



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Thursday, September 18, 2008

4:00 PM

Huntington Building

1. Call To Order

Mr. Tony Thomas from the Mayor's Office was also in attendance.

Present 5 - Darrel Dover; John Street; Harold Perrin; Ann Williams and Jim Hargis

Absent 1 - Judy Furr

2. Approval of minutes

[MIN-08:182](#)

Minutes from the Finance Committee meeting on August 25, 2008.

Attachments: [Minutes](#)

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

[MIN-08:183](#)

Minutes from the special called Finance Committee meeting on August 27, 2008.

Attachments: [Minutes](#)

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

[MIN-08:184](#)

Minutes for the special called Finance Committee meeting on September 4, 2008.

Attachments: [Minutes](#)

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

3. Pending Items

COM-08:120

Budget Summary presented to the Finance Committee by Finance Director Jim Barksdale at the meeting on September 18, 2008

Attachments: [Budget Summary](#)

Councilman Jim Hargis questioned why the cutoff date for the budget report was August 15 instead of August 31. Finance Director Jim Barksdale explained August 15 was the date he printed the reports from Springbrook. He further explained the financial reports for the newspaper will have the August 31 date.

Councilman Harold Perrin asked if the Sanitation Administration fund had been under budgeted for. Mr. Barksdale answered yes and adjustments were being made.

Councilman Hargis questioned why the General Administration fund had only 11.8% left for the remainder of the year since it is the third largest category. Mr. Barksdale stated workmen's comp and other insurance came from this fund. He added since the workmen's comp insurance is a one-time payment at the first of the year, the City should not see additional expenses from the insurance.

Discussion was then held concerning the departments and the percentage of funds left for the remainder of the year. Mr. Barksdale stated some of the Capital Improvement projects from 2006 and 2007 did not have the appropriations carried over into the next budget year. Councilman Perrin asked if the budget should be clean by the end of the year. Mr. Barksdale answered yes.

Councilman Darrel Dover questioned whether all of the accounts other than General Administration are in line. Mr. Barksdale stated yes.

This item was Read

COM-08:121

Reconciliation of Cash Funds presented to the Finance Committee by Finance Director Jim Barksdale at the meeting on September 18, 2008

Attachments: [Reconciliation of Cash Fund Balances](#)
[Revenue Analysis](#)
[Detailed Trial Balance](#)

Mr. Barksdale stated City Collector Becky Sharp receives and records all funds that come into the City Collector's Office every day. He added City Accountant Kortney White reviews them and then he reviews and signs off on them. He then discussed the end of the month process to reconcile accounts.

Mr. Barksdale explained the Consolidated Accounts brought in \$3.577 million. He stated the other funds brought in \$6.9 million. He added there is only one account checks are written out of. He explained there are 3 different bank accounts. He stated the payroll account is located at Liberty Bank, the credit card payment account is located at First Security and then the City has another account at Bancorp South.

Councilman Perrin asked if the Finance Department is doing the reconciliation manually. Mr. Barksdale stated yes. Councilman Perrin questioned if Springbrook could do the reconciliation. Mr. Barksdale explained Springbrook's reconciliation does not give all the information needed to do the City's reconciliation. Councilman Perrin questioned if that means the system is null and void for that part of the software. Mr. Barksdale stated for the most part yes.

Mr. Barksdale explained why he did not present a balance sheet for the unrestrictive and restrictive funds. He added there are accounting issues which need to be taken care of so the accounting information is correct. He noted he would like to add extra staff to correct this problem.

Councilman Hargis asked what the City's operating budget is. Mr. Barksdale answered it is \$49 million.

This item was Read

COM-08:122

Appropriations presented to the Finance Committee by Finance Director Jim Barksdale at the meeting on September 18, 2008

Attachments: [Appropriation Adjustment](#)

Councilman Dover asked what the adjustment amount is that needs to be made. Mr. Barksdale explained about 80% of the items needed to be adjusted are Capital Improvements which were previously approved, but were not appropriated.

Mr. Barksdale stated he receives a yearly actuarial study report showing what monies are coming in, going out and what needs to be contributed. Councilman Hargis asked if the pension contribution was budgeted for. Mr. Barksdale explained it was budgeted for one Police Officer who was under the old account. Discussion was held concerning items on the list that need appropriations.

Councilman Dover asked should an amount for an item that is non-recurring be budgeted for. Mr. Barksdale stated the Arkansas Code allows for changes and to move appropriations. He added the Mayor can do that up to \$20,000 as long as it is documented. He also added you cannot take money from the Capital Improvement fund and move it to Streets or use money from a federal grant to pay for payroll. Councilman Dover stated it's imperative to get the procedures for budget changes and appropriations set before the next budget process.

Chairwoman Ann Williams asked if there were any comparable cities that had a budget specialist to keep track of the spending. Mr. Barksdale answered yes and Jonesboro is big enough to need that position. Discussion was held concerning how various cities handle this matter. Mr. Barksdale added he has his staff taking on extra duties to accommodate the entire task and they end up working overtime.

Mr. Barksdale suggested someone be hired to handle the grant department. He explained Ms. White did a reconciliation of the grants and the money is not adding up. Councilman Hargis asked if Mr. Tony Thomas held that title. Mr. Barksdale answered no, Mr. Thomas handles administration of grants, not accounting.

Councilman Perrin questioned whether this is the final report to go with the cleanup ordinance. Mr. Barksdale answered yes.

Public Works Director Erick Woodruff stated \$50,000 will have to be appropriated for the Master Street Plan. Ms. Christy Wall explained the ordinance was passed for \$45,000 but there is only \$1,500 left in Planning's Professional Services Budget.

Councilman Hargis questioned if the cost of building Fire Station 3 was only \$1,012,000. Mr. Barksdale answered no, that is only what has been spent this year to date.

Councilman Perrin asked if there was an old Police pension fund that has not had

contributions made to it. Mr. Barksdale answered not that he is aware of. Ms. Wall stated there is an old Police pension fund. Councilman Perrin explained the old LOPFI plan has 40 officers and the cost is between \$348,000 to \$400,000. He added the City has not contributed to the old LOPFI plan in 3 years. Mr. Barksdale explained he has received an actuarial study showing how much needs to be contributed to each LOPFI plan. Public Works Director Erick Woodruff added he will also need an appropriation of \$150,000 for the North Caraway project.

Councilman Dover asked when the budget process for next year will begin. Mr. Barksdale stated it will start after he gets the budget cleanup done and he responds to the 2007 audit. He added he has received all the budgets from the Department Heads, but he still needs to add them to Springbrook.

Councilman Dover motioned, seconded by Councilman Street to send the appropriations to Council and to include an appropriation for the master street plan. All voted aye. Councilman Dover noted Mr. Barksdale can come back with more appropriations if needed.

This item was Read

COM-08:123

Fuel Usage and Cost presented to the Finance Committee by Finance Director Jim Barksdale at the meeting on September 18, 2008

Attachments: [Fuel Appropriation](#)
 [Fuel Consumption](#)

Mr. Barksdale stated appropriations around \$500,000 will need to be made for fuel. He explained \$31,000 was excluded for Sanitation. He added costs are inflated by 25% to cover the rest of the year. Discussion was held concerning cost and gallons used through August, 2008. Mr. Barksdale noted he will present a separate ordinance for fuel appropriations.

This item was Read

COM-08:125

Budget Transaction Summary for January, 2008, to September, 2008, presented to the Finance Committee by Finance Director Jim Barksdale at the meeting on September 18, 2008

Attachments: [Budget Transaction Summary](#)

Mr. Barksdale suggested he would like to discuss the budget reports every quarter. He added he is required by law to give budget reports each month and that previous auditors have wrote the Finance Department up for not documenting that.

Councilman Hargis asked if the budget transaction reports are for August. Mr. Barksdale answered the reports are for January 1, 2008, through August 31, 2008.

Councilman Dover asked if it was imperative for next year's budget for the City to cost account out what has been spent so far this year for Capital Improvement projects and add the remaining cost of the projects to the budget for next year. Mr. Barksdale stated yes, Mr. Light has staff that keeps a spreadsheet on the project information.

This item was Read

4. New Business

Resolutions To Be Introduced

RES-08:163

RESOLUTION OF THE CITY COUNCIL OF JONESBORO, ARKANSAS, CERTIFYING LOCAL GOVERNMENT ENDORSEMENT OF BUSINESS TO PARTICIPATE IN THE TAX BACK PROGRAM (AS AUTHORIZED BY SECTION 15-4-2706(d) OF THE CONSOLIDATED INCENTIVE ACT OF 2003).

Sponsors: Mayor's Office

Mr. Thomas explained this is a state incentive program which provides refunds for sales tax up to \$100,000 for building material and equipment for relocating the factory to the state.

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

5. Other Business

COM-08:115

LOPFI documents presented to the Finance Committee by Finance Director Jim Barksdale at the meeting on September 18, 2008

Attachments: [LOPFI doc 1 - PDF format](#)
[LOPFI doc 1](#)

Mr. Barksdale explained he does not have the ordinance because it was amended. He added an actuarial study was done for the increase in benefits and the total was \$109,000.

Mr. Thomas stated the ordinance is going through the approval process and should come back at the next Finance meeting.

This item was Read

COM-08:124

Final Audit Report from Crowe-Chizek dated April 22, 2008

Attachments: [Final Audit Report from Crowe-Chizek dated April 22, 2008](#)

Chairwoman Williams explained she spoke with Mr. Barksdale concerning the items in the audit report. Mr. Barksdale added he would like to wait to discuss the findings of the Legislative Audit that address the Finance Department until the Federal Audit is completed.

Mr. Barksdale added he would like to discuss the findings after the federal audit is completed.

Chairwoman Williams stated she would like for Mr. Barksdale to assist the Finance Committee in going over what has been done since the Crowe Chizek report was completed because some of the issues have already been addressed. She questioned when the federal audit would be completed. Mr. Barksdale answered 2 to 3 weeks. He explained he has issues with some of the findings, so he is going to meet with the auditors to discuss those issues.

Chairwoman Williams asked what the law is concerning who can be present during

the exit interview. Mr. Barksdale explained they can meet with one Council member but not the whole Council. Chairwoman Williams asked for a formal, written statement from Legislative Audit regarding what the state policy is for exit interviews and who can be present.

Mr. Barksdale stated he would like to have a special Finance meeting to address just the Legislative and Federal audit findings

City Clerk Donna Jackson stated she would like to have the code so when you are wrote up you will know exactly what they are talking about. Mr. Barksdale stated he will get with the auditors and discuss that issue.

Councilman Dover asked if all the numbers had been corrected in the Crowe Chizek report. Mr. Barksdale answered yes, but there are still a few dollars that are off.

This item was Read

6. Public Comments

7. Adjournment

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr