



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, January 29, 2019

4:00 PM

Municipal Center

ELECTION OF A CHAIR

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

3. Approval of minutes

[MIN-18:121](#) Minutes for the Finance Committee Meeting on December 11, 2018

Attachments: [Minutes](#)

[MIN-18:123](#) Minutes for the Special Called Finance Committee meeting on December 17, 2018

Attachments: [Minutes](#)

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-19:003](#) AN ORDINANCE TO REPEAL AND REPLACE ORDINANCE 1639 WHICH ESTABLISHED THE AUDITORIUM COMMISSION AND PROVIDED FOR THE RESPONSIBILITIES AND DUTIES OF COMMISSIONERS

Sponsors: Mayor's Office

Attachments: [MOU Auditorium Commission](#)

RESOLUTIONS TO BE INTRODUCED

[RES-19:002](#) A RESOLUTION FOR THE ACCEPTANCE OF THE 2019 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM CHANGE ORDER WITH THE ARKANSAS STATE POLICE

Sponsors: Grants and Police Department

Attachments: [Change Order for STEP](#)

[RES-19:003](#) RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS REQUESTING CITY WATER & LIGHT (CWL) PAY FOR THE REMAINDER OF THE

NEW JONESBORO FIRE DEPARTMENT PUMPER TRUCK

Sponsors: Fire Department

RES-19:007 RESOLUTION AUTHORIZING THE CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE DEPARTMENT OF HOMELAND SECURITY FY 2018 STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE GRANT (SAFER)

Sponsors: Grants and Fire Department

RES-19:008 A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE MICRO-ENTERPRISE BUSINESS ACCELERATOR (MBA) PROGRAM SUB-RECIPIENTS OF THE 2018 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Sponsors: Community Development

Attachments: [Agreement_Candy Apples BBQ.docx](#)
[Agreement_Granite Works, LLC.docx](#)
[Agreement_RJW Plumbing.docx](#)
[Agreement_The Fainting Goat.docx](#)

RES-19:009 A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO A CHANGE ORDER WITH RITTER COMMUNICATIONS, INC. TO INCREASE STORAGE CAPACITY

Sponsors: Information Systems

Attachments: [Copy of Upgrade Quote 1152019.pdf](#)

5. Pending Items

6. Other Business

7. Public Comments

8. Adjournment



Legislation Details (With Text)

File #: MIN-18:121 **Version:** 1 **Name:** Minutes for the Finance Committee Meeting on December 11, 2018
Type: Minutes **Status:** To Be Introduced
File created: 12/14/2018 **In control:** Finance & Administration Council Committee
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Title: Minutes for the Finance Committee Meeting on December 11, 2018
Sponsors:
Indexes:
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Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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Minutes for the Finance Committee Meeting on December 11, 2018



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, December 11, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

3. Approval of minutes

[MIN-18:116](#)

MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON NOVEMBER 27, 2018

Attachments: [Finance Minutes 11272018.pdf](#)

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-18:083](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR ALDERMEN

Sponsors: Finance

Councilmember David McClain said I would like to make a quick comment. It seems like de ja vu, honestly, that we're back here talking about taking money out of reserves and then looking at pay raises for elected officials. I really feel like we are here to be fiscally conservative leaders of our city and I truly don't feel this is the time, again, to give any raises. Like I said earlier, I truly believe people should be paid what they are worth, but at the same time, especially being elected, we know what we signed up for from the jump. So, I just wanted to make that comment.

No motion was made. ORD-18:083 FAILED to pass.

[ORD-18:084](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE CITY ATTORNEY

Sponsors: Finance

No motion was made. ORD-18:084 FAILED to pass.

[ORD-18:085](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE CITY CLERK

Sponsors: Finance

City Clerk Donna Jackson said I would like to say something. This goes back to what Mr. Harold Carter was saying. I didn't even know this was going to be on the agenda. I never asked for this raise. Nobody consulted me, and don't get me wrong, I would love to have 2% if it's all I can get. I'm requesting that we have a set policy for elected officials on what qualifies a raise for the council members, the city attorney, the city clerk and the mayor. Three of us are here full time. Don't misunderstand me, I know that you all are called at all hours of the day and night, but these jobs are our livelihood. I have the longest tenure up here. When I finish this term, it's going to be almost 30 years. I've been told that longevity doesn't matter. I've been told that anything extra that I do doesn't matter and I that I knew that when I took this job. My question to you all is what matters, and by what process do we evaluate it? I'm bothered that we go by Johanson for non-uniformed and then not wanting to go by that for elected officials. We had a committee and that was last year. I would like that committee to meet again and I would like to see some representation for the elected offices. That's all I have to say.

No motion was made. ORD-18:085 FAILED to pass.

[ORD-18:086](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE MAYOR

Sponsors: Finance

No motion was made. ORD-18:086 FAILED to pass.

RESOLUTIONS TO BE INTRODUCED

[RES-18:188](#)

A RESOLUTION TO CONTRACT WITH RITTER COMMUNICATIONS FOR SPONSORSHIP OF ONE ATHLETIC FIELD SIGN AT THE JOE MACK CAMPBELL SPORTS COMPLEX

Sponsors: Parks & Recreation

Attachments: [Exhibit A](#)

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-18:195](#)

A RESOLUTION TO CONTRACT WITH INFORMATION NETWORK OF ARKANSAS (INA) TO DEVELOP AN ONLINE PAYMENT PORTAL AND PROVIDE ONLINE PAYMENT COLLECTION SERVICES FOR THE CITY OF JONESBORO

Sponsors: Finance and Mayor's Office

Attachments: [Exhibit A](#)

Councilmember David McClain said so, we don't currently offer this service and we don't have to submit bids or anything like that. Chief of Staff Bill Reznicek said that's right. Now, we only have the option of coming in and paying at the window at the Collector's Office, mailing in a payment, or calling in and paying by credit card. This would give citizens the capability to go online. They would be presented with the amount they owe and then they would pay through Information Network of Arkansas (INA). INA is the business that does a lot of the municipalities throughout the state. The county is currently working with them. If you pay your personal state income tax online, then you're paying through INA. They do a substantial amount of work with government agencies in the state. There's no cost to the city. There's a convenience fee for the transaction, but that is paid by the taxpayer.

Councilmember L.J. Bryant asked Mr. Reznicek how long the contract was for. Mr. Reznicek stated that he believed the contract was for an indefinite term. It is something that we would have the option to terminate if we had an issue with them. Chairmember Joe Hafner said termination is at any time within 60 days of written notice by INA or the agency. Basically, the fees for the online payment process are \$2.00 for e-checks and 3% plus \$1.00 for credit cards, and the city wouldn't have any expense because there would be a convenience fee charge to the taxpayer. Mr. Reznicek said it's pretty comparable to what you typically find when you do transactions online.

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: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

[RES-18:196](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO AMEND THE CITY SALARY AND ADMINISTRATION POLICY BY INCLUDING UPDATED JOB TITLES AND GRADES

Sponsors: Human Resources and Finance

Attachments: [Salary Administration Plan - Revised January 2019](#)
[Job Titles and Grades - Revised January 2019](#)
[Pay Grades and Steps - Revised January 2019](#)
[2019 Budget Presentation with prior and new salaries.pdf](#)

Chairmember Joe Hafner said before we get too far into this, I know the staff may have some words to add to this. For those of you who have not had a chance to look at this, I just want to read a few items from the salary plan. This plan was originally adopted January 1, 2019, and it's been changed quite a few times over the last few years. There are just a few items I would like to read. It says, the City of Jonesboro believes it is in the best interest of both the community we serve and our employees to fairly compensate our workforce for the value of work provided. The city engaged an independent firm to evaluate salaries of employees and provide a compensation program with the following objectives: to provide salary ranges that are fair and internally equitable and to provide salary ranges that are externally competitive with relevant market forces. The system is a pay grade system. All non-uniformed employees will reach midpoint after 10 years of service and reach maximum after 20 years of service. Uniformed employees reach midpoint and maximum years of service at various levels dependent upon their rank. With the institution of the step plan, the Human Resource director may periodically evaluate employee pay grades to ensure that all employees are in the proper pay grades and steps. Department heads may

request for a position to be regraded if there are significant duty changes. If the review results in an upgrade in job class, the employee will be eligible for an increase equal to no less than the minimum of the new pay grade. If the review results in a downgrade in the job class, the employee will be placed in the appropriate step within the new pay grade. Such request may not be submitted more than once in a 12-month period. If changes are recommended, the department head and Human Resource director will consult with the Mayor. Final changes must be approved by the Mayor. If the employee being regraded is an employee of an elected official and the mayor and the elected official disagree on the pay grade, then the decision will be made by the City Council. For new hires, it says, no employee will be hired below the minimum of the pay grade for that position. Directors have the discretion to request a new hire salary up to step five. Based upon the employee's qualifications and years of service, with approval of their department head, the Human Resource director and Mayor, any salary recommendation in excess of step five will require the approval of the Mayor and the City Council prior to the salary offer.

We just have to keep in mind that the pay grade for the different classification of employees is set by the independent salary, obviously, with staff review, then ultimately with City Council approval. When we're talking about some of these people moving from departmental employees to department heads, according to our pay grade system, when they're a department head, they're going to be a pay grade of 122. It doesn't matter where they were before or if it's somebody who came off the street, they're going to be making that minimum salary that is in that pay grade. That's how this pay grade system is set up. Obviously, as with any pay system, there may be something that needs to be tweaked and improved, but, right now, this is the pay plan that has been adopted over the years. The step increases that were attached to the agenda outline the 2% raises each year to get to the maximum after 20 years. We'll go through and discuss some of these positions, but, until this is changed, if it's changed, what we're approving here today, as a City Council, is the addition of the new job titles that weren't previously on the pay plan. As long as it's within the parameters of this salary plan, it's in the discretion of the Mayor, the department head and the Human Resource director. If it's an elected official employee and the Mayor and elected official disagree, that's when it comes to City Council. What we are currently using as a salary policy and what we are currently approving here today are two different things. A lot of this goes back to what is the pay grade now that they are a department head or a supervisor. All department heads are paid the same thing.

Chief of Staff Bill Reznicek said we put together a PowerPoint and I'll go through that. The PowerPoint is going to show different categories. We have additional positions we added, basically, reorganizations that we did, regraded positions, promotions, cost of living adjustments and then consolidation of positions. We are adding a kennel master in Animal Control, due to the volume they are experiencing. They have really had an inability to keep up with the population out there even in terms of the amount of euthanizations they are doing. Their population right now is exceeding the capacity on a daily basis, which is causing a strain on the personnel. We looked at this and spent quite a bit of time making sure the numbers justified the additional position, and they did. The next one was a 9-1-1 Dispatcher. This position was added as a result of call volume and, also, a result of changes that were made to how warrants are served for the county and their system. So, we felt like it warranted an additional position for a dispatcher in the 9-1-1 center. The next one is the firefighters that we got under the SAFER Grant. This allows for 75% of the salaries for the first two years and 35% for the third year for three firefighters.

In grants administration, we regraded the director position, which was already the

Director of Community Development, but we regraded that position from a 122 to a 124, which was approximately a \$4,000 increase. In the city attorney's office, we regraded the assistant city attorney to a director position. This was based upon the grading that fell more along the line with education and the responsibility of that position, and, also, the fact that that position needs to be at a director level, which would mean that individual would also be part of director meetings on Monday mornings and update meetings. In facilities maintenance, we regraded the Administrative Secretary to Facilities Maintenance Coordinator because the work that she is doing is really not of a secretarial nature. She is more like an office manager and does the scheduling, ordering, inventory of the spare parts and is, basically, a fill in for the Facilities Maintenance Director when he is unavailable.

Mr. Reznicek said when I moved into my new position, Mr. Trever Harvey was promoted from Finance Manager to Director of Finance and he was moved into the 122 director category, which was a \$13,963 increase. In Code Enforcement, we moved Mr. Scott Baxter back to the police department, so it was basically neutral in terms of head count. Mr. Mike Tyner, who has been the Senior Code Enforcement Officer and, basically, the defacto supervisor of the employees in that department was moved to Director of Code Enforcement, which moved him to a grade of 122. He will function as a director and will attend the Monday morning update meetings. That resulted in an \$18,699 increase in pay. Chairmember Hafner said when you transferred to your new position, if the Director of Finance position had been open and somebody would have been hired off the street, they would have come in at that pay grade 122 based on the pay scale. Mr. Reznicek said that is correct. The same way with code enforcement. If we would have went out and found someone, whether they had experience in code enforcement or whether we would have hired them from some other type of background, they would have come in at that same level of 122.1. So, it would not have been a difference in pay versus what Mr. Tyner is being promoted to.

City Clerk Donna Jackson asked is it true that even though that may start at the lowest level, the Mayor has the right to increase it up to five levels. Is that correct? Mr. Reznicek said that's true. In cases where we find somebody who comes in and they have a substantial amount of experience and they want to negotiate that experience into the hiring process. Ms. Jackson said so, if they're hired at five steps higher and then they're given this kind of bump, they won't be at 122, but further up the scale. Would they not? Chairmember Hafner said so, in their old position if they would have been at step five, I think it's the minimum or whatever is greater. If they were step five when they were hired for their old position then you multiply whatever they're making by 1.05 and you compare that to where they're step one is at their new position, and then it's the greater of those two. Ms. Jackson said the point I'm making is that they don't always come in at that lowest pay scale, and without us seeing the job description change, and don't get me wrong, I think anybody who works for the city earns their money. What I'm looking for is consistency and I'm just not seeing it. It took me a solid year to get a title change for my Deputy Clerk, even though she had a master's degree and was taking on IT roles. I was told they had to start at the lowest scale because I don't have the ability to increase it, which means my staff takes a lot longer to get where some others are. I'm looking for equality where the process is clearly understood by everyone. This was the first I had heard there were raises. I was told there's no money for raises and that this wasn't a good time. Therefore, I didn't request any raises. Here again, I don't begrudge anybody for getting money, but I think it needs to be equal across the board.

Councilmember David McClain asked Mr. Reznicek who determines the raises for offices such as city clerk and city attorney. Is that determined by the Mayor, by you

and the Mayor or the City Council and the Mayor? Mr. Reznicek said in the budget process we go through and analyze what each department submits. Ultimately, it's the City Council's decision if an elected official wants to go forward with an increase and they go to the Mayor and if it's rejected then they go to the City Council for approval or it's approved and incorporated into the budget. Ms. Jackson said I appreciate that, but we were told that there is no money and we were asked to cut our budgets to the bone, which we did. Then we find out there is a way, but this is the first anybody else has heard of it. I don't want other employees to feel like that I'm upset that they got a raise, but I just feel like that it needs to be that way in every department. There has been a big turnover in a lot of positions and we hear this every time and it's every year. It's kind of hard to explain that to my staff who has stayed here. That's my input on it.

Councilmember McClain said looking at the annual changes, is that something that you are planning to continue and keep in the budget going forward. I know annually the employee isn't going to get \$18,000, but what kind of percentage are we looking at annually? Chairmember Hafner said the 2% on the step plan for that grade. Councilmember McClain said so, regardless of performance, regardless of anything, the employee gets 2% or the cost of living adjustment. Mr. Reznicek said that is the prevailing plan. Ms. Jackson said, but not for elected officials. Chairmember Hafner said until the plan is changed, that's how it is.

Councilmember L.J. Bryant said so, I know the rule is there for the City Clerk and the City Attorney to appeal to City Council if they have a disagreement with the administration, but is there a pretty defined process of how that goes or if they disagree they would just need to be on the Finance Committee agenda. Chairmember Hafner said they would need to be on the City Council agenda not Finance. Mr. Reznicek said the City Council agenda.

Ms. Jackson said I hesitated to say anything because this type of set up here is very difficult for an elected person, or for anybody really, because you feel like you're on the chopping block. I would never second-guess Mr. Reznicek as head of finance or the Mayor's office, but I just want that same consideration, and I don't feel like it is there. A lot of the time, it's easy to see the city clerk's office as nothing more than a secretarial pool that people call up and we're supposed to jump, but it's elected for a reason. If you look across, you have a mayor, a city attorney, a city clerk and 12 councilmembers, and we are equal. Usually I don't really care, but I'm getting old. I'm 65 years old and I'm beginning to see where there's an importance here and a precedence that needs to be set. That's all I'm going to say for now.

Mr. Reznicek said I'll go ahead and finish up and then if you have any additional questions, we're almost through this. We consolidated the Chief Financial Officer and Chief Operations Officer positions and through the group that does our grading system, we came up with a Chief of Staff position at 133, which is a \$5,315 per year increase. Then the elected officials increase was based upon a 2% increase that is equivalent to COLA for next year. The increases there were \$2,441 for the Mayor, \$2,102 for the city attorney, \$1,609 for the city clerk and \$196 per position for the councilmembers. We did a couple of reorganizations when the softball coordinator retired. We looked at that department and felt like due to the expansive growth at the parks, particularly Southside Softball Complex, that we needed somebody who was able to coordinate what was going on there from a program standpoint, as well as get involved in the other programs, such as soccer and football. This actually came out of a recommendation when we did the search and interview for the current parks director replacement. That committee concurred that we had gotten to the size and our parks department had made an investment to the extent that we probably needed a person over facilities and

then a separate person over programs and tournament recruitment since that is really two entirely different skill sets. We took that advice, and have actually been looking at that since the spring, when we went through that selection process. So, in the budget, we took the opportunity, with the retirement of the softball coordinator position, to implement that. In the police department, we added an additional officer, but it was to replace an officer moving into a school resource officer position that is 100% funded by the school. Chief Rick Elliott added a non-uniformed Public Information Specialist, but that was at the expense of a couple of part-time positions, so the change in the police department was budget neutral. Those are the total of the changes that we made in terms of personnel, regrades, promotions, and additional hires for the year.

Ms. Jackson said I have another question. I apologize. I was out last week, as many of you were, with the flu. On these new job titles and grades, are you giving job descriptions that justify the new titles? Mr. Reznicek said we will have job descriptions that justify those new titles. Ms. Jackson said but it's not currently here. Mr. Reznicek said Human Resource Director Dewayne Douglas has some of those in the process, but obviously, we talked through what those responsibilities are and we know what those new duties and roles will be. Ms. Jackson said that's what we are justifying so I would think we would have that. What is the beginning pay and the ending pay? Mr. Reznicek said I'm not sure I understand the question. Ms. Jackson said when will we have those. Mr. Reznicek said we have the items that go into the regrade. We have those already. So, that is essentially the job descriptions. We have all the duties and responsibilities. Ms. Jackson said so, we should be able to look at what duties they were doing and what they are going to be doing in their new positions. Mr. Reznicek something side by side. Correct.

Councilmember Bryant said I have a question. On the police department, is the non-uniformed Public Information Specialist in addition to the Public Information Officer or is this a replacement for our Public Information Officer? Mr. Reznicek said this is a replacement. Councilmember Bryant said okay. So, we're going from uniformed to non-uniformed in that position.

Chairmember Hafner said obviously the timing of the budget being on the last finance meeting and this being on this finance meeting probably could have been handled a little better as far as having them at the same time so it didn't look we were trying to do the budget and then do this. Hopefully, in the future, we can be more proactive about this kind of thing. If there are improvements in a process as far as for employees of elected positions requesting title changes and regrades, we can definitely discuss that. On the consolidated positions on the CFO and COO, with Mr. Reznicek's change in salary, Mr. Harvey's change in salary, filling Mr. Harvey's position and eliminating the COO position that actually results in an \$11,000 per year savings. If there are improvements that need to be made to the way the salary plan is right now, those are items to be discussed, but what we are talking about right now is what is currently in the salary plan and adding the positions of Chief of Staff, Director of Community Development, Assistant City Attorney, Director of Finance, Director of Code Enforcement, Assistant Director of Parks Facilities and Assistant Director of Parks Programs. Those are the positions that we are talking about being added to the pay plan.

Councilmember McClain said I would like to make a statement real quick. I do believe you should pay employees what they are worth, but looking through the budget and everybody was told to make cuts and make drastic cuts. So, I don't want us to get into the habit of continuing raises, but also stopping capital projects. I think that is my biggest concern for our budget. I mean if you have 2% for everybody for the next

however many years, that's a big number at the end of the day. Chairmember Hafner said, but right now, until our pay plan is changed, that's what we're working under. Councilmember McClain said I get it. Chairmember Hafner said with these new positions, if they're on the same level as supervisors and department heads in other departments, they'll make the same at year one, unless there's adjustments up to step five, but until our pay plan is changed, that's what we're working under.

Mr. Harold Carter, 902 Tony Drive, said all these pay raises are very interesting to me. Who has the final discretion on whether this goes to City Council? Chairmember Hafner asked on which one? Mr. Carter said any of them. If it has to go to the City Council, ultimately, or it can go to the City Council, apparently, to start with, can the employee just up and say well, I'm going to take that to the City Council? Somehow, that don't sound right. Chairmember Hafner said no. It has to be a department head, the Mayor and the Human Resource director. Mr. Carter said okay, but, ultimately, who does that for elected officials? Chairmember Hafner said for elected officials. That's a great question. Mr. Carter said all of this is great questions to me because it's so obscure if you don't even know it yourself. Chairmember Hafner said there is no process for bringing the elected officials pay to the City Council on a yearly basis. Mr. Carter said one process for the elected officials is to just schedule themselves on the agenda and bring it. That's the way I'd do it if I thought I had the nerve, but these things become sort of delicate sometimes. So, therefore, it takes a lot of nerve or the lack of it will stand in your way, which is okay with me because I'm not in that position. I still need to know, ultimately, who can do it strictly on their own or are there other ways. All this procedure sounds pretty vague and fuzzy to me. I don't like the vagueness and fuzziness of it. People sell this idea on the fact that there is not money to do this. I don't know who sold it. I can speculate, but that's neither here nor there, and then all of a sudden there is money. I know that has already been covered, but it's of particular interest to me because that's just a salesmanship job. Meaning, I'll sell this to all the ones who are dumb enough to listen to it and the others may be rewarded if they're not dumb enough to listen to it. Now that is a bad procedure. It makes the employees, or would make me, if I were an employee, very mistrustful of what I hear any time I hear it because I would think whose trying to sell me this deal. If I got up before the City Council and said, I want a raise and here are some good reasons, and here's what I have been told. Ultimately, that would be one way to find out. Are there laws on this? Are there ordinances on this? Chairmember Hafner said on which part. Mr. Carter said any of it. On whether an employee on his own volition can ask for a raise before the City Council. Chairmember Hafner said I think they can ask for a raise, but according to the pay plan and what grade they are, the pay plan governs what they can be paid. Mr. Carter said okay. I'm gonna presume asking for a grade increase would have to include the department head. Chairmember Hafner said yes. I read that earlier that the department head may request a regrade for their position and who was involved. Mr. Carter said but when it comes to who gets step increases and there can be five grades and it's discretionary, on whose part exactly is it discretionary? Chairmember Hafner said the five grades can be approved by the Mayor and the Mayor is elected by the people to run the day-to-day operations of the city. Ms. Jackson said, but not the other elected offices. That's why we're elected.

Mr. Carter said that's why it's so confusing because for one thing there's no standard way to do it. It's a matter of salesmanship and who can convince somebody not to do it by convincing them it's not allowed. Chairmember Hafner asked what's not allowed? Mr. Carter said for an employee to get up before the City Council, or, for that matter, for the department head to do it. That's fine. If it's not allowed, it should say so somewhere, but that's why everybody should know exactly what the source of all of these ordinances and regulations are so they can read them, too.

Chairmember Hafner said here's the deal, and I don't mean for this to be rude. Policies can always be improved, but, right now, this is the policy that the City Council adopted and revised over the past few years. The City Council isn't involved in the day-to-day operations of the city. We try to set policies to help the day-to-day operations of the city run, but we don't approve every raise, every department change or every pencil that is bought. We try to set the policy and let the system work through those policies and procedures or ordinances, and then sometimes stuff comes up that needs to change and be improved. That's why we have rezonings, ordinance changes, and that's why we do all these different things. At the time, I would assume that when this has been adopted and revised that the Mayor, the staff, department heads, human resources and various people have been involved, as well as maybe some outside agencies, such as Johanson Group, who did the salary surveys and helped set the different titles and pay changes. An employee can get up here and ask for a raise, but that's not really the City Council's job unless it's something that there's a dispute between elected officials and their employees with the Mayor or something like that. We don't approve and make every decision for the city on day-to-day operations.

Mr. Carter said well, I hope not, but still that doesn't preclude it from happening sometimes, apparently. I'm talking about the vagueness of these step grade increases, who makes them, and who can make them, and, ultimately, who is the source. Chairmember Hafner said everybody gets a step increase every year, unless their job title changes, they get demoted, or they get promoted, then they get the step increase every year they are in that job. Mr. Carter said well, that's why people would be encouraged to ask. Chairmember Hafner said they don't have to ask. They get it automatically. Mr. Carter said that's why people would be encouraged to ask for a grade increase because apparently that would be greater than the 2% they get anyway. I'm not going to draw this out too far because it would take a lot of time. Chairmember Hafner said don't forget that this will be talked about at City Council also, if it makes it through committee today. Mr. Carter said it don't sound like a very sure thing. At the very least, I'd like to know where I can get the exact written material to read all this stuff. Chairmember Hafner said it's attached to the agenda today. I'm sure you could get a copy of the salary plan, the steps and the yearly increases. I can give you my copy if you want it today. Mr. Carter said I'll read it and I'll see if I have any more questions, but anyway, thanks.

Ms. Patti Lack, 4108 Forest Hill Road, said I think the only thing I can say to you all is the response that I have got from so many people is that they can't believe this is happening. I don't even know why we're having this meeting because, basically, everything is set in stone already. It's already, basically, passed for this year. So, I think our concern really needs to be for next year. I think we need to look at this pay scale. I always thought you got a raise based upon the job performance that you do. It's not automatic. If it were a perfect world and we had the money for it, it would be great to do that. I'd give all of you 10%, 15%, or 20% raises, but we don't have the money, and if we're taking from our reserves to pay for pay raises, that should be a red flag to all of us right now because if it's not this budget, it's next year's budget. If we're having to do cuts right now, then next year is going to be really worrisome for the City of Jonesboro. My husband works for St. Bernards. If he does a good job, he might or might not get a pay raise or a bonus. He doesn't count on that. So, I think you all need to look at this pay scale. I wish I worked for the city. Maybe when a job opens up, I need to start working for the city. This is a great deal. I know it's hard to run a city and it's a big city, but sometimes you have to think that we can't afford this. We can't do anything about it today because it's probably going to be approved for you to move on to the City Council, but we have next year.

I went into Legistar and printed out all the codes and pay raises and increases, but I also printed out all of the jobs that are in this city. The softball coordinator job was eliminated and their bottom line pay scale was \$34,000, but now they're going to be the assistant parks director and they're at the low bottom range of \$55,000. That's a lot. I don't know if those two are coordinating, but that job is taken. What job does the youth sports coordinator or the youth sports coordinator assistant do? I'm just looking at some of these jobs on this. We have a call taker. I don't know where the call taker is, but the call taker is making \$28,000 per year. Councilmember John Street said that is 9-1-1. Ms. Lack said that must be coordinated with the 9-1-1 director and stuff like that. There are a lot of jobs on here that I just wonder about whether it's really necessary, and I think another one mentioned was grants. We have a grants writer, grants and finance specialist, and we have a grants project coordinator. So, we have three people, but we look at grants and we have a lot of grants in the city, but you have to have the money to pay for the project that goes along with the grant. So, I think we need to look at the overall for next year. I think there are a lot of people who are just really disappointed in this because they're looking at their family budget. I know the city is so much larger and we have no idea. You all are on that side of the bench. We are on this side. I think what people are doing is looking at the City of Jonesboro and how it's running and realizing that maybe next year the services may be cut down and our trash collection is only going to be twice a month. I'm worried about the fire and police departments. We have to have those. So, I'm looking at the necessary things. In the budget, you talk about the pavement at the softball park. It would be great if we had pavement out there, but I can remember tons of baseball tournaments where I went with my son and the parking lot was not paved. So, it's okay if we don't pave that right now if we have to look at cutting money. This, all the salaries, is probably a done deal, but I think you need to look at a revision of doing that salary because it should only be based on performance and you should look at every individual and whether they are doing their job or not. If you don't, the city is not going to have any money if they keep up with this pay scale. If we're dipping into reserves to pay for this year, I don't know how we're going to pay for it next year, and that concerns a lot of people and it concerns me, too. I know it concerns all of you, too. So, it's gonna be some tough decisions that you have to make for 2019 or Jonesboro's going to be a totally different community to live in. Thank you.

Motion failed for lack of second. RES-18:196 FAILED to pass.

5. Pending Items

6. Other Business

[COM-18:078](#)

Review and discussion concerning the City of Jonesboro 2019 Budget

Chairmember Joe Hafner said as we get started on this, I just have a few comments I want to make. Obviously, everyone is concerned about the financial condition of the city and the proposed deficit. I just wanted to go through and talk about a few things that I have found during the course of studying the budget and budgets from other cities. Obviously, as a city, we provide services, whether it be police, fire, parks, or streets. Our job is to provide services. Everybody that works for the city is providing a service that the citizens and visitors can use if they so choose. We have different revenue streams and the biggest part of our revenue stream is sales tax. Right now, we have a 1% local sales tax. Our city sales tax produces about \$16 million per year, according to the budget. When the voters approved the 1% sales tax back in 2000,

three items of revenue were given up, including sanitation department fees, mosquito fees and a 2.1 property mil that was used for the general fund. I know of only one other city in the state that doesn't charge the residences for sanitation, and that's the City of North Little Rock and they actually had a sales tax increase this year because they either needed a sales tax increase or would have to start charging a fee or cutting services. So, we're really not the only ones in this boat. The common denominator is that they were operating on 1%. When we gave up those fees, our sanitation department cost us between \$4 million and \$4.5 million to run. So, if we had 30,000 households and a lot of places pay between \$15 and \$17 per month in sanitation that would easily give us another \$4.5 to \$5 million that we are currently paying out of our sales tax. The mosquito fee program is about \$430,000. The property mil probably put about \$2 million into the city's coffers. If you add up those three items, they add up to almost \$6.5 million pretty conservatively. So, really, of our 1% tax that we get compared to a lot of other cities that still charge all those items, we're getting about \$9 million per year or we have actually a .58% tax that we're using to operate the city. There was a public safety tax for a time, but a lot of this stuff was done before and after that, so, with that 1% tax, we've built five new fire stations, Joe Mack Campbell Park, Allen Park and Parker Park. We have a pretty good mosquito program even though some won't agree. We also don't charge for sanitation. So, we've been able to continue to provide services and increase services. Five fire stations is a pretty big deal. We're 80 square miles and establishing those five new fire stations helped our ISO rating, which helped keep money in citizens' pockets. We've been able to stretch that 1% for a while.

For comparison purposes, I went through and looked at Conway's budget. Conway has a 2.125% sales tax, with 1.125% for general tax, which goes into the general fund, .25% for salary tax, which was passed in 2001 for salaries, .25% for street police vehicle tax, which is used for major street improvements, and .125% for a debt service. In 2008, their voters approved a .375% tax for street repairs. It produces about \$5.4 million per year for street overlays. They also have a prepared food tax of 2% that produces \$3.1 million that goes to parks. They charge sanitation fees and they have impact fees for parks and streets, which produce about \$330,000 per year. Then I looked at the City of Springdale. They have a 2% tax, which includes a 1% general tax and a 1% bond issue. The bond issue is going to pay for \$93 million in street improvements, \$45 million to refinance debt, \$42.5 million for a criminal justice center to renovate the administration building, \$21.3 million for parks and trails, \$17.6 million for three fire stations, and \$5.6 million to replace their animal shelter. That 1% tax passed by 74%. We have an expense problem in some people's eyes. Whenever your expenses are more than your revenue, you have a problem. I think we have been able to stretch that 1% a long way and still make headway. As Ms. Lack said earlier and when we start looking at our budget deficit after the STIP, it is about \$5.4 million, which is roughly 10% of our budgeted expenditures and O&M. If we did go through and start cutting stuff, what services could we live with and what services could we live without? I'm just mentioning this for discussion purposes. I'm not endorsing or recommending any cuts because that would be a lot of staff involvement. I really don't think that if we did it by classification that we would want to cut public safety by \$2.8 million. You can always take patrols off the street and do away with the drug task force, but I would hate to think what negative impact that could have on our city, citizens and visitors. Cutting the fire department by 10% would be \$1.1 million. Once again, we don't want to do that. What I'm getting at is when we start talking about cutting our budget we have to really look at the impact it has on our citizens and what we can afford to live with and what we can afford to live without. As Ms. Lack said, do we want to go to garbage collection every two weeks? What would that impact be? Do we want to cut out aerial application for mosquitoes? Do we want to cut \$300,000 out of

parks and recreation? These are all things that bring people to Jonesboro and that make people want to live in Jonesboro.

Next year is going to be a pivotal year as far as getting our expenses and our revenue to improve, especially the sales tax with the online sales. That could have a good impact, but our legislators have to step up so we can start enjoying that like other states have. We have transportation projects in there for \$2 million, whether it be sidewalks or new streets. We could just not do any of that. The police department needs body cameras with a cost of \$100,000. Is that something we need to do or not do? We have been talking about stormwater drainage and we have quite a bit of money in there for stormwater drainage. That's the kind of stuff that if we cut then the citizens who need to benefit from that are still going to face increased flooding. It's going to be real interesting as we go through this year or this budget. A budget is a spending plan. Just because it's in the budget, doesn't mean you're going to spend it. How beneficial is the recycling program? It cost the city about \$250,000 per year. I just wanted to drive home the point that it is easy to say that you have a spending problem when your revenue is showing more than your expenses, but we have to be very mindful of the cuts that we make to the citizens and the services we provide for our citizens, especially in the area of public safety. I think parks are important, too. Nothing that we do is free. Everything has an expense.

Councilmember John Street said that was well said. We get the biggest bang for the buck of any city comparable to our size and there is nothing free. I don't like to pay taxes any more than anybody else, but I don't want to see the fire department or police department take cuts. I think we're one of the top 100 cities in the United States that have reduced crime in the last 10 years. Our crime rate has actually lowered and, for a city our size, that's good. It's good for us who live here and our families. We don't have to do first responder runs either because the firefighters are already trained, and I can't tell you how many lives they have saved. It cost maybe \$40,000 to \$50,000 per year. There are people who said we don't need that, but if it's one of your spouses, your children or your family members, how do you put a price on that. Especially, \$50,000 on a city our size.

According to the 2010 census, our population was 67,263 and realistically, today, we have probably closer to 73,000 people, but that's not even close when you look at the visitors, the shoppers and the people who come into this city to do work and do business. We've probably got 110,000 to 120,000 people on the streets all the time. So, our police department and our fire department, and all of our services, are not just serving 67,263 people, they're serving 110,000 to 120,000. That is stretching our resources. In that 82 square miles, we also provide animal control, mosquito services, sanitation, street overlays and all of our utilities provided by City, Water and Light. We are blessed. We have a great city and we've made that one penny stretch farther than probably any city comparable to us could even come close to doing. Our employees provide a level of service that is unmatched by anybody. Those people are dedicated. You can have turnover all the time if you don't want to pay them anything. I guarantee you that the employee who has worked for the city five years is loyal, and they bring a lot more to the job every day than somebody that you just picked up off the street at the lowest possible salary and somebody has to follow them around and tell them every single step to do all day.

I just want people to understand that nothing is free. You have to decide if you want these services and if you want a good quality of service, or not, but it's strictly up to the voters. I can only speak for me, but I want a good quality of service and I want to compensate our employees in a fair manner, not overly compensate and not under

compensate. That's why we hired the Johanson firm so that we would have some fair level of compensation for our day-to-day employees. Our day-to-day employees deserve it and they do a great job, and I think that's one of the reasons we're growing and are more respected across the state. We compete very well with Northwest Arkansas and look at the money they have. We don't have the Walton Foundation giving us a million dollar grant every time you turn around. The leadership of the city has done an outstanding job and the employees have done an outstanding job. Keep it in your mind that nothing is free. We're never going to coast down the road at the same tax level we have, even if a sales tax is passed, and I believe it will be this time. We've been operating at a very unfair advantage for years over that. We have passed resolutions supporting the Fair Tax Initiative and hopefully it will pass, but that by itself is not going to do it. We're not going to have a big windfall, but it will amount to, I think, probably close to \$1.2 million to \$1.7 million or somewhere in that range for our coffers. I think the impact fees are good, but you can't go back retroactively. We do need to assess some type of drainage utility. I wish it was countywide because the whole county is involved in that, but we have to address drainage. All these things cost money and all these things are getting more expensive every year. The cost of doing business has increased over the years. God bless CWL because if it wasn't for them we'd be \$2 million short on utilities and other things that we do every year. They pretty much support the fire truck initiative. I don't know that the city has put any money out of the general fund into our fire trucks other than maybe equipment.

Councilmember Ann Williams said I trust the voters to understand this just like they did when we passed the Public Safety Tax and the way it was presented and explained and the way Chairmember Hafner has explained this. I trust the voters to understand. Councilmember Street said I do too. If you read the paper sometimes it makes it sound like we just throw money out like it's free and there is no accountability for it. I can guarantee you that I have been on this council for 16 years and everybody that I have every worked with on here take the job of being good stewards of taxpayers' money very seriously. That's the first consideration anybody does, so nobody is frittering anybody's money away. As Chairmember Hafner stated, it's service, and services cost. You can be pennywise or pound-foolish. The old carpenter's adage is measure twice, cut once. You don't necessarily make the cheapest decision or cheapest purchase, but, in the long run, you make the best, and I think we've tried to do that.

Councilmember L.J. Bryant said I think what Chief of Staff Bill Reznicek and them did was wise in consolidating positions and having high level people, and I think when we look at salaries in a city with a \$65 million to \$70 million budget, we have a lot of people who if they were in the private sector would make a lot more. So, to Councilmember McClain's point, whether it's a finance director or director of community development, compared to their positions and responsibilities, they're working for a pretty adequate wage.

Councilmember David McClain asked Mr. Reznicek to talk about capital improvements. I was looking through the budget and I meant to ask this question last time, but we had a pretty drastic cut as far as how much we took out of there. What am I missing out of the budget that we cut? Mr. Reznicek said we don't really cut anything out of capital improvements because we look at it project by project. We went from the ground up and said what are the things we need to do next year. We did try to reduce that number from what we spent in the past. For example, in 2018, we spent \$1.2 million just on the purchase of the land for the sports complex and in additional expenditures; it was our part for the match on the grant. We have some money in there for parks and we have some money in there for streets. We didn't look at the budget

from a these are the things we did in the past so let's cut these projects because all the projects are specific unto themselves. Chairmember Hafner asked if it would be safe to say that if more money was available that there are more capital improvements that need to be done. Mr. Reznicek said absolutely. Chairmember Hafner said but you all tried to be conservative and reduce the deficit from what it was last year. Mr. Reznicek said we reduced the deficit by \$9 million and that was a substantial change in the budget from 2018 to 2019 alone. That was, to me, a significant accomplishment to take the budget we had and come up with a reduction of the deficit of \$9 million, and part of that was out of capital improvement. If we had additional reserves and we felt like we could pull those down beyond what we have today, then there are certainly more things we could do from an infrastructure standpoint. Chairmember Hafner said an easy example of that would be the \$500,000 that is budgeted for North Patrick for the sidewalks that have been needed out there for years. Councilmember Dr. Charles Coleman would like to see those go all the way to Magnolia, but right now they are just going to Lost Creek. Engineering Director Craig Light said it would cost another \$1 million. If that \$1 million was put in the budget, then it would have been very easy to say these are needed for the safety of people walking because there's a lot of foot traffic out there. That would've been easy to justify, but it wasn't done because you wanted to reduce the deficit. Mr. Reznicek said that is correct. Councilmember McClain said I get what you're saying.

Chairmember Hafner said I have just one final thing that I would like to say and this is one more thing for comparison. I went to Wikipedia and printed out the towns in Arkansas by population and Jonesboro is the fifth largest city according to Wikipedia, right now. Little Rock's local sales tax is 1.5%. Fort Smith is 2%. Fayetteville is 2%. Springdale is 2%. North Little Rock is 2%. Conway is 2.125%. Rogers is 2%. Pine Bluff is 2.25%. Bentonville is 2%. Hot Springs is 1.5%. Benton is 2.5%. Texarkana is 2.5%. Sherwood is 2%. Jacksonville is 2%. I think you all get the point that we're operating and trying to do a lot without the tax base of a lot of other cities that we're compared with. This is why they are able to pay for that stuff because they have an increased tax base. On top of the increased tax base, all but the City of North Little Rock charge fees, such as sanitation fees.

Mayor Harold Perrin said I want to make a couple comments. I think it was in today's Arkansas Business that Jonesboro is tied with Bentonville on permits that were issued for the city. They keep a very close tab on that. Your city is never going to stop growing. This city is set to explode. We're going to turn loose of 140 doctors next year at NYIT. I'm not going to elaborate on anything that was said because I totally agree with what's been said. We have approved 17 subdivisions in this city. We have 585 miles of paved roads. With 17 subdivisions and you take the number of doors and the number of miles, then you can imagine in three years what the cost of this city is going to be to simply overlay those roads and pick up sanitation. You're going to pick up at, basically, 900 more homes. Your expenses are going to continually grow. That's what I have been saying and I totally agree with Ms. Lack on the statement she made that you need to seriously look at the salary plan. I've said this before and I said it in the paper, don't bite off more than you can chew. I will make it work. You may not like what you see, and that's what you have seen tonight is a budget that is half of what it was last year. You cannot throw \$3.4 million of expenses on me and not be able to try to find another \$3.4 million of revenue to offset that. We have leveraged every penny in this city so tight that we squeeze a nickel to a quarter. Your city is at a crossroads. You will make that decision on what you want Jonesboro to be, not me. I'll only have one vote in that voice. You're going to be the ones to decide whether you want Jonesboro to grow the way it is, or not, in the future. I appreciate the comments that have been made tonight. We would love to do a lot more capital improvements next

year, but the revenue is not there. With that, we will make those changes on the salaries. We will pull those out so that we'll have those ready for the resolution for the City Council meeting on December 18. They will coincide with what we covered tonight. No problem whatsoever. Thank you.

Read

7. Public Comments

8. Adjournment

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant



Legislation Details (With Text)

File #: MIN-18:123 **Version:** 1 **Name:** Minutes for the Special Called Finance Committee meeting on December 17, 2018

Type: Minutes **Status:** To Be Introduced

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On agenda: **Final action:**

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Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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Minutes for the Special Called Finance Committee meeting on December 17, 2018



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Monday, December 17, 2018

4:00 PM

Municipal Center

SPECIAL CALLED MEETING

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

Present 6 - Charles Coleman; Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

3. New Business

ORDINANCES TO BE INTRODUCED

[ORD-18:090](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR ALDERMEN

Sponsors: Finance

Councilmember David McClain said I would like for us to look at postponing these indefinitely. I don't know when we would bring them back or even have the conversation again. I know there was a committee that studied pay raises for elected officials. I don't know if we need to re-establish that committee, but I would ask that we postpone indefinitely ORD-18:090, ORD-18:091, ORD-18:092 and ORD-18:093. Chairmember Joe Hafner asked if postpone indefinitely was the correct motion. City Attorney Carol Duncan said yes.

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

[ORD-18:091](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE CITY ATTORNEY

Sponsors: Finance

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

[ORD-18:092](#) AN ORDINANCE AUTHORIZING 2% RAISE FOR THE CITY CLERK

Sponsors: Finance

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[ORD-18:093](#) AN ORDINANCE AUTHORIZING 2% RAISE FOR THE MAYOR

Sponsors: Finance

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

RESOLUTIONS TO BE INTRODUCED

[RES-18:200](#) A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO AMEND THE CITY SALARY AND ADMINISTRATION POLICY BY INCLUDING UPDATED JOB TITLES AND GRADES

Sponsors: Human Resources and Finance

Attachments: [Job Titles and Grades - Revised January 2019](#)
[Pay Grades and Steps - Revised January 2019](#)
[Salary Administration Plan - Revised January 2019](#)

Councilmember David McClain said I would ask that Chief of Staff Mr. Bill Reznicek explain and outline the different needs that we have and the new positions in this plan. Mr. Reznicek said I will touch on the change for the plan and RES-18:200 versus what we saw before the Finance Committee last Tuesday. Then Human Resources Director Dewayne Douglas will walk us through the highlights of the salary plan and explain the various avenues within the plan for effectuating changes to salaries, new hires, promotions, pay regrades and things of that nature. Once Mr. Douglas is finished, then, if there are any specific questions you have on the economic impact of the plan, I will ask Director of Finance Trever Harvey to explain the nuances of how there are some savings inherent in the plan, as well as some additional costs with position creations. The pay plan has changed to the extent that we have pulled back dividing the assistant park director position into two separate positions. Mr. Harvey will discuss that information. That is about a \$20,000 difference in the budget between the assistant parks director grade and returning to having a softball coordinator position as we had before. The balance of the resolution is the same where we are looking at some additional headcount. Some of that is just strictly based upon vital business and some of it is the firefighters and the grant we received. We have three regraded positions. We have an organizational structure change in the Finance Department, and then, we have a change in moving laterally the individual who is currently running the Code Enforcement Department to the police department to fill a position there and then promoting an individual within that department, but not backfilling that individual's position. I think that is important to point out, as well. Mr. Harvey will point out the

specific economic amounts and values in savings and costs involved with that. So, I'm going to turn it over to Mr. Douglas and let him go through the specifics of the salary plan and the mechanism of how the plan works.

Councilmember Dr. Charles Coleman said before you do that, I would like to know what the total savings is with this plan. Mr. Reznicek said the total change in the salary plan the way we are submitting it, because it includes the additional positions that we feel like we need in Animal Control and 9-1-1, the net total is about an increase of \$40,000. So, there are savings within a couple of the position changes and some of those savings offset the costs of the additional positions that we are looking for. It's not budget neutral and overall it's not saving money in the budget. If you look at taking the pay plan changes on their own, it's actually an increase, but we think, relative to a \$70 million budget, the changes are relatively minor and there are specific needs within two departments for increased headcount. If you pulled back those two headcount items in 9-1-1 and Animal Control, then, yes, you would see an overall savings. We looked at this very carefully. We didn't just give people headcounts based upon them coming in and saying they would like to have more people. We studied what they were doing, what the need was and the current staffing in their department. I went out to Animal Control a couple of times and looked at what they are doing and got a real handle on their need for that additional position, and the same thing with 9-1-1. Their call volume has increased and they are also taking on additional responsibility with warrants and the way the county has changed its system. There is definitely a need with the growth of this city to have an additional person in 9-1-1 to answer those calls when they come in, along with other duties they have to make sure that when a police officer pulls someone over on the side of the road that they have someone in 9-1-1 pulling up warrants and checking to see if that is someone who could potentially cause harm to our officer.

Chairmember Hafner said on top of the two positions that you mentioned, aren't the three firefighters also a \$25,000 cost to the city. Mr. Reznicek said I'm glad you mentioned that and Mr. Harvey was going to mention that, as well. We kind of look at that as a bit of a different issue because that was funded under a grant with 75% the first two years and 35% the third year. Those positions were, basically, already approved at the time that the grant was awarded and accepted. So, those numbers are in the budget at about \$8,000 and some change per position per year based upon our share of the match of the grant, but we did not calculate that into this plan revision as a total cost because, again, those positions were already accounted for not only in the budget, but also in the awarding and accepting of the grant. Mr. Hafner said okay. Thanks.

Mr. Reznicek said I'll let Mr. Douglas come up and talk about the specific mechanism within the plan on how changes occur. Mr. Douglas said I have a PowerPoint and I have highlighted areas that I would like to address today. Make note that this salary plan has been around since 2009. Johanson Consultant Group helped us design the salary plan that we operate under today. About this time each year is when we kind of look at changes. You will see that it was last revised in 2017. Each year, at budget time is typically when we look at it. In the first part, it mentions that, basically, to get the salary plan Johanson looked at different surveys. It's not just a municipal league survey where they just look at other cities. They look at total market to see that we're competitive in our jobs and our salaries. Our administration looks at this plan and tries to come up with and make the decision on how to interpret it and what changes we want to make, and that's what we have done. We have sat down with Mayor Harold Perrin and leadership to come up with our recommended changes. The first change I want to address is pay grades. Pay grades are attached to the plan as Exhibit A and

B. Part of our plan has the steps and salaries attached, as well. This is a 20-year plan that was adopted in 2016, which means that an entry-level person coming in at year one will make step one and then for 20 years of service will get approximately a 2% increase each year, until they top out. There are uniform and non-uniform steps. Also, Exhibit B will give you a list of job titles that are acceptable. For example, we are requesting to add the Chief of Staff, but we will also keep in there the Chief Operating Officer and the Chief Financial Officer because if the Chief of Staff resigns or leaves, then the Mayor has the option to go back and choose one of the existing titles. That's how the pay grade and steps work.

Chairmember Hafner said just for clarification, the positions stay in the plan, but not all of these positions are filled. Mr. Douglas said that is correct. There is not a body or a person in each one of those titles. Those are just titles we have used in the past and could use in the future if needed. The Human Resources Director may periodically evaluate the pay grades to ensure that all employees are in their proper pay grades and steps. Department heads may request for a position to be regraded if there are significant duty changes. If the review results in an upgrade, the employee would be eligible for an increase equal to no less than the minimum of the new pay grade. So, usually around budget time, a director may come to me and we will sit down and evaluate the job under the Johanson plan. The plan includes a very-lengthy position analysis questionnaire. We plug those numbers in, based on our discussion, and the plan scores them and places them within the model. We do this on, basically, every position. If it passes the test, then the director and I would then take it to the department head, which in this case would be the Chief of Staff. If he agrees, then we take it to the Mayor and get his approval. We will then recommend that these changes take place. If the review results in a downgrade in job class, the employee will be placed in the appropriate step within the new pay grade. So, it is possible that an employee could be graded down. If that takes place, then they would be positioned where they would belong in that lower grade. Any time you discuss a regrade, it could go either up or down. It would go through the same process in leadership to decide what needs to be done. Each request can only be submitted once within a 12-month period. The Mayor must approve the final changes. If the employee being regraded is an employee of an elected official, such as City Clerk or City Attorney, and the Mayor and the elected official disagree on the regrade, then the elected official has the option to go before the City Council.

We are on a 20-year step plan. When an employee reaches that 21st year, he or she is eligible for longevity pay. So, in year 21-25 they would receive a lump sum check for \$1,000. They are no longer eligible to get the 2% annual increase each year. Years 26-30, they receive \$1,500 and for 31 years or more, they receive \$2,000. On the new hire process, no employee will be hired below the minimum of the pay grade for that position, which means when we get ready to make an offer, that employee is going to make at least step one. Directors have the discretion to request a new hire salary up to step five based on the employee's qualifications and years of experience with approval of the department head, the Human Resources Director and the Mayor. If one of our directors was trying to hire somebody and felt like they had enough experience to justify coming in at a higher step than one, they would go to the Human Resources Director and then take the process to the Mayor for the approval. The highest we can go is step five. There have been times when we brought a director in at step 10 or 11 and that took the City Council's approval. Planning Director Derrel Smith came in from the City of Rogers with 20 years of experience so he came in at step 10 or 11, but that took approval from the City Council, and it was approved. A promotion occurs when a regular, full-time employee moves to a position with a higher grade. If you are in a grade 110 and you've been promoted and go to a 112, you're going to go at a minimum

to step one of that position or 5%, whichever is greater. If we calculate the 5% and that puts them just over a step two then we will round up to a step three. So, you'll get 5% or step one, whichever is greater. Uniform is a similar method because they use the greatest of 5,000 of the base pay or the minimum of the position grade. There are times when somebody may potentially be demoted and whatever grade they are demoted to, that's where they would go to in that step. Let's say someone is a 110 and they are promoted to a 122, such as a supervisory type position, and maybe they're not doing well in that position.

Councilmember Dr. Coleman said let me ask you a question. Regarding the statement "inadequate performance", how would we know? Is there any paperwork to look at for promotions or those with inadequate performance? How would we know about the performance? Mr. Douglas said not necessarily. If you have a question, you could call my office, I guess, and we could provide that if it's appropriate. Later on, there is a statement in the salary increases section about an employee being on a final warning. Councilmember Dr. Coleman said I understand that. Mr. Douglas asked is that not what you're talking about. Councilmember Dr. Coleman said that's what I'm talking about, but what I'm not hearing is if there is a rubric or something that talks about why that person was demoted or promoted? Mr. Douglas said that would be in the disciplinary process. They would probably have multiple write-ups. It could be in their evaluation. There would be written documentation on file stating why they were being demoted. All disciplinary action has to come through my office before it can be administered. So, I would evaluate that and compare it to our handbook, which gives us our process. Councilmember Dr. Coleman asked if that would come from the job title itself. Mr. Douglas it could. Councilmember Dr. Coleman said okay.

Mr. Douglas said I'll go ahead and go into the salary increases and address what I thought Councilmember Dr. Coleman was leading into. You could possibly have an employee who is a great performer and maybe right at the end of the year they had an accident at a work and wrecked a vehicle, and, whatever the scenario is around that, maybe they get some type of warning, even a final warning, but because they have technically still been a good performer, that might not cause them not to get their step increase. If they're not performing in the job or able to do the job and the manager has shown that, the manager can ask to deny that employee a step increase until they are in good standing. The Mayor and City Council can consider increasing salaries within all pay grades. Market adjustments or cost of living adjustments (COLA) will change the salary ranges for each pay grade. Each year when there has been a COLA, we would evaluate the pay plan to decide whether we want to move the whole scale or not. This would be in addition to the annual 2% step increase. For example, if there has been a 2% cost of living adjustment each year and we don't move our scale in three years, then we're going to be 6% behind the plan.

Step increases take place on the anniversary date of when the person was hired to their current position. An employee gets a promotion and their normal anniversary date was in June, but their promotion date will be January 1. That employee's step increase would take place January 1 of each year. Basically, the seniority date has changed because the employee is in a new position. Councilmember Dr. Coleman said I don't have a problem with the 2%. What I have a problem with is that there is no information that any of us can look at as councilmembers. Is that part of my job or not part of my job? At Arkansas State University, I had a directive of what I should and should not do. Chairmember Hafner said I would say that was not part of our job unless it's appealed to us for some reason. Councilmember Dr. Coleman said it's amazing how I've been on this council eight years and I'm just now figuring out what my job is and what my job is not. Mr. Douglas said we do have job descriptions on all of our jobs.

Everyone is going to get his or her 2%, but if an employee is not performing the job, it's the manager's job to bring that out and address that issue. If it's not being addressed, that's an issue with the supervisor.

Chairmember Hafner said back to what Councilmember Dr. Coleman was asking about regarding documentation. I think it is very important that each time something is done, whether it be a promotion or demotion, that the paperwork is done and put in the file because there might come a day down the road where that documentation is needed for legal reasons, to appeal to the council, unemployment or other reasons. Councilmember Dr. Coleman said the reason I asked the question is because I have community people asking me questions and I think it's my job as a councilmember to answer their questions the best way I can. I guess I'm not used to not being able to identify issues along the way that says this person needs promoted or demoted and then we come and make that decision from the council standpoint. What if the supervisor doesn't like the employee? What do you do? Mr. Douglas said in our handbook, we have an open door policy and employees can bring those situations to my office or any member of management, but in the salary plan, it says the interpretation is up to the leadership. It's the leadership's place to make those decisions. There are things in place where employees can bring to our attention and we can research them and try to address their concerns. Councilmember Dr. Coleman said I understand that, but I've had employees actually come to me and say they would like to do that, but they're afraid to do that because they might be demoted. I don't really have an answer for them, so I guess maybe I need to call you. Mr. Douglas said call me or send them to me. We have the Employee Rep Committee that looks into those things, as well. There are avenues to do that.

City Clerk Donna Jackson said I have a question. What Councilmember Dr. Coleman is expressing is exactly what I was trying to say at the last meeting. I understand what you said and I do follow that. What confuses me is why is it that this process wasn't introduced with the budget. These title changes are new positions. The City Council had not seen the new job title, the job description or been told what the justification was for the new title. As another elected official, I didn't know at budget time that this option was there. In fact, that was part of the problem, but I wasn't going to ask anyway. I'm truly trying to understand the process and not just for my employees, but for myself as an elected official. I don't know if I'll ask for a raise or not. Mr. Douglas said the budget is not my area, but I do know that in our weekly director's meeting that the budget process and how to handle that was discussed with everyone and how the process was going to work. So, I guess if you're not in those meetings, then you would not have that information. Ms. Jackson said well, I don't attend the department head meetings because I'm not a department head. I just think that the whole handling of this was confusing. Mr. Douglas said the salary plans that I'm addressing today are online. They are there for anyone to review. Our process is there. Ms. Jackson asked what the process was for a new job title. Walk me through that. Mr. Douglas said that would be on the regrading process. That is where we would enter the job description and plug in the numbers, as we did with the Chief of Staff and other new positions. We would go through the grading process and, if we agree, then we take it up to the Mayor. Ms. Jackson asked who comes up with the new titles because we've gone from department head to director. Mr. Douglas said that was defined through the municipal league. Directors are, basically, hired into positions and the Mayor appoints the department heads. So, when we changed the handbook maybe last year or the year before, we addressed those and tried to bring that out about who was a director and who was a department head. Ms. Jackson said for example, like Jessica, who is the assistant city attorney, is now director assistant city attorney. City Attorney Carol Duncan said no. She is still just assistant city attorney. Ms. Jackson said so her title

didn't change. Ms. Duncan said her title didn't change, but some of her job duties are going to change at the first of the year based upon us going with the Arkansas Municipal League versus staying with APERMA. There's going to be a significant change in my office in the amount of city court cases that we will be handling in house, along with the foreclosures for the Land Bank if there are any or any legal work for the Land Bank. So, her job duties, as far as city business, changed significantly and so we added that into her job description. I asked for her to be regraded because she is advising department directors and I felt she should at least make as much money as the people she is essentially helping every day with their jobs. Mr. Douglas said we sit down and make sure that those changes can be validated and we agree on those. There have been those who have made requests and the Mayor has denied. Ms. Duncan said we have disagreed before. We agreed on this one, but the Mayor and I have disagreed before about pay raises.

Councilmember Dr. Coleman said I want to make sure you understand that I'm not questioning, but, at the same time, I don't mind calling names. It doesn't bother me at all. I'll pick on Facilities Maintenance Director Ronnie Shaver. I think he's doing a great job and 2% may not be enough money. So, how do you do that? Mr. Douglas said the only other option under the salary plan is to get with the Mayor, or like the next sentence in the plan states, for employee retention purposes, the Mayor has the discretion to increase an employee's salary up to a step five. A salary recommendation above step five has to go to the City Council. Councilmember Dr. Coleman said so if Mr. Shaver is at a step three, can I, as a councilmember, go to the Mayor and say, I think Mr. Shaver needs to go to step four. Mr. Douglas said I think you can ask, but the process, basically, would be for Mr. Shaver to go through his supervisor. Councilmember Dr. Coleman said I'm not trying to embarrass Mr. Shaver, but I just think he does a great job, as well as 9-1-1- and some other people. When Johanson was here, I was here and they explained some things. I personally don't think they did a good job of explaining to be honest with you, but we paid them a lot of money to do it and now we're going to their plan. I don't think that's really the issue for me. It may be the issue for some other councilmembers. The issue is that I've been on jobs and retired twice from two different jobs and at each one of them there was a job description that I had, and if I didn't fulfill that job description, then I received a demotion. I think it's somewhat foolish for us to pay \$20,000 for something and not abide by it. I think the issue of the explanation just bothers me sometimes. Mr. Douglas said the only other option there would be is to try to get that position regraded. We've done a few this go around to make sure employees are in the right grade for the job they are doing. Councilmember Dr. Coleman said okay.

Chairmember Hafner said I have a couple of questions. If this is typically done in conjunction with the budget process, would it make sense to set some sort of deadline such as October 1 of each year to have the positions you want looked at submitted so the department heads and everybody have the whole month of October to look at it. Otherwise, it's just kind of like they don't know when to approach you. Right? Mr. Douglas said we make those announcements in the director's meetings. Chairmember Hafner said so if they are not in the director's meetings then they probably don't know. Mr. Douglas said there is not a formal process. We just typically look at that. I have other guidelines that I have put on our city web site. It's a file that has step-by-step guidelines for how we hire and how we promote. Chairmember Hafner said for employee retention purposes, it says the Mayor will have the discretion to increase the employee's salary up to step five. Any salary recommendation in excess of step five will require the approval of the Mayor and City Council. So, to keep on picking on Mr. Shaver, let's say he is at step six, and someone comes and says I'm going to offer you more, but the Mayor can't do anything about it because Mr. Shaver is already at step

six. So, the way this is currently written, your long-term employees are harder to retain than your new employees. That's just something that may need to be looked at. Mr. Douglas said we can definitely look at the wording, but in a situation like that that is where the Chief of Staff would have to take it to City Council to get more money because it's above the step five. The Mayor might even agree with that. We've regraded it and feel like the position needs to be changed and that it's in the right grade, but maybe it needs to be a higher step. Chairmember Hafner said I'm just saying that that might be something you all might want to have more discussion on because obviously sometimes your long-term employees are more important to keep than your brand new employees, at least in the business world.

Mr. Douglas said I find Johanson to be very helpful. I go to them often. When we looked at the regrades for Chief of Staff and things of that nature, I didn't just pull that number out. They helped me place that number. Councilmember Dr. Coleman said I understand that, but not everybody is a personnel person and not everybody has the background that you have. When they were here, I asked them a couple of questions and never got my answers, but at the same time, I'm just as guilty as anybody because I voted for it. I think if we vote for something then we need to deal with it and move on.

Councilmember McClain said I'm sitting here trying to understand and I want to make sure I'm understanding correctly. After step five, an employee has to come to the City Council and the Mayor and the City Council have to decide whether or not someone gets an increase above a step five. So, as Councilmember Dr. Coleman has touched on, how do we get access to the information to help us make a decision? Mr. Douglas said I think during the regrade process that we would provide you with that information. We would give you a copy of the job description, how it's scored, why we think it should be a certain score, and you would have the information to make that decision. Councilmember McClain said so, at what time would we do this? When would we look at the information? Would it be like Chairmember Hafner said during October, or would our department heads get that information because this year we didn't do that? So, the question for me is when do we get to look at the information to make an educated decision. I don't want to just shoot in the dark and not know what I'm talking about. Mr. Douglas said that's a good question. Typically, I get it when the budget has been approved and then I would update the salary plan and job titles after I know the budget has been approved, but we've long had those discussions prior to the budget being put in place. Councilmember McClain said just for me, I'll ask that, hopefully, in the future that if we're going to ask for positions to be increased and titles to be changed that the information would be brought to us before completion of the budget process. To me, that would make more sense. Chairmember Hafner said that would avoid a situation like this. Mayor Perrin said I think it needs to be presented at the same time you're presenting the budget so you're backing up the budget. That would give councilmembers plenty of time to review everything.

Mayor Perrin said I want to make a comment on the committee for elected official salaries. We were to have that done last August and we didn't get it done. I would like to appoint a committee to get on this and get it done by March, and get some staff in here and get this worked up so we'll know exactly how you're going to handle elected official salaries. Chairmember Hafner said since it was tabled I was probably going to talk about it tomorrow night. The committee that was established was a very small committee with myself, Mr. Douglas and Mr. Reznicek, and with everything else going on I, and it was mostly me, just didn't think it should be at the top of our list of urgent matters. If a committee is the best way to do it, then I think it needs to be a little more expanded committee with some human resources people on it and see how other cities

are doing it. Elected official compensation doesn't need to be a touchy situation every year. I think there needs to be some guidelines to make it more objective and keep it fair and reasonable. Back on the subject, I don't see where the salary plan says anything about demotions and below a step five. Ms. Duncan said it talks about promotions above a step five. If you're bringing somebody in at either retention or hiring above a step five it requires City Council approval. Chairmember Hafner said I thought he said demotions.

Ms. Duncan said I will say that it's sort of a which comes first the chicken or the egg kind of situation. You can't change a job title and regrade it if the money is not in the budget. I think there needs to be a procedure where it kind of comes through closer to the same time as the budget, but it's kind of hard to know what you're asking for until you know what's there. Ms. Jackson said I know that previously the job title was presented to the council beforehand. Ms. Duncan said before you knew if you had the money.

Councilmember Ann Williams said I have a question, too, about the personnel changes and descriptions in the restructuring in the Parks and Recreation Department. Chairmember Hafner said hold on one second Councilmember Williams. I don't mean to cut you off and don't want us going off on too many rabbit hunts. Is your question for Mr. Douglas? Councilmember Williams said I would assume, yes. Chairmember Hafner said you were looking over here like at Parks Director Danny Kapales. Councilmember Williams said I was looking over there because it has to do with the Parks and Recreation Department. Mr. Douglas said are you referring to trying to add the new assistant parks director. Councilmember Williams said yes. Mr. Douglas said during the hiring process, the search committee that Mayor Perrin selected to choose our new parks director made that recommendation. With Mr. Kapales being chosen as the director, that was one of his ideas and the search committee agreed and thought it was beneficial, and therefore, that's how that got put in the plan to add that position. Parks and Recreation is getting so big that they wanted someone over the programs and then one to, basically, oversee the facilities. Councilmember Williams said okay. Mr. Douglas said it is my understanding that that has now been pulled.

Mayor Perrin said I went back and read the minutes of the last Finance meeting several times and some of the questions that were asked were absolutely confusing to me. The salary plan is on the web site. It changes every year if we decide to change it. All those questions that were asked are on the web site. Anybody who has a computer can go look at the salary plan, read it and understand it. If they don't understand it, then they can go to Mr. Douglas or someone else in administration and we would be glad to explain that to them. Then we got into public comment with Mr. Harold Carter asking who does this and who does that. Mr. Carter, we run the city. You don't. The key to it is that if you would read the salary plan, Mr. Carter, you would understand who makes those decisions and who doesn't. We just got through discussing the salary plan, again, and I've heard the question three times on the five percent and where does it apply? It can apply at the new hire and it can apply to try to save someone. So, you need to read your plan and understand it, and that goes for all of us. I had to go back and read it myself. The key to this is that we haven't changed this plan. The big change was in 2016. The big change was putting in a step plan. Prior to that, every employee was evaluated and then, again, the director or the department head decided whether or not they wanted to give that employee an increase in pay, and we budgeted that dollar amount. Mr. Douglas said that was the merit system. Mayor Perrin said exactly. Some cities will say I'm going to take \$50,000, \$100,000 or \$200,000, set it aside, and let the directors take that and put that out to the employees who are performing the best. Those who are not performing or who are mediocre, obviously,

would not get a raise. When this plan was changed in 2016, it doesn't make a difference if you are holding the shovel or leaning on the shovel, you're going to get a 2% raise. That was a cost of a little over \$3 million. Now, you take that 2% each year and put it on there then your compounding factor is going to be well the 2% over \$1 million very quickly. The reason I wanted you to read this plan is because it may be time to look at this total plan to see if this is what is good for the City of Jonesboro. If you evaluate me and put it in a file, what difference does that make? As far as financial is concerned, it makes no difference. As far as maybe something on down the road, there's no question. There are so many things involved in this plan and that's why the administration has to run the city. All I'm saying is if someone has a question on the outside or the inside, please come to the administration and we will sit with you if it takes all day and go over anything that you have a question about. If anybody would pick up the minutes from the last Finance meeting and read them, they would think we had never been around the rodeo one time, but it was not my committee meeting. I'm the Mayor and ex-officio of this committee. I was sitting here and I was listening. Then, when I asked the City Clerk to give me the minutes for the committee meeting, quite frankly, I was somewhat ashamed of some of the things that we should already know, and if you don't know it, then go back, pull the policy and read it and understand it.

City Clerk Donna Jackson said I have something to say on that. I went to the shared drive and we had four versions of the plan out there. Mayor Perrin said I don't know about the shared drive. I just pulled the current one off our shared drive. Mr. Douglas asked if it was on the web site or the shared drive. Ms. Jackson said it was the shared drive. Mayor Perrin said that's all I'm going to say on this because the point I'm trying to make is that this administration doesn't do it by on a whim. We don't do it by quick emotions. We don't knee-jerk and try to run this city. I think we should rebound, reload and replay. If you don't know the question and you don't know the answers, then go to the book. You have an employee handbook and a salary plan. You have all those things tied together and if you don't know those, then you need to understand them. Particularly, if you're a director or department head, then you really should know them because I can't be out there looking at 580 employees. That's why I have directors and that's why I have department heads. I can't tell you if one of your employees needs to be regraded and that's why Johanson put in this salary plan that it starts with the department head. He or she is the one who is looking at those employees every day, not me. If they think it, then they can come in and get it regraded. When it's regraded, Mr. Douglas can take his 15 sheets and regrade it. There have been cases to where we had to go down. So, you're going to run that risk when you grade the position that it may go down. I can tell you that any regrades in the future will go at the same time as the budget next year because I can just see so much confusion in the minutes from the last Finance meeting. If you have a problem, come see me. Don't second-guess me. Don't try to go around me, and don't call the public. If you have a problem, come to me because we don't hide anything in this city.

Finance Director Trever Harvey said I wanted to talk today about the plan in front of you and the budget that this committee has already forwarded to the City Council. If you read the plan and look through the job titles and grades, you will see that the changes are in red. Those are the new job titles that we had planned for in the budget, and the money is already there. One of those processes we looked at was a reorganization in the Mayor's Department and the Finance Department. We are looking at removing the Chief Operations Officer from the Mayor's Department and adding a Chief of Staff and Mr. Reznicek will be moved into that position, which left the Chief Financial Officer position open. That position was not budgeted for, but in its place, we will be creating a Finance Director position. In that entire reorganization, the city

should see a savings of about \$11,000 in the budget. That is due to the salary of the COO being eliminated, the salary of the CFO being eliminated and the addition of the new salaries for the Chief of Staff and the Finance Director.

The other process we were looking at was the Code Enforcement office. Lt. Scott Baxter has been heading up Code Enforcement and his salary was coming out of the police department. We had planned on moving Lt. Baxter laterally over to the police department where there is a need for him there, and, at the same time, we will create a new job title of Director of Code Enforcement, which is a grade 122. We will move Senior Code Enforcement Officer Michael Tyner into that position. Mr. Tyner is currently at a grade 114. You will see the elimination in the budget of the Senior Code Enforcement position. It is being replaced with the Director of Code Enforcement and we are not going to backfill that department. Mr. Tyner is just simply going to have more responsibilities placed on him. That change is about \$19,000 in savings if you consider that we are not going to backfill the Senior Code Enforcement position. The next item we are going to look at is the creation of a couple of new positions. We will be adding a 9-1-1 dispatcher, which is a grade 109, and starts at about \$29,000. We are also going to add a new kennel master at Animal Control, which is a grade 106, and starts at about \$24,000. So, actually, you will see an increase of about \$55,000 in the budget from bringing in those new positions. Those titles are already in the pay plan because they have already been approved. They are just additions to the budget that we wanted to speak to because they are important in the calculations. During the budget process, we met, starting in August, with every department and the department heads or directors had the opportunity to bring to us any changes they might want to make. These two positions we considered, reconsidered and considered again. We went to Animal Control and 9-1-1 and spoke with these departments and we feel there is a need for these two positions. Especially, in the 9-1-1 department to help serve the new process of the warrants. We are looking at adding a bit of a process to the 9-1-1 department. We certainly don't want our 9-1-1 department to be understaffed. The addition of the kennel master will make three in Animal Control, which will allow for rotating positions. So, at any point, I believe there will be two kennel masters at one time. Right now, they are having to juggle and play with two positions and now one can be off. This is something that has been asked for in the budget for a few years in a row. So, to me, if someone keeps asking for it then we think there is a need.

You will also see some regrades. There was a regrade in the building maintenance department. The Administrative Secretary was changed to Facilities Maintenance Coordinator. When we looked at the administrative secretary position, we looked at the job duties and put it through the Johanson software and it came out to a grade 113. We have also regraded the assistant city attorney position. There was no change in the job title, but the grade is changing based on the new duties and responsibilities of the position. The last regrade is in the grants administration department. We have a new job title of Director of Community Development. We put the duties through the Johanson software and came up with a grade of 124. Those regrades are going to add about \$10,000 to the budget.

Mr. Harvey said when you take everything I have talked about today, the savings from Finance and Mayor's departments, savings from code enforcement, increases from adding the new positions in 9-1-1 and Animal Control, and the regrades, you will actually see an increase of only about \$35,000 represented in the budget. There are three new positions in the fire department. You have already approved the grant for those, but they are in there. We didn't include them in the calculations because they are not included in the discussion at this point. I would be happy to answer any questions.

Ms. Patti Lack, 4108 Forest Hill Road, said I want to say thank you for explaining some of these things because after seeing that the meeting was on and then it was off and then it was on again, I think it kind of took a lot of people by surprise about why. Just listening to some of these things here, then I don't know why we're having this meeting because there's really just one thing that has changed in this proposal and that's keeping the softball coordinator position and taking away the assistant parks director position. I think what I'm concerned about is looking at some of these positions and I'd like to know how we justify someone getting a raise of \$14,000 or \$18,000 because it's in the Johanson description. Mayor Perrin asked which one are you referring to for \$18,000. Is it code enforcement? Ms. Lack said I think it was code enforcement. Mayor Perrin said let me explain how that will work. Lt. Baxter is going back to the police department. I would have to advertise that position. We had to regrade this because we've never had a director's position. So, regardless of whether Mr. Tyner gets the position and goes into it, which is quite obvious that he should get the position because he's been here four or five years, he knows the job and he's been supervising a lot of the employees anyway. If you go out in the public and bring someone in then, that's what you are going to pay them. So, again, if he got the job as director then his salary goes up. If he doesn't and John Doe comes in here and gets it, then Mr. Tyner will still stay the same. We're creating a position because Lt. Baxter's salary was with the police department. Starting in January 2019, he will be in administration at the police department. Ms. Lack said so, what I'm understanding from that is that the Senior Code Enforcement position will be eliminated. Correct? Chairmember Hafner said it will not be backfilled. Mayor Perrin said we will not add a replacement for him. That is correct. The other question I have is if there is going to be a Finance Manager that will take the place of Mr. Harvey when he takes over the Finance Director position. Chairmember Hafner said yes, and that's included in that \$11,000 savings. They are not hiring a COO at \$73,000 or \$76,000. If they don't do the reorganization and the Mayor has to go out and hire a COO, that person would come in at least at \$73,139 because that is the pay grade. The Director of Community Development was a grants administrator. Is that position going to be eliminated or is someone going to be hired in that position? Mayor Perrin said no.

Ms. Lack said at the last meeting, Mayor Perrin, you said that you agreed with me. I agree with you. After reading the paper, I think the meeting last week was just not done correctly. I think the thing with this meeting is that it was explained a little bit more and I think that is what the public needs to see. Mayor Perrin said that is why we had this meeting. Ms. Lack said I wish it was last week. Mayor Perrin said I think last week's meeting was a fiasco. Ms. Lack said I do, too. I think that is just an extension of all the other meetings that we have at the City Council is that there definitely needs to be more discussion because the people want to know. They want to hear about these things. They don't want it to just be voted on and wonder what happened. I think that is why when you say we're not hiding anything that leaves the people to believe that there is something being hidden. That's the downfall of that. As far as the 2% raises, I think that's really great to hear whether you get promoted or not promoted, but if you don't have the money in the budget then you can't give those raises. I think you have to put a clause in the Johanson study, if that is the process that you're going to keep, that if the city doesn't have the money then we can't give the raises to you and really focus on that next year. I think this has been helpful, but I think we have to look at the process that the people see and how everything is ran in the city. If it was like this, then it would be wonderful because people would know exactly what's going on.

Mayor Perrin said let me give an example. You heard earlier that any and all parts of this salary plan could be amended. I could have come to the City Council and asked

them to pull the 2% for next year back totally based upon the declining revenue, and I could have saved this city \$500,000. I want to meet with our Chief of Staff, Human Resources, Finance Committee chair and some others and start looking at this and projecting and getting it done way before June. I could have done that very easily, but would the City Council have gone along with it? I don't know because what you're telling all 580 employees is that you're not going to get your 2% this year. There are times when you have to stand up and run and lead, but I did not want to do that this year because even with the projected budget you have, you will still have \$13 million to \$14 million excess reserves above and beyond what we do this year. Had it been closer, I can assure you, as a banker, that I would have approached City Council and said I'm going to make an ordinance to amend the salary plan that we will not receive the 2% in the fiscal year 2019 until such time the revenue gets to the point of which we think is necessary and we feel comfortable.

Ms. Lack said that's where I think we both agree. Mayor Perrin said I'm getting a little irritated, too, with these people thinking that we're trying to hide things when these doors are open all day long. If you have a problem or a question, come see me. Ms. Lack said hopefully, you won't have to keep having your running shoes and it will be much better next year. Mayor Perrin said there are a lot of things we have to do next year and we will be limited on capital improvements and I'd like to do more, but based on the revenue we're not going to be able to do it. We're going to get by and we're going to be fine. It's just hard to make these decisions and sometimes people second-guess you. Come sit in my chair for a day. When I look back, I don't have anybody to look at but me. Ms. Lack said the last thing I would like for you to leave with is that when there is a change or the budget is amended that the public is aware soon enough. Mayor Perrin said I'll make a comment on that. A college professor came in here and said you could not do it and he couldn't find the state information, but it is as clear as a bell that you can pass a budget by resolution and by ordinance. If he has a PhD, I don't know why he couldn't find the state statutes. Had he come to me, I would have taken the book out from behind my desk and said Dr. Wang, right there it is. That's the problem. Anybody can criticize, point fingers and talk about it, but you're never going to get anywhere until you sit down and work together as a team. Ms. Lack said I agree and I just think the City Council meeting is a good way of letting the people know. Thank you very much.

Councilmember L.J. Bryant said I was just going to make a quick point to Ms. Lack's point as to why Councilmember John Street and I called this meeting. We ended last week in some confusion. Everybody could have done better at communicating. I think in the last week we've worked hard with the administration and we've had great conversations. I think we've learned a lot going into the future about how to communicate well together. In summary, Mr. Harvey did a great job outlining all that information. Honestly, I think it's crystal clear now kind of where we are. When you look at all the reorganizations that were done and a lot of high quality people we have in some of these positions, and then the adding of the additional positions, I think if you went out and toured these facilities, you would probably find that they need these additions. I'm pretty happy at where we've gotten in the last week.

Councilmember Street said I am, too. I think that the citizens of Jonesboro hold us accountable to study these things and make the best decisions. When we make these decisions, it's 12 of us not just what I want to do or what Councilmember Bryant wants to do, it's all 12. It's not our job to run the day-to-day operations of the city, and that's by law, but we do make an effort to make the best decisions. The citizens expect us to make decisions and we are accountable for those decisions. I put my time in and I don't take this stuff lightly, but some people may not understand all the

aspects of what goes into this, but as the Mayor says, it is public information and there are people here who can answer those questions.

Chairmember Hafner said the only comment I have because I know we don't have anything else after this is thanks to Mr. Keith Inman for his article in the Jonesboro Sun on Friday. I thought it was very well done and I think it answered a lot of people's questions.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

4. Adjournment

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant



Legislation Details (With Text)

File #: ORD-19:003 **Version:** 1 **Name:** REPEAL AND REPLACE ORDINANCE 1639 WHICH ESTABLISHED THE AUDITORIUM COMMISSION AND PROVIDED FOR THE RESPONSIBILITIES AND DUTIES OF COMMISSIONERS

Type: Ordinance **Status:** To Be Introduced

File created: 1/23/2019 **In control:** Finance & Administration Council Committee

On agenda: **Final action:**

Title: AN ORDINANCE TO REPEAL AND REPLACE ORDINANCE 1639 WHICH ESTABLISHED THE AUDITORIUM COMMISSION AND PROVIDED FOR THE RESPONSIBILITIES AND DUTIES OF COMMISSIONERS

Sponsors: Mayor's Office

Indexes:

Code sections:

Attachments: [MOU Auditorium Commission](#)

Date	Ver.	Action By	Action	Result
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AN ORDINANCE TO REPEAL AND REPLACE ORDINANCE 1639 WHICH ESTABLISHED THE AUDITORIUM COMMISSION AND PROVIDED FOR THE RESPONSIBILITIES AND DUTIES OF COMMISSIONERS

WHEREAS, an Auditorium Commission was established by Ordinance 1639 in 1978 and the number of commissioners and duties and responsibilities were established at that time; and

WHEREAS, the City Council of the City of Jonesboro, Arkansas desires to update and clarify the duties and responsibilities of the Commissioners and add two more seats to the Auditorium Commission.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

SECTION ONE: That Ordinance 1639 shall hereby be repealed and replaced with the following:

1. There is hereby created an Auditorium Commission to be composed of nine (9) members who shall be citizens of the City of Jonesboro and qualified electors of the municipality. The Commissioners shall be appointed by the Mayor and confirmed by a majority vote of the City Council. Commissioners appointed by the Mayor and approved by the City Council shall each be appointed to a term of five (5) years.

2. Commission members appointed under the provisions of this ordinance may be removed for cause upon a two-thirds vote of the duly elected and qualified members of the City Council.
3. The Commissioners shall make recommendations on capital improvements, renovations, and maintenance of the Forum properties. Commissioners shall also make recommendations on the types of events to be held at the Forum.
4. The Commissioners shall have authority to adopt such rules and regulations as they may deem necessary and expedient for the proper operations and management of the Forum and shall have authority to alter, change, or amend such rules and regulations at their discretion.
5. The Commissioners shall keep minutes of all meetings and provide them along with a quarterly report to the Mayor and City Council, reporting in full on all operations, including an account of receipts and disbursements. Commissioners shall furnish such other reports, data, and information as may be requested by the Mayor and City Council in a timely manner.
6. The Commissioners shall make recommendations for an annual capital expenditure and maintenance plan. The Mayor and City Council may appropriate funds from the general revenues of the City to be placed in the Auditorium Fund if deemed necessary for use in managing, operating, repairing, maintenance, and capital improvements of the Forum.

SECTION TWO: All ordinances and/or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION THREE: The provisions of this ordinance are hereby declared to be separable, and if any section, phrase, or provision of this ordinance for any reason is declared to be invalid, such declaration shall not effect the validity of the remainder of the sections, phrases, or provisions.

Memorandum of Understanding Between the
Auditorium Commission and Foundation of Arts for Northeast Arkansas, Inc.

Whereas, the City of Jonesboro, hereinafter referred to as City, is the owner of the Municipal Auditorium, hereinafter referred to as the Forum; and

Whereas, the Auditorium Commission, hereinafter referred to as the Commission, has the authority to encourage, organize, schedule, sponsor, and promote cultural and performing arts events and activities at the Forum; and

Whereas, the Commission wishes to take advantage of the qualified personnel employed by the FOA and the advice and assistance of the FOA in the identification, scheduling, and offering of programs, performances, and other events and activities at the Forum; and

Whereas, this agreement will help to avoid duplication of expenditures of funds and efforts in the furtherance of the operation and the utilization of the Forum;

Now, therefore, in consideration of the terms and conditions set forth herein the Commission and the FOA do mutually agree as follows:

FOA agrees:

1. To employ the necessary staff who shall possess the qualifications and experience for the performance of the duties and responsibilities identified herein. Said staff shall not be employees of the Commission or the City;
2. To schedule such performances, presentations, events, and other activities or groups desiring to use the Forum;
3. To supervise operations, minor maintenance, and management of the Forum within prescribed Commission channels and procedures;
4. To enforce and carry out the operating policies, fee schedules, and other contracts or agreements, ordinances, policies, procedures, or directives applicable to the Forum and its use, management, operation, and maintenance. Forum rental agreements, operating policies, and fee schedules will be set in a fair and equitable manner to encourage maximum use of the Forum by the entire community. Said items will be adopted by the FOA and approved by the Commission.
5. To co-ordinate Forum event and activity planning and scheduling with Commission and other local organizations concerned with the performing arts;

6. To assist in promotion of the use of the Forum;
7. To assist in preparation of applications, proposals, and similar documents seeking financial or other assistance from government or non-governmental sources;
8. To comply with city ordinances, resolutions, and procedures in the performance of this agreement;
9. To prepare a quarterly report and provide a management summary, financial statements, and such other information as may be requested by the Commission or the City in relation to the Forum and its use, attendance, operation, and management;
10. To assist in preparation of the Commission's budget for the Forum;
11. To co-operate with the Commission in any matters pertaining to the Forum or the overall performing arts program within the state and local area;
12. To report to and receive direction from the Commission regarding any physical plant or maintenance items;
13. To comply with all applicable federal and state laws;
14. To maintain adequate records of all activities at the Forum and all expenses incurred by the FOA in its operation of the Forum. These records shall be available for Commission or City examination, audit, and copying at all reasonable times and places;
15. To promptly report to the Commission any furniture, fixtures, or grounds which are damaged, in disrepair, in need of maintenance, unsafe, or potentially hazardous;
16. To provide custodial personnel and services for the Forum facility as required to meet good housekeeping standards. To supply all necessary custodial supplies and equipment as needed for housekeeping purposes;
17. To be responsible for reporting minor maintenance needs of the Forum, to the City's Facilities Director.;
18. To hold harmless and indemnify the Commission and City from any and all liability, causes of action, damages, judgments, costs, charges, or expenses arising through the misfeasance and/or malfeasance of the FOA or their staff in performing duties and responsibilities under the terms of this agreement.

Commission agrees:

1. To be responsible for making recommendations to the City for major maintenance and repairs to the building, mechanical equipment, roof, and exterior walls;
2. To act on all requests and approve all agreements, policies, and schedules provided by the FOA in a timely manner.

Both parties agree:

1. That this agreement may be changed or amended from time to time upon the mutual consent of the parties hereto. Any such changes, alterations, or modifications shall be incorporated into written amendments to this agreement;
2. That this agreement may be terminated by either of the parties hereto by providing thirty (30) days prior written notice to the other for cause or breach of the agreement. Further the agreement may be terminated by either of the parties hereto without cause by providing six (6) months written notice to the other party.
3. That this agreement shall commence on _____ and shall remain in effect until _____.

Date _____
_____ on behalf of the Auditorium
Commission

Jonesboro, AR 72401

Date _____
_____ on behalf of the Foundation of
Arts for Northeast Arkansas, Inc.

Jonesboro, AR 72401



Legislation Details (With Text)

File #:	RES-19:002	Version:	1	Name:	ACCEPTANCE OF THE 2019 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM CHANGE ORDER WITH THE ARKANSAS STATE POLICE
Type:	Resolution	Status:		Status:	To Be Introduced
File created:	1/11/2019	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	A RESOLUTION FOR THE ACCEPTANCE OF THE 2019 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM CHANGE ORDER WITH THE ARKANSAS STATE POLICE				
Sponsors:	Grants, Police Department				
Indexes:	Change Order, Grant				
Code sections:					
Attachments:	Change Order for STEP				

Date	Ver.	Action By	Action	Result
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A RESOLUTION FOR THE ACCEPTANCE OF THE 2019 SELECTIVE TRAFFIC ENFORCEMENT PROGRAM CHANGE ORDER WITH THE ARKANSAS STATE POLICE

WHEREAS, Resolution Number RES-18:155 authorized the Mayor and City Clerk to execute all appropriate agreements and contracts necessary for the acceptance of the 2019 STEP Subgrant Award; and

WHEREAS, the City of Jonesboro has been awarded an additional \$7,400 to be used for Distracted Driving and for out of state travel for the Project Coordinator to attend the national drug evaluation and classification program conference.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The City of Jonesboro hereby accepts the Arkansas State Police's STEP Subgrant Award change order.

SECTION 2: The City hereby agrees to the terms and conditions of the grant as outlined in the change order attached hereto and made a part hereof the execution of which by the Mayor and Chief of Police is hereby authorized.

**ARKANSAS STATE POLICE
HIGHWAY SAFETY OFFICE
SUBGRANT AGREEMENT CHANGE ORDER**

Recipient: Jonesboro Police Department

**Project Number: OP-2019-02-02-15
SE-2019-01-01-15
MSX-2019-06-06-15
DD-2019-02-02-15**

The subgrant agreement above is hereby modified as described below:

To add to Work Statement 4: Distracted Driving (DD); Work Statement 5: Distracted Driving enforcement (from 6:00 am until 9:00 pm) will emphasize enforcement of texting and cellphone laws as shown in Work Statement 16; Work Statement 6, Performance Objectives: DD, Average 2-3 stops per hour per officer; Subgrantee Invoice Form: Distracted Driving – 402 DD in the amount of \$4,900.

Add Work Statement 21 to provide \$2,500 for out of state travel for the Project Coordinator to attend the national drug evaluation and classification program conference.

<u>Budget Categories</u>	<u>Approved Budget</u>	<u>Change</u>	<u>Revised Budget</u>
PERSONAL SERVICES			
Distracted Driving – 402 DD	\$0	\$4,900	\$4,900
Other Direct Costs	\$0	\$2,500	\$2,500
TOTAL	\$84,100	\$7,400	\$91,500

Justification:

To add to workstatements and budget to allow distracted driving enforcement and out of state travel.

All conditions and portions of this subgrant agreement remain the same except those listed above.

_____	___/___/___	_____	___/___/___
Subgrant Director	Date	Authorized Official	Date

FOR ASP USE ONLY

Subgrant Agreement Change Order Number 2019-1

Recommended for Approval

COMMENTS

Initial

Date

Increase in funds in the amount of \$7,400.

Program Manager

___/___/___

Add project number DD-2019-02-02-15

Fiscal Manager

___/___/___

Highway Safety Manager

___/___/___

Effective date of change 11/1/2018.

This subgrant agreement change order is hereby approved.

_____	___/___/___
Administrator Highway Safety Office	Date



Legislation Details (With Text)

File #:	RES-19:003	Version:	1	Name:	REQUESTING CITY WATER & LIGHT (CWL) PAY FOR THE REMAINDER OF THE NEW JONESBORO FIRE DEPARTMENT PUMPER TRUCK
Type:	Resolution	Status:		Status:	To Be Introduced
File created:	1/16/2019	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS REQUESTING CITY WATER & LIGHT (CWL) PAY FOR THE REMAINDER OF THE NEW JONESBORO FIRE DEPARTMENT PUMPER TRUCK				
Sponsors:	Fire Department				
Indexes:					
Code sections:					
Attachments:					

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

WHEREAS, CWL desires to donate \$500,000.00 towards the remainder of the truck.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO THAT:

SECTION 1. CWL is hereby requested to donate \$500,000.00 out of its surplus funds to be used to purchase the remaining portion of the new Jonesboro Fire Department pumper truck.

SECTION 2: That Mayor Harold Perrin and City Clerk Donna Jackson are authorized to execute the necessary documents to effectuate this donation.



Legislation Details (With Text)

File #: RES-19:007 **Version:** 1 **Name:** APPLY FOR THE DEPARTMENT OF HOMELAND SECURITY FY 2018 STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE GRANT (SAFER)

Type: Resolution **Status:** To Be Introduced

File created: 1/23/2019 **In control:** Finance & Administration Council Committee

On agenda: **Final action:**

Title: RESOLUTION AUTHORIZING THE CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE DEPARTMENT OF HOMELAND SECURITY FY 2018 STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE GRANT (SAFER)

Sponsors: Grants, Fire Department

Indexes: Grant

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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RESOLUTION AUTHORIZING THE CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE DEPARTMENT OF HOMELAND SECURITY FY 2018 STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE GRANT (SAFER)
 WHEREAS, applications are now being accepted for the FY18 Staffing for Adequate Fire and Emergency Response (SAFER) grant; and

WHEREAS, the SAFER grant is funded for two years at 75% by the U.S. Department of Homeland Security with 25% local match required and one year at 35% by the U.S. Department of Homeland Security with a 65% local match required; and

WHEREAS, the City of Jonesboro is seeking funding for 36 months for three full-time firefighter salaries and benefits. This assistance will provide support for new, additional firefighters and improve staffing levels.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The City of Jonesboro supports the submission of the 2018 application to the FY 2018 SAFER grant for 36 months for three full-time firefighter salaries and benefits to provide support for new additional firefighters to improve staffing levels.

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this application.

SECTION 3: the Grants and Community Development Department is hereby authorized by the City Council for the City of Jonesboro to submit all necessary documents for this federal program.



Legislation Details (With Text)

File #:	RES-19:008	Version:	1	Name:	ENTER INTO AGREEMENT WITH THE MICRO-ENTERPRISE BUSINESS ACCELERATOR (MBA) PROGRAM SUB-RECIPIENTS OF THE 2018 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
Type:	Resolution	Status:			To Be Introduced
File created:	1/23/2019	In control:			Finance & Administration Council Committee
On agenda:		Final action:			
Title:	A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE MICRO-ENTERPRISE BUSINESS ACCELERATOR (MBA) PROGRAM SUB-RECIPIENTS OF THE 2018 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)				
Sponsors:	Community Development				
Indexes:	Grant				
Code sections:					
Attachments:	Agreement_Candy Apples BBQ.pdf Agreement_Granite Works, LLC.pdf Agreement_RJW Plumbing.pdf Agreement_The Fainting Goat.pdf				

Date	Ver.	Action By	Action	Result
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A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE MICRO-ENTERPRISE BUSINESS ACCELERATOR (MBA) PROGRAM SUB-RECIPIENTS OF THE 2018 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

WHEREAS, the City of Jonesboro has awarded \$20,000 through its 2018 CDBG Annual Action Plan for the MBA Program to fund qualified micro-enterprises for activities and projects indicated in agreements; and

WHEREAS, the City desires the sub-recipients to carry out their stated objectives for the MBA program as prescribed in the scope of services within the said agreement; and

WHEREAS, the sub-recipients must represent that they have the capacity to do so and are willing to carry out this program for the Community Development Block Grant Program as described in the agreements; and

WHEREAS, the FY2018 Micro-enterprise Business Accelerator Program has a \$20,000 budget to award four micro-enterprises the specific amounts listed below:

- | | |
|---------------------------------|---------|
| 1. Candy Apples BBQ | \$4,360 |
| 2. RJW Plumbing, LLC | \$5,920 |
| 3. Granite Works, LLC | \$5,920 |
| 4. The Fainting Goat Board Room | \$3,800 |

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO,

ARKANSAS:

SECTION 1: The MBA Program agreements for the individual awarded sub-recipients, attached hereto is hereby approved by the City Council.

SECTION 3: The Mayor, Harold Perrin and City Clerk, Donna Jackson are hereby authorized to execute all documents necessary to effectuate the said agreements.



City of Jonesboro
Community Development Block Grant Program (CDBG)
Micro-enterprise Business Accelerator Program (MBA)
Agreement

THIS AGREEMENT, entered this ____ day of ____, 20__ by and between the **City of Jonesboro**, Arkansas (herein after referred to as “Grantee”) and **Candy Apples BBQ** (hereinafter referred to as “Subrecipient”).

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, It is agreed by the parties in exchange of the mutual covenants and agreements set forth herein:

I. NATIONAL OBJECTIVES

All activities funded with Community Development Block Grant (CDBG) funds must meet one of the CDBG program’s National Objectives: (1) benefit low- and moderate-income (LMI) persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency, as defined in *24 CFR § 570.208*. The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the National Objective (1) benefit low- and moderate-income persons.

Under the category of LMI Limited Clientele if economic activity includes Job Creation or Retention where jobs must be available to or held by at least 51% LMI person; in addition, if the owner of the business is LMI. The LMI Area Benefit category may be fulfill if economic activities benefit an LMI area where 51% of the neighborhood is LMI.

II. SCOPE OF ACTIVITY

A. Project Description

Candy Apples BBQ is a startup micro-enterprise for food service and condiment production. FY2018 CDBG funds (\$4,360) will be used to cover location/building rental and utilities for six months (from the date funds are released to June 30, 2019). The Subrecipient must employ at least one (1) part-time low-and moderate-income person.

B. Levels of Accomplishments: Objectives and Performances

In addition to the general administrative services required as part of this Agreement, the Subrecipient agrees to provide the following levels of project services. The levels of accomplishment may include such measures as persons or households assisted and should also include time frames for performance.

Project Name

Food Service & Condiments

C. Key Personnel

Lee Stanback, owner of Candy Apples BBQ

Subrecipient must immediately notify the Grantee with any changes in the assigned Key Personnel or their general responsibilities under this project.

D. Budget

<u>Budget Line Items</u>	<u>Approved Amounts</u>
Rent	\$3,450 per six months
Utilities	\$910.00 per six months
TOTAL	\$ 4,360

The Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

Modifications to approved budget line items are allowable, but must be directly related to changes in project services and activities and may not increase the budget total. Subrecipient must submit a written request identifying reason for the adjustment to the Grantee within 30 days. The Grantee has the authority to grant or deny requests for budget revisions. Granted funds may not be expended prior to budget amendment approval.

III. PAYMENT

The total amount to be paid by the Grantee under this Agreement shall not exceed \$4,360. Reimbursement payment for eligible expenses shall be made according to budget categories/line items specified in Paragraph II D herein.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in *2 CFR Part 200* and *24 CFR § 84.21*.

The Grantee retains fiscal responsibility of said funds prior to disbursement. The

Subrecipient will submit for reimbursement of eligible costs incurred pertaining directly to budgeted line items listed in the approved budget. Reimbursements will be made to the Subrecipient by the Grantee upon submission of quarterly report and eligible expenditures. Advance Payment method must be approved by the Grantee with justification arranged under specific circumstances.

IV. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of January, 2019 and end on the 30th day of June, 2019. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds. No program income is expected with this project.

Reporting

Subrecipient must submit monthly Progress and Expenditure reports due every 15th of each month after funds disperse. Progress and Expenditure reports must include a narrative of project and expenses of funds with proof of payment such invoices, cleared checks and/or bank statements.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail, commercial courier, personal delivery, sent by facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All written communications under this Agreement shall be addressed to the authorized official of the organization indicated below, unless otherwise stated through written notification.

Communication and details concerning this Agreement shall be directed to the following:

Grantee
City of Jonesboro
Grants & Community Development
300 S. Church St.
P.O. Box 1845
Jonesboro, AR 72403-1845
Tel. (870) 932-1052
Fax (870) 933-4626

Subrecipient
Candy Apples BBQ
Lee Stanback
602 N. Church St.
Jonesboro, AR 72401
Tel. (870) 530-3162
Lstanback01@gmail.com

VI. COMPLIANCE

The Grantee will monitor the performance of the Subrecipient against goals and

performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a 30 day period of time after being notified by the Grantee, Agreement suspension or termination procedures will be initiated.

The Grantee reserves the right to inspect at any time during normal business hours any projects conducted under this Agreement to ensure adherence to applicable laws, regulations, and the terms of this Agreement. If for any reason, any term of this Agreement is breached by the Subrecipient, the Grantee may require full repayment of any amounts advanced under this Agreement pursuant to Section VIII (Remedies on Default).

VII. SPECIAL CONDITIONS

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in *24 CFR § 570.604* and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of *24 CFR Part 52*.

VIII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. *The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.*

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent Subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee, its agents, and employees from suits and actions: including attorney's fees, all cost of litigation, and judgment brought against the Grantee as a result of loss, damage or injury to persons or property arising out of or resulting from the Subrecipient's direct use and operation of programs in connection with the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement only if as a result of the Subrecipient's negligent or intentional acts.

D. Worker's Compensation

The Subrecipient shall provide Workers' Compensation insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipients shall comply with the bonding and insurance requirements of *24 CFR § 84.31* and *§ 84.48*, Bonding and Insurance and *2 CFR § 200.304* Bonds, *§ 200.310* Insurance Coverage, and *200.447* Insurance and Indemnification.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the Grantor agency in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publication and media presentations made possible with funds made available under this Agreement.

G. Amendments

The Grantee may, in its discretion, amend this Agreement to conform to Federal, State or Local laws and regulations, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of the Agreement, such modifications will be incorporated only by written amendment and signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with *24 CFR § 85.43*, either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph 1 (A) above may only be

undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports, or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

In accordance with 24 CFR § 85.44, the Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said Agreement funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

In accordance with 2 CFR § 200.213, Non-federal entities are subject to the non-procurement debarment and suspension regulations that strict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in CDBG programs or activities. Subrecipient under this Agreement shall be registered with System for Award Management prior to funds procurement. Costs to the non-Federal entity resulting from obligations incurred by the non-Federal entity during a suspension or after termination of a Federal award or sub-award are not allowable unless the Federal awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable as specified in 2 CFR § 200.342.

I. Authorization to Enter Agreement

The undersigned person signing as an officer on behalf of the Subrecipient, a party to this Agreement, hereby severally warrants and represents that said person has authority to enter this Agreement on behalf of said Subrecipient and to bind the same to this Agreement, and further that said Subrecipient has authority to enter into this Agreement and that there are no restrictions or prohibitions contained in any article of incorporation or bylaw against entering into this Agreement. It is agreed that the Subrecipient will provide a copy of the board minutes designating said authority, which is to be attached as a permanent part of this agreement.

IX. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with *24 CFR § § 84.21-28* and *2 CFR § 200.419*, and agrees to adhere to the accounting principles and procedures required herein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its project in conformance with *2 CFR § 200* subpart *E*, “Cost Principles”. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in *24 CFR Part 570.506* that are pertinent to the activities to be funded under this Agreement. Such records shall include but not limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objective of the CDBG program;
- c. Records required to determine the eligibility of activities and recipients of said activities;
- d. Records required to determine the low income eligibility;
- e. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- f. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- g. Financial records as required by *24 CFR Part 570.502*, *24CFR 84.21-28*, and *2 CFR § § 200.333-200.337*; and
- h. Other records necessary to document compliance with Subpart K of *24 CFR § 570*.

2. Retention

The Subrecipient shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this Agreement shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five (5) year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever

occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, social security, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions in *24 CFR Parts 570.503(b) (8)*, as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. **Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 60 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a**

violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and as specified in *2 CFR Part 200*.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income as defined in *24 CFR § 570.500(a)* generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at *24 CFR § 570.504*. By way of further limitations, the Subrecipient may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unused program income shall be returned to the Grantee at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

This project is not allow to generate program income.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance funds and program income balances available in Subrecipient accounts as applicable. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement unless a written agreement is executed by both parties.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of *24 CFR Part 84.40-48* and *2 CFR Part 200*.

3. Travel/Training

The Subrecipient shall obtain written approval from the Grantee for any travel outside of city limits of Jonesboro with funds provided under this Agreement. Failure to do so will result in denial of expenditure.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of *24 CFR Part 84, § 570.502, 570.503, and § 570.504, and 2 CFR Part 200*, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to *24 CFR § 570.208* until five (5) years after expiration of this Agreement. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

X. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at *49 CFR Part 24* and *24 CFR § 570.606(b)*; (b) the requirements of *24 CFR § 570.606(c)* governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in *24 CFR § 570.606(b)(2)* that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

XI. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title 1 of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in *24 CFR § 570.607*, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant

to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against those with disabilities in any Federally assisted program.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. Section 109 of the Act requires that no person in the United States shall on the ground of race, color, religion, national origin or gender, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

2. Women-and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford minority - and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Record

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency's contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X(A), Civil Rights, and (B), Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities, sectarian or inherently religious activities, lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, State and Local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the

Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with those requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program provided direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under *24 CFR Part 135* and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR § 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. No person having such a financial interest shall be employed or retained by the Subrecipient hereunder.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or Subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly;

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification

shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR § 570.200(j).

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of Council Approval:

City of Jonesboro

Subrecipient

Harold Perrin, Mayor

Title:

Date: _____

Date: _____

Donna Jackson, City Clerk

Title:

Date: _____

Date: _____



City of Jonesboro
Community Development Block Grant Program (CDBG)
Micro-enterprise Business Accelerator Program (MBA)
Agreement

THIS AGREEMENT, entered this ____ day of ____, 20__ by and between the **City of Jonesboro**, Arkansas (herein after referred to as “Grantee”) and **Granite Works, LLC** (hereinafter referred to as “Subrecipient”).

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, It is agreed by the parties in exchange of the mutual covenants and agreements set forth herein:

I. NATIONAL OBJECTIVES

All activities funded with Community Development Block Grant (CDBG) funds must meet one of the CDBG program’s National Objectives: (1) benefit low- and moderate-income (LMI) persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency, as defined in *24 CFR § 570.208*. The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the National Objective (1) benefit low- and moderate-income persons.

Under the category of LMI Limited Clientele if economic activity includes Job Creation or Retention where jobs must be available to or held by at least 51% LMI person; in addition, if the owner of the business is LMI. The LMI Area Benefit category may be fulfill if economic activities benefit an LMI area where 51% of the neighborhood is LMI.

II. SCOPE OF ACTIVITY

A. Project Description

Granite Works, LLC is a micro-enterprise for stone fabrication that specializes in granite, quartz, and marble countertops. FY2018 CDBG funds (\$5,920) will be used to assist with salary for the Fabricator position. The Subrecipient must create or retain employment for the Fabricator position to be filled by one (1) full-time low-and moderate-income person.

B. Levels of Accomplishments: Objectives and Performances

In addition to the general administrative services required as part of this Agreement, the Subrecipient agrees to provide the following levels of project services. The levels of accomplishment may include such measures as persons or households assisted and should also include time frames for performance.

Project Name

Job Creation & Stimulation

C. Key Personnel

Steve Benesch, Owner of Granite Works, LLC.

Subrecipient must immediately notify the Grantee with any changes in the assigned Key Personnel or their general responsibilities under this project.

D. Budget

<u>Budget Line Items</u>	<u>Approved Amounts</u>
Fabricator's Salary	\$5,920 (\$12.00 per hour for 12 weeks)
TOTAL	\$5,920

The Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

Modifications to approved budget line items are allowable, but must be directly related to changes in project services and activities and may not increase the budget total. Subrecipient must submit a written request identifying reason for the adjustment to the Grantee within 30 days. The Grantee has the authority to grant or deny requests for budget revisions. Granted funds may not be expended prior to budget amendment approval.

III. PAYMENT

The total amount to be paid by the Grantee under this Agreement shall not exceed \$5,920. Reimbursement payment for eligible expenses shall be made according to budget categories/line items specified in Paragraph II D herein.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in *2 CFR Part 200* and *24 CFR § 84.21*.

The Grantee retains fiscal responsibility of said funds prior to disbursement. The

Subrecipient will submit for reimbursement of eligible costs incurred pertaining directly to budgeted line items listed in the approved budget. Reimbursements will be made to the Subrecipient by the Grantee upon submission of quarterly report and eligible expenditures. Advance Payment method must be approved by the Grantee with justification arranged under specific circumstances.

IV. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of January, 2019 and end on the 30th day of June, 2019. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds. No program income is expected with this project.

Reporting

Subrecipient must submit monthly Progress and Expenditure reports due every 15th of each month after funds disperse. Progress and Expenditure reports must include a narrative of project and expenses of funds with proof of payment such invoices, cleared checks and/or bank statements. Funds being used for salary must include timesheets and payroll statement as proof of payment.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail, commercial courier, personal delivery, sent by facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All written communications under this Agreement shall be addressed to the authorized official of the organization indicated below, unless otherwise stated through written notification.

Communication and details concerning this Agreement shall be directed to the following:

Grantee
City of Jonesboro
Grants & Community Development
300 S. Church St.
P.O. Box 1845
Jonesboro, AR 72403-1845
Tel. (870) 932-1052
Fax (870) 933-4626

Subrecipient
Granite Works, LLC
Steve Benesch
3214B Southwest Dr.
Jonesboro, AR 72404
Tel. (870) 530-0111
Graniteworks870@gmail.com

VI. COMPLIANCE

The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a 30 day period of time after being notified by the Grantee, Agreement suspension or termination procedures will be initiated.

The Grantee reserves the right to inspect at any time during normal business hours any projects conducted under this Agreement to ensure adherence to applicable laws, regulations, and the terms of this Agreement. If for any reason, any term of this Agreement is breached by the Subrecipient, the Grantee may require full repayment of any amounts advanced under this Agreement pursuant to Section VIII (Remedies on Default).

VII. SPECIAL CONDITIONS

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in *24 CFR § 570.604* and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of *24 CFR Part 52*.

VIII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. *The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.*

B. “Independent Contractor”

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent Subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee, its agents, and employees from suits and actions: including attorney's fees, all cost of litigation, and judgment brought against the Grantee as a result of loss, damage or injury to persons or property arising out of or resulting from the Subrecipient's direct use and operation of programs in connection with the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement only if as a result of the Subrecipient's negligent or intentional acts.

D. Worker's Compensation

The Subrecipient shall provide Workers' Compensation insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipients shall comply with the bonding and insurance requirements of *24 CFR § 84.31* and *§ 84.48*, Bonding and Insurance and *2 CFR § 200.304* Bonds, *§ 200.310* Insurance Coverage, and *200.447* Insurance and Indemnification.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the Grantor agency in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publication and media presentations made possible with funds made available under this Agreement.

G. Amendments

The Grantee may, in its discretion, amend this Agreement to conform to Federal, State or Local laws and regulations, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of the Agreement, such modifications will be incorporated only by written amendment and signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with *24 CFR § 85.43*, either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph 1 (A) above may only be

undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports, or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

In accordance with 24 *CFR* § 85.44, the Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said Agreement funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

In accordance with 2 *CFR* § 200.213, Non-federal entities are subject to the non-procurement debarment and suspension regulations that strict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in CDBG programs or activities. Subrecipient under this Agreement shall be registered with System for Award Management prior to funds procurement. Costs to the non-Federal entity resulting from obligations incurred by the non-Federal entity during a suspension or after termination of a Federal award or sub-award are not allowable unless the Federal awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable as specified in 2 *CFR* § 200.342.

I. Authorization to Enter Agreement

The undersigned person signing as an officer on behalf of the Subrecipient, a party to this Agreement, hereby severally warrants and represents that said person has authority to enter this Agreement on behalf of said Subrecipient and to bind the same to this Agreement, and further that said Subrecipient has authority to enter into this Agreement and that there are no restrictions or prohibitions contained in any article of incorporation or bylaw against entering into this Agreement. It is agreed that the Subrecipient will provide a copy of the board minutes designating said authority, which is to be attached as a permanent part of this agreement.

IX. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with *24 CFR § § 84.21-28* and *2 CFR § 200.419*, and agrees to adhere to the accounting principles and procedures required herein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its project in conformance with *2 CFR § 200* subpart *E*, “Cost Principles”. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in *24 CFR Part 570.506* that are pertinent to the activities to be funded under this Agreement. Such records shall include but not limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objective of the CDBG program;
- c. Records required to determine the eligibility of activities and recipients of said activities;
- d. Records required to determine the low income eligibility;
- e. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- f. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- g. Financial records as required by *24 CFR Part 570.502*, *24CFR 84.21-28*, and *2 CFR § § 200.333-200.337*; and
- h. Other records necessary to document compliance with Subpart K of *24 CFR § 570*.

2. Retention

The Subrecipient shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this Agreement shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five (5) year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever

occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, social security, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions in *24 CFR Parts 570.503(b) (8)*, as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. **Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 60 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a**

violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and as specified in *2 CFR Part 200*.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income as defined in *24 CFR § 570.500(a)* generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at *24 CFR § 570.504*. By way of further limitations, the Subrecipient may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unused program income shall be returned to the Grantee at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

This project is not allow to generate program income.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance funds and program income balances available in Subrecipient accounts as applicable. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement unless a written agreement is executed by both parties.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of *24 CFR Part 84.40-48* and *2 CFR Part 200*.

3. Travel/Training

The Subrecipient shall obtain written approval from the Grantee for any travel outside of city limits of Jonesboro with funds provided under this Agreement. Failure to do so will result in denial of expenditure.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of *24 CFR Part 84, § 570.502, 570.503, and § 570.504*, and *2 CFR Part 200*, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to *24 CFR § 570.208* until five (5) years after expiration of this Agreement. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

X. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at *49 CFR Part 24* and *24 CFR § 570.606(b)*; (b) the requirements of *24 CFR § 570.606(c)* governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in *24 CFR § 570.606(b)(2)* that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

XI. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title 1 of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in *24 CFR § 570.607*, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant

to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against those with disabilities in any Federally assisted program.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. Section 109 of the Act requires that no person in the United States shall on the ground of race, color, religion, national origin or gender, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

2. Women-and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford minority - and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Record

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency's contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X(A), Civil Rights, and (B), Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities, sectarian or inherently religious activities, lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, State and Local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the

Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with those requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program provided direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under *24 CFR Part 135* and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR § 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. No person having such a financial interest shall be employed or retained by the Subrecipient hereunder.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or Subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly;

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification

shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR § 570.200(j).

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of Council Approval:

City of Jonesboro

Subrecipient

Harold Perrin, Mayor

Title:

Date: _____

Date: _____

Donna Jackson, City Clerk

Title:

Date: _____

Date: _____



City of Jonesboro
Community Development Block Grant Program (CDBG)
Micro-enterprise Business Accelerator Program (MBA)
Agreement

THIS AGREEMENT, entered this ____ day of ____, 20__ by and between the **City of Jonesboro**, Arkansas (herein after referred to as “Grantee”) and **RJW Plumbing, LLC** (hereinafter referred to as “Subrecipient”).

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, It is agreed by the parties in exchange of the mutual covenants and agreements set forth herein:

I. NATIONAL OBJECTIVES

All activities funded with Community Development Block Grant (CDBG) funds must meet one of the CDBG program’s National Objectives: (1) benefit low- and moderate-income (LMI) persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency, as defined in *24 CFR § 570.208*. The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the National Objective (1) benefit low- and moderate-income persons.

Under the category of LMI Limited Clientele if economic activity includes Job Creation or Retention where jobs must be available to or held by at least 51% LMI person; in addition, if the owner of the business is LMI. The LMI Area Benefit category may be fulfill if economic activities benefit an LMI area where 51% of the neighborhood is LMI.

II. SCOPE OF ACTIVITY

A. Project Description

RJW Plumbing is a woman-owned micro-enterprise plumbing company. The company provides a majority of their affordable services to a CDBG target area of North Jonesboro. FY2018 CDBG funds (\$5,920) will be used to assist with salary for the plumber position. The Subrecipient must create or retain employment for the plumber position to be filled by one (1) full-time low-and moderate-income person.

B. Levels of Accomplishments: Objectives and Performances

In addition to the general administrative services required as part of this Agreement, the Subrecipient agrees to provide the following levels of project services. The levels of accomplishment may include such measures as persons or households assisted and should also include time frames for performance.

Project Name

Plumbing Company Job Creation/Retention

C. Key Personnel

Amy Lucas, Owner and Plumber of RJW Plumbing Company

Subrecipient must immediately notify the Grantee with any changes in the assigned Key Personnel or their general responsibilities under this project.

D. Budget

<u>Budget Line Items</u>	<u>Approved Amounts</u>
Plumber's Salary	\$5,920 (\$10.50 per hour for 14 weeks)
TOTAL	\$5,920

The Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

Modifications to approved budget line items are allowable, but must be directly related to changes in project services and activities and may not increase the budget total. Subrecipient must submit a written request identifying reason for the adjustment to the Grantee within 30 days. The Grantee has the authority to grant or deny requests for budget revisions. Granted funds may not be expended prior to budget amendment approval.

III. PAYMENT

The total amount to be paid by the Grantee under this Agreement shall not exceed \$5,920. Reimbursement payment for eligible expenses shall be made according to budget categories/line items specified in Paragraph II D herein.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 *CFR Part 200* and 24 *CFR § 84.21*.

The Grantee retains fiscal responsibility of said funds prior to disbursement. The

Subrecipient will submit for reimbursement of eligible costs incurred pertaining directly to budgeted line items listed in the approved budget. Reimbursements will be made to the Subrecipient by the Grantee upon submission of quarterly report and eligible expenditures. Advance Payment method must be approved by the Grantee with justification arranged under specific circumstances.

IV. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of January, 2019 and end on the 30th day of June, 2019. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds. No program income is expected with this project.

Reporting

Subrecipient must submit monthly Progress and Expenditure reports due every 15th of each month after funds disperse. Progress and Expenditure reports must include a narrative of project and expenses of funds with proof of payment such invoices, cleared checks and/or bank statements. Funds being used for salary must include timesheets and payroll statement as proof of payment.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail, commercial courier, personal delivery, sent by facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All written communications under this Agreement shall be addressed to the authorized official of the organization indicated below, unless otherwise stated through written notification.

Communication and details concerning this Agreement shall be directed to the following:

Grantee
City of Jonesboro
Grants & Community Development
300 S. Church St.
P.O. Box 1845
Jonesboro, AR 72403-1845
Tel. (870) 932-1052
Fax (870) 933-4626

Subrecipient
RJW Plumbing, LLC
Amy Lucas
144 County Road 303
Jonesboro, AR 72401
Tel. (870) 761-2198
williamsplumbinginc@gmail.com

VI. COMPLIANCE

The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a 30 day period of time after being notified by the Grantee, Agreement suspension or termination procedures will be initiated.

The Grantee reserves the right to inspect at any time during normal business hours any projects conducted under this Agreement to ensure adherence to applicable laws, regulations, and the terms of this Agreement. If for any reason, any term of this Agreement is breached by the Subrecipient, the Grantee may require full repayment of any amounts advanced under this Agreement pursuant to Section VIII (Remedies on Default).

VII. SPECIAL CONDITIONS

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in *24 CFR § 570.604* and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of *24 CFR Part 52*.

VIII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. *The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.*

B. “Independent Contractor”

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent Subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee, its agents, and employees from suits and actions: including attorney's fees, all cost of litigation, and judgment brought against the Grantee as a result of loss, damage or injury to persons or property arising out of or resulting from the Subrecipient's direct use and operation of programs in connection with the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement only if as a result of the Subrecipient's negligent or intentional acts.

D. Worker's Compensation

The Subrecipient shall provide Workers' Compensation insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipients shall comply with the bonding and insurance requirements of *24 CFR § 84.31* and *§ 84.48*, Bonding and Insurance and *2 CFR § 200.304* Bonds, *§ 200.310* Insurance Coverage, and *200.447* Insurance and Indemnification.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the Grantor agency in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publication and media presentations made possible with funds made available under this Agreement.

G. Amendments

The Grantee may, in its discretion, amend this Agreement to conform to Federal, State or Local laws and regulations, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of the Agreement, such modifications will be incorporated only by written amendment and signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with *24 CFR § 85.43*, either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph 1 (A) above may only be

undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports, or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

In accordance with 24 CFR § 85.44, the Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said Agreement funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

In accordance with 2 CFR § 200.213, Non-federal entities are subject to the non-procurement debarment and suspension regulations that strict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in CDBG programs or activities. Subrecipient under this Agreement shall be registered with System for Award Management prior to funds procurement. Costs to the non-Federal entity resulting from obligations incurred by the non-Federal entity during a suspension or after termination of a Federal award or sub-award are not allowable unless the Federal awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable as specified in 2 CFR § 200.342.

I. Authorization to Enter Agreement

The undersigned person signing as an officer on behalf of the Subrecipient, a party to this Agreement, hereby severally warrants and represents that said person has authority to enter this Agreement on behalf of said Subrecipient and to bind the same to this Agreement, and further that said Subrecipient has authority to enter into this Agreement and that there are no restrictions or prohibitions contained in any article of incorporation or bylaw against entering into this Agreement. It is agreed that the Subrecipient will provide a copy of the board minutes designating said authority, which is to be attached as a permanent part of this agreement.

IX. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with *24 CFR § § 84.21-28* and *2 CFR § 200.419*, and agrees to adhere to the accounting principles and procedures required herein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its project in conformance with *2 CFR § 200* subpart *E*, “Cost Principles”. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in *24 CFR Part 570.506* that are pertinent to the activities to be funded under this Agreement. Such records shall include but not limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objective of the CDBG program;
- c. Records required to determine the eligibility of activities and recipients of said activities;
- d. Records required to determine the low income eligibility;
- e. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- f. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- g. Financial records as required by *24 CFR Part 570.502*, *24CFR 84.21-28*, and *2 CFR § § 200.333-200.337*; and
- h. Other records necessary to document compliance with Subpart K of *24 CFR § 570*.

2. Retention

The Subrecipient shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this Agreement shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five (5) year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever

occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, social security, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions in *24 CFR Parts 570.503(b) (8)*, as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. **Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 60 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a**

violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and as specified in *2 CFR Part 200*.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income as defined in *24 CFR § 570.500(a)* generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at *24 CFR § 570.504*. By way of further limitations, the Subrecipient may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unused program income shall be returned to the Grantee at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

This project is not allow to generate program income.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance funds and program income balances available in Subrecipient accounts as applicable. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement unless a written agreement is executed by both parties.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of *24 CFR Part 84.40-48* and *2 CFR Part 200*.

3. Travel/Training

The Subrecipient shall obtain written approval from the Grantee for any travel outside of city limits of Jonesboro with funds provided under this Agreement. Failure to do so will result in denial of expenditure.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of *24 CFR Part 84, § 570.502, 570.503, and § 570.504, and 2 CFR Part 200*, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to *24 CFR § 570.208* until five (5) years after expiration of this Agreement. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

X. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at *49 CFR Part 24* and *24 CFR § 570.606(b)*; (b) the requirements of *24 CFR § 570.606(c)* governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in *24 CFR § 570.606(b)(2)* that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

XI. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title 1 of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in *24 CFR § 570.607*, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant

to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against those with disabilities in any Federally assisted program.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. Section 109 of the Act requires that no person in the United States shall on the ground of race, color, religion, national origin or gender, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

2. Women-and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford minority - and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Record

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency's contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X(A), Civil Rights, and (B), Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities, sectarian or inherently religious activities, lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, State and Local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the

Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with those requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program provided direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under *24 CFR Part 135* and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR § 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. No person having such a financial interest shall be employed or retained by the Subrecipient hereunder.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or Subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly;

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification

shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR § 570.200(j).

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of Council Approval:

City of Jonesboro

Subrecipient

Harold Perrin, Mayor

Title:

Date: _____

Date: _____

Donna Jackson, City Clerk

Title:

Date: _____

Date: _____



City of Jonesboro
Community Development Block Grant Program (CDBG)
Micro-enterprise Business Accelerator Program (MBA)
Agreement

THIS AGREEMENT, entered this ____ day of ____, 20__ by and between the **City of Jonesboro**, Arkansas (herein after referred to as “Grantee”) and **The Fainting Goat Board Room** (hereinafter referred to as “Subrecipient”).

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, It is agreed by the parties in exchange of the mutual covenants and agreements set forth herein:

I. NATIONAL OBJECTIVES

All activities funded with Community Development Block Grant (CDBG) funds must meet one of the CDBG program’s National Objectives: (1) benefit low- and moderate-income (LMI) persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency, as defined in *24 CFR § 570.208*. The Subrecipient certifies that the activity (ies) carried out under this Agreement will meet the National Objective (1) benefit low- and moderate-income persons.

Under the category of LMI Limited Clientele if economic activity includes Job Creation or Retention where jobs must be available to or held by at least 51% LMI person; in addition, if the owner of the business is LMI. The LMI Area Benefit category may be fulfill if economic activities benefit an LMI area where 51% of the neighborhood is LMI.

II. SCOPE OF ACTIVITY

A. Project Description

The Fainting Goat Board Room is a micro-enterprise board game venue in Downtown Jonesboro. FY2018 CDBG funds (\$3,800) will be used to cover location/building rental for six months (from the date funds are released to June 30, 2019). The Subrecipient must employ at least one (1) part-time low-and moderate-income person.

B. Levels of Accomplishments: Objectives and Performances

In addition to the general administrative services required as part of this Agreement, the Subrecipient agrees to provide the following levels of project services. The levels of accomplishment may include such measures as persons or households assisted and should also include time frames for performance.

Project Name

Board Game Venue

C. Key Personnel

Audrey and Rodney Poff, Owners of The Fainting Goat Board Room

Subrecipient must immediately notify the Grantee with any changes in the assigned Key Personnel or their general responsibilities under this project.

D. Budget

<u>Budget Line Items</u>	<u>Approved Amounts</u>
Rent	\$3,800 per six months
TOTAL	\$3,800

The Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

Modifications to approved budget line items are allowable, but must be directly related to changes in project services and activities and may not increase the budget total. Subrecipient must submit a written request identifying reason for the adjustment to the Grantee within 30 days. The Grantee has the authority to grant or deny requests for budget revisions. Granted funds may not be expended prior to budget amendment approval.

III. PAYMENT

The total amount to be paid by the Grantee under this Agreement shall not exceed \$3,800. Reimbursement payment for eligible expenses shall be made according to budget categories/line items specified in Paragraph II D herein.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in *2 CFR Part 200* and *24 CFR § 84.21*.

The Grantee retains fiscal responsibility of said funds prior to disbursement. The

Subrecipient will submit for reimbursement of eligible costs incurred pertaining directly to budgeted line items listed in the approved budget. Reimbursements will be made to the Subrecipient by the Grantee upon submission of quarterly report and eligible expenditures. Advance Payment method must be approved by the Grantee with justification arranged under specific circumstances.

IV. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of January, 2019 and end on the 30th day of June, 2019. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds. No program income is expected with this project.

Reporting

Subrecipient must submit monthly Progress and Expenditure reports due every 15th of each month after funds disperse. Progress and Expenditure reports must include a narrative of project and expenses of funds with proof of payment such invoices, cleared checks and/or bank statements. Funds being used for salary must include timesheets and payroll statement as proof of payment.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail, commercial courier, personal delivery, sent by facsimile, or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All written communications under this Agreement shall be addressed to the authorized official of the organization indicated below, unless otherwise stated through written notification.

Communication and details concerning this Agreement shall be directed to the following:

Grantee
City of Jonesboro
Grants & Community Development
300 S. Church St.
P.O. Box 1845
Jonesboro, AR 72403-1845
Tel. (870) 932-1052
Fax (870) 933-4626

Subrecipient
The Fainting Goat Board Room
Audrey and Rodney Poff
314 Main St., Suite A
Jonesboro, AR 72401
Tel. (870) 897-4263
Audrey@jonesborooccasions.com

VI. COMPLIANCE

The Grantee will monitor the performance of the Subrecipient against goals and performance standards required herein. Substandard performance as determined by the Grantee will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a 30 day period of time after being notified by the Grantee, Agreement suspension or termination procedures will be initiated.

The Grantee reserves the right to inspect at any time during normal business hours any projects conducted under this Agreement to ensure adherence to applicable laws, regulations, and the terms of this Agreement. If for any reason, any term of this Agreement is breached by the Subrecipient, the Grantee may require full repayment of any amounts advanced under this Agreement pursuant to Section VIII (Remedies on Default).

VII. SPECIAL CONDITIONS

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in *24 CFR § 570.604* and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of *24 CFR Part 52*.

VIII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. *The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.*

B. “Independent Contractor”

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent Subrecipient.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee, its agents, and employees from suits and actions: including attorney's fees, all cost of litigation, and judgment brought against the Grantee as a result of loss, damage or injury to persons or property arising out of or resulting from the Subrecipient's direct use and operation of programs in connection with the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement only if as a result of the Subrecipient's negligent or intentional acts.

D. Worker's Compensation

The Subrecipient shall provide Workers' Compensation insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee.

The Subrecipients shall comply with the bonding and insurance requirements of *24 CFR § 84.31* and *§ 84.48*, Bonding and Insurance and *2 CFR § 200.304* Bonds, *§ 200.310* Insurance Coverage, and *200.447* Insurance and Indemnification.

F. Grantor Recognition

The Subrecipient shall insure recognition of the role of the Grantor agency in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publication and media presentations made possible with funds made available under this Agreement.

G. Amendments

The Grantee may, in its discretion, amend this Agreement to conform to Federal, State or Local laws and regulations, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of the Agreement, such modifications will be incorporated only by written amendment and signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with *24 CFR § 85.43*, either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph 1 (A) above may only be

undertaken with the prior approval of the Grantee. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports, or other materials prepared by the Subrecipient under this Agreement shall, at the option of the Grantee, become the property of the Grantee, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

In accordance with 24 *CFR* § 85.44, the Grantee may also suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the Grantee may declare the Subrecipient ineligible for any further participation in the Grantee's contracts, in addition to other remedies as provided by law. In the event there is probable cause to believe the Subrecipient is in noncompliance with any applicable rules or regulations, the Grantee may withhold up to fifteen (15) percent of said Agreement funds until such time as the Subrecipient is found to be in compliance by the Grantee, or is otherwise adjudicated to be in compliance.

In accordance with 2 *CFR* § 200.213, Non-federal entities are subject to the non-procurement debarment and suspension regulations that strict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in CDBG programs or activities. Subrecipient under this Agreement shall be registered with System for Award Management prior to funds procurement. Costs to the non-Federal entity resulting from obligations incurred by the non-Federal entity during a suspension or after termination of a Federal award or sub-award are not allowable unless the Federal awarding agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable as specified in 2 *CFR* § 200.342.

I. Authorization to Enter Agreement

The undersigned person signing as an officer on behalf of the Subrecipient, a party to this Agreement, hereby severally warrants and represents that said person has authority to enter this Agreement on behalf of said Subrecipient and to bind the same to this Agreement, and further that said Subrecipient has authority to enter into this Agreement and that there are no restrictions or prohibitions contained in any article of incorporation or bylaw against entering into this Agreement. It is agreed that the Subrecipient will provide a copy of the board minutes designating said authority, which is to be attached as a permanent part of this agreement.

IX. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with *24 CFR § § 84.21-28* and *2 CFR § 200.419*, and agrees to adhere to the accounting principles and procedures required herein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its project in conformance with *2 CFR § 200* subpart *E*, “Cost Principles”. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in *24 CFR Part 570.506* that are pertinent to the activities to be funded under this Agreement. Such records shall include but not limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objective of the CDBG program;
- c. Records required to determine the eligibility of activities and recipients of said activities;
- d. Records required to determine the low income eligibility;
- e. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- f. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- g. Financial records as required by *24 CFR Part 570.502*, *24CFR 84.21-28*, and *2 CFR § § 200.333-200.337*; and
- h. Other records necessary to document compliance with Subpart K of *24 CFR § 570*.

2. Retention

The Subrecipient shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement. Records for non-expendable property acquired with funds under this Agreement shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five (5) year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period, whichever

occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, social security, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Property Records

The Subrecipient shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions in *24 CFR Parts 570.503(b) (8)*, as applicable.

6. Close-Outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

7. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. **Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 60 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a**

violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and as specified in *2 CFR Part 200*.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income as defined in *24 CFR § 570.500(a)* generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at *24 CFR § 570.504*. By way of further limitations, the Subrecipient may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unused program income shall be returned to the Grantee at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Grantee.

This project is not allow to generate program income.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance funds and program income balances available in Subrecipient accounts as applicable. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement unless a written agreement is executed by both parties.

2. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of *24 CFR Part 84.40-48* and *2 CFR Part 200*.

3. Travel/Training

The Subrecipient shall obtain written approval from the Grantee for any travel outside of city limits of Jonesboro with funds provided under this Agreement. Failure to do so will result in denial of expenditure.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of *24 CFR Part 84, § 570.502, 570.503, and § 570.504, and 2 CFR Part 200*, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to *24 CFR § 570.208* until five (5) years after expiration of this Agreement. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

X. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at *49 CFR Part 24* and *24 CFR § 570.606(b)*; (b) the requirements of *24 CFR § 570.606(c)* governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in *24 CFR § 570.606(b)(2)* that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

XI. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title 1 of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in *24 CFR § 570.607*, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Section 504

The Subrecipient agrees to comply with any Federal regulations issued pursuant

to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against those with disabilities in any Federally assisted program.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. Section 109 of the Act requires that no person in the United States shall on the ground of race, color, religion, national origin or gender, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

2. Women-and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford minority - and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Record

The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations, and provisions stated herein.

4. Notifications

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency's contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient will, in all solicitations or advertisements for employees placed or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X(A), Civil Rights, and (B), Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities, sectarian or inherently religious activities, lobbying, political patronage, and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, State and Local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the

Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with those requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program provided direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under *24 CFR Part 135* and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR § 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. No person having such a financial interest shall be employed or retained by the Subrecipient hereunder.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the Grantee, or of any designated public agencies or Subrecipients which are receiving funds under the CDBG Entitlement program.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly;

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification

shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.

7. Religious Organization

The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR § 570.200(j).

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of Council Approval:

City of Jonesboro

Subrecipient

Harold Perrin, Mayor

Title:

Date: _____

Date: _____

Donna Jackson, City Clerk

Title:

Date: _____

Date: _____



Legislation Details (With Text)

File #:	RES-19:009	Version:	1	Name:	ENTER INTO A CHANGE ORDER WITH RITTER COMMUNICATIONS, INC. TO INCREASE STORAGE CAPACITY
Type:	Resolution	Status:			To Be Introduced
File created:	1/23/2019	In control:			Finance & Administration Council Committee
On agenda:		Final action:			
Title:	A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO A CHANGE ORDER WITH RITTER COMMUNICATIONS, INC. TO INCREASE STORAGE CAPACITY				
Sponsors:	Information Systems				
Indexes:	Change Order				
Code sections:					
Attachments:	Copy of Upgrade Quote 1152019.pdf				

Date	Ver.	Action By	Action	Result
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A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO A CHANGE ORDER WITH RITTER COMMUNICATIONS, INC. TO INCREASE STORAGE CAPACITY

WHEREAS, the City of Jonesboro, Arkansas and Ritter Communications, Inc. currently have an agreement for cloud services; and

WHEREAS, the City of Jonesboro has added various products which put a high demand on the current storage capacity and there exists a need to increase storage capacity to meet said demand; and

WHEREAS, the increase in storage capacity would bring the monthly service total to \$7,000, with the increased cost already budgeted in the 2019 budget; and

WHEREAS, the Change Order is attached hereto.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

1. The City of Jonesboro approves the Change Order with Ritter Communications, Inc. to provide increased storage capacity to the City. That the Change Order is attached hereto and the terms are set out therein.
2. The Mayor, Harold Perrin and City Clerk, Donna Jackson are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.



Prepared for
City of Jonesboro
Date
1/15/2019
Sales Representative
Bo Phillips
Opportunity ID
Opp-020566

Service Quote

Production Environment

Item	Product Description	Qty	Unit Price	Non-Recurring Fee	Monthly Recurring Price
1.1	IaaS Standard Plan - 64CPU/128G RAM	1	\$ 900.00	\$ -	\$ 890.00
1.2	Hosted Solutions - Performance Class Storage	13000	\$ 0.12	\$ -	\$ 1,560.00
1.3	Hosted Solutions - 100MB Network Connect	1	\$ 100.00	\$ -	\$ 100.00
1.4	Palo Alto - VM50 Next Gen Firewall + BUNDLE 2	1	\$ 240.00	\$ -	\$ 240.00
1.5	Cisco ASAv5 Next Gen Firewall (100Mb)	1	\$ 100.00	\$ -	\$ 100.00
				\$ -	\$ 2,890.00

Backups

Item	Product Description	Qty	Unit Price	Non-Recurring Fee	Monthly Recurring Price
2.1	Veeam Backups - Per GB (includes Agents + Storage)	21000	\$ 0.10	\$ -	\$ 2,100.00
				\$ -	\$ 2,100.00

Replication Environment

Item	Product Description	Qty	Unit Price	Non-Recurring Fee	Monthly Recurring Price
3.1	IaaS Standard Plan - 64CPU/128G RAM	1	\$ 450.00	\$ -	\$ 450.00
3.2	Hosted Solutions - Performance Class Storage	13000	\$ 0.12	\$ -	\$ 1,560.00
				\$ -	\$ 2,010.00

I hereby authorize Ritter Communications to proceed with the services and equipment defined in this quote at the monthly rate defined as "Monthly Service Total" for the term specified above (in months) from the date of service activation. Additionally, I agree to pay in-full all charges defined as "Installation Fees" defined on this agreement as well as any taxes and regulatory fees charged in addition to quoted amounts contained herein.

Services, Service Level Agreements, Statements of Work, procedures and term will be further defined in the Master Services Agreement (MSA) or appended to any existing MSA.

Monthly Service Total*
\$7,000.00
Installation Fees
\$0.00

Additional Notes:

Customer Signature

Date

Printed Name

Position Title

Customer Federal ID # / Social Security #

Ritter Communications Signature

Date



Statement of Work

Customer agrees to the following Statement of Work referenced in the signed Quote and Master Services Agreement:

Customer Signature

Date

Printed Name

Position Title

Ritter Communications Signature

Date
