim Hargis, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:176** RESOLUTION TO LEVY .5 MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE FIRE PENSION FUND

**Sponsors:** Finance & Administration Council Committee

**A motion was made by Councilman John Street, seconded by Councilman Jim Hargis, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**OTHER RESOLUTIONS TO BE CONSIDERED**

**RES-09:180** A RESOLUTION TO ACCEPT INSURANCE PROPOSALS FROM BLUE CROSS BLUE SHIELD AND DELTA DENTAL TO PROVIDE INSURANCE COVERAGE FOR CITY EMPLOYEES

**Sponsors:** Human Resources

**A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:183** A RESOLUTION APPROVING THE, YEAR 14 2010 COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET AND AUTHORIZING THE SUBMISSION OF THE FY 2010 ACTION PLAN AND FOR OTHER PURPOSES

**Sponsors:** Community Development

**Attachments:** [Coun.Com.-Res.-Table](#)  
[2010 ACTION PLAN](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

#### **4. Other Business**

**COM-09:144** Discussion concerning Mr. Randal Gerdes' property at 510 East Thomas Avenue.

**Attachments:** [Mr. Randal Gerdes' property details](#)

*Councilman Street explained the Gerdes' met with the Public Works Committee twice concerning the flooding damage to their home. He added the Public Works Committee approved and recommended the purchase of the Gerdes' home.*

*City Clerk Donna Jackson asked if the resolution concerning this property was in Legistar. Operations Director Gary Harpole answered no.*

*Mayor Perrin stated the City needs to follow their own policy and procedures concerning items being placed on the agenda. He added if the items are not in Legistar they will have to wait till the next committee meeting. He noted he spoke with City Attorney Phillip Crego concerning this resolution.*

*Councilman Street inquired if the resolution needs to go to the City Council meeting on November 17. Mr. Harpole answered he understood that the resolution needed to go to Council on November 17.*

*Mr. Barksdale noted the auditor wants to be informed of the outcome of this resolution.*

*Councilman Hargis stated it was represented to the Finance Committee that this matter was time sensitive due to the mold in the home.*

**This item was Read.**

**RES-09:191** RESOLUTION TO AUTHORIZE PURCHASE OF REAL PROPERTY LOCATED AT 510 EAST THOMAS AVENUE IN JONESBORO FOR CONSTRUCTION OF DETENTION POND AS RECOMMENDED BY THE CITY ENGINEERS

**Sponsors:** Engineering

**Attachments:** [Gerdes - Mayors Letter](#)  
[Gerdes - Offer and Acceptance](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**RES-09:189** A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE LOW BID, CHANGE ORDER #1, AND ENTER INTO A CONTRACT WITH BAILEY CONTRACTORS, INC FOR THE CONSTRUCTION OF THE CITY OF JONESBORO - NEW FACILITY FOR JETS - JOB NO. 2009:41

**Attachments:** [Agreement](#)  
[Change order](#)  
[Bid sheet](#)

**A motion was made by Councilman Jim Hargis, seconded by Councilman Darrel Dover, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

**COM-09:145** Financial reports

**Sponsors:** Finance

**Attachments:** [Finance Committee Meeting 11-10-2009](#)  
[Grants Financial Management Policy](#)  
[Accounting, Auditing & Financial Reporting Policy](#)  
[Capital Improvements Policy](#)  
[Cash & Investments Management Policy](#)  
[Fixed Assets, Vehicles & Equipment Records Policy](#)  
[General Financial Management Policy](#)  
[Fund Balance Reserves Policy](#)  
[2009 Principal Actuarial Report](#)  
[OCT-09 Budget Report - Summary by Department & Fund](#)  
[Oct-09 Receipts, Disbursements & Changes in Fund Balances YTD](#)  
[Required Reserves 2009 = Calculated Amounts](#)  
[Oct-09 Comparison of Reserve Requirement Methods](#)  
[Required Reserves 2009 = RES-03-705](#)  
[Sep-09 BUDGETING - Appropriate Fund Balance GFOA](#)  
[Sep-09 BUDGETING - Appropriate Reserves AML](#)  
[Oct-09 Report - Effects of Change in Reserve Requirements](#)  
[Non-uniform pension plan objectives](#)  
[Required reserves at 30%](#)  
[Example resolution concerning minimum financial reserve](#)  
[Example resolution concerning capital improvement fund](#)

*Chairwoman Williams requested all Finance Committee members review the financial polices packet before the next Finance Committee meeting.*

*Assistant Finance Director Jim Eagan explained the City currently requires 30% to be in the required reserves in the General Fund. He added the analysis showed that amount to be rather restrictive and limits the City's flexibility. He stated the Government Finance Officers Association (GFOA) recommends the unreserved fund balance be between 5% to 15% of the regular General Fund operating revenues or no less than 1 to 2 months of the regular General Fund operating expenditures. He noted the Municipal League recommends maintaining 2 months of the General Fund*

revenue in reserves. He added changing the required reserve percentage will be approximately a \$4 million difference.

Mr. Eagan noted if the City changed the required reserves to 15% it would leave the City with excess reserves. He added the auditor stated in some cases the City is violating its own resolutions and ordinances, which is reviewed by the Legislative Audit. He stated lowering the required reserve amount will keep the City from having audit findings and will provide the flexibility in going forward.

Finance Director Jim Barksdale discussed a resolution addressing Sec. 26-75-203, which allows the City to move 50% of the sales tax money from the Capital Improvement Fund back into the General Fund in order to pay for vehicles and equipment. He noted the ordinance was more restrictive than state law. He explained the City is trying to make the ordinance not as restrictive. He added the City could have paid approximately \$3 to \$4 million out of the Capital Improvement Fund instead of the General Fund based on the ordinance being less restrictive.

Chairwoman Williams asked if the reserves are not governed by state statutes, but are compared to the Municipal League rules. Mr. Barksdale answered yes. He stated state law only requires the City to have reserves, but not a percentage. He noted the auditors mentioned the City's reserves are 3 times higher than other cities the same size.

**This item was Read.**

## **5. Public Comments**

## **6. Adjournment**

**A motion was made by Councilman Jim Hargis, seconded by Councilman Mikel Fears, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears