



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, January 12, 2010

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Present 4 - Ann Williams; Jim Hargis; John Street and Darrel Dover

Absent 1 - Mikel Fears

2. Approval of minutes

MIN-09:130

Minutes for the Finance Committee meeting on December 8, 2009.

Attachments: [Minutes 12/8/09](#)

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

Aye: 3 - Jim Hargis; John Street and Darrel Dover

Absent: 1 - Mikel Fears

MIN-09:132

Minutes for the special called Finance Committee meeting on December 15, 2009.

Attachments: [121509](#)

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

Aye: 3 - Jim Hargis; John Street and Darrel Dover

Absent: 1 - Mikel Fears

3. New Business

Resolutions To Be Introduced

RES-10:001

A RESOLUTION TO ACCEPT THE REPORT OF THE DIVISION OF LEGISLATIVE AUDIT CONCERNING THE FINANCES OF THE CITY OF JONESBORO, ARKANSAS FOR THE YEAR ENDED DECEMBER 31, 2008

Sponsors: Mayor's Office and Finance

Attachments: [2008 Legislative Audit](#)
 [Identified Internal Control Weakness](#)

Chairwoman Williams explained the City is required to publicly present the audit results to Council.

Councilman Dover stated the audit report shows the City is heading in the right direction and he also commended the Mayor and the Finance Department for their work on the audit.

Councilman Street stated some of the deficiencies have been corrected, but others may never be corrected.

Assistant Finance Director Jim Eagan explained he presented the Mayor with an update showing how the City is going to address each of the deficiencies. He added they have added another person to the Collections Department and an internal review control mechanism was added in the latter part of 2009. He noted the supervisory review, which is now in place, coupled with the internal control review mechanism will be adequate for the legislative auditors based on a conversation with them.

Mayor Perrin stated a remedy to fix the internal control weakness is being put in place.

Discussion was held concerning the Chart of Accounts.

Mayor Perrin noted he will be meeting with Governor Beebe concerning the Southside ballpark. He explained the turnback money the City receives will be affected since the State is cutting their budget. He added the amount the City could lose is approximately \$38,000 annually, which amounts to \$24,000 in turnback funds and the City could be required to pay for their own policy. He stated he anticipates more cuts in 2010 due to the economy.

Discussion was held concerning the financial reports in the Legislative Audit report. Mayor Perrin explained he will give a revised sheet of the budget everytime money is appropriated.

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

Aye: 3 - Jim Hargis; John Street and Darrel Dover

Absent: 1 - Mikel Fears

4. Pending Items

5. Other Business

[COM-10:002](#) Finance reports

Sponsors: Finance

Attachments: [01122010 Finance Committee Items for Discussion](#)
[12292009 Privilege License Audit](#)
[12312009 Budget Report Summary by Dept. & Fund](#)
[12312009 Receipts, Disbursements & Changes in Fund Balances YTD](#)
[12312009 Required Reserves Report](#)
[General Fund Revenue accounts](#)

Springbrook migration timeframe

Mr. Eagan stated the reports are preliminary. He added they are reconciling the 2010 budget with the actual 2009 ending budget. He noted the earliest the City could complete the migration of Springbrook to the newest version would be at the end of June or the latest could be September.

Pension Funds

Mr. Eagan stated the City did not receive the closing figures from Principal Group until today, which will delay the report until February. He added Stephens should have all the City's funds transferred over into their control by the end of this week.

He explained he has requested Stephens present a report concerning the movement of the funds and where they are placed. He added he would like for them to make a recommendation as to how much the City should have invested in real estate and securities and also would like to have a final meeting with them in March to discuss the final composition of a policy.

Chairwoman Williams stated the City requested Stephens present a report for two straight months before starting the quarterly visits.

Councilman Dover inquired if it would be a disadvantage to transfer the money and then come back and change it. Mr. Eagan answered based on his experience it would be to the City's advantage.

Councilman Dover then asked if Stephens would mirror the City's current allocations once the funds are transferred. Mr. Eagan answered yes. Mayor Perrin explained Stephens will transfer the funds in-kind. He noted he would prefer Stephens to present a monthly report for at least the first 3 months or until the City feels comfortable with the reports being presented.

Councilman Dover stated it is the City's responsibility to give Stephens their recommendation on what to do with the allocations. Mr. Eagan recommended having monthly meetings with Stephens in February and March and then have a quarterly meeting in April.

Privilege License Audits

Mr. Eagan explained the Collections Department has been working on the privilege license audit and have seen favorable results based on reviewing what is in the City's database and finding people who don't realize they need a privilege license.

Legislative Audit

Mr. Eagan noted things are better now than in 2008 and the City is moving forward.

Budget Reports

He explained the preliminary reports came out of the system last week. He added the City was able to process all of the 2009 payables last week and the items that are related to purchase orders were carried over to 2010. He noted he will present a final year end review next month. He added the amounts on the statement of receipts, disbursements and changes in fund balances report and the Required Reserves report are subject to change due to the end of the year adjustments.

Privilege License renewals

He stated 3,544 privilege license renewal notices were sent out and approximately 1,000 of those have been processed. He noted the City hopes to have all of the renewals in by the middle of next month.

Chart of Accounts

Mr. Eagan explained the City will be able to know which fund is being affected and which department it relates to. He added all the different types of accounts for example, public safety departments, revenue accounts, etc. will have their own number, which will make it easier to spot an improper transaction.

Bank Reconciliations

He stated the bank reconciliations should be done by the end of the week with the exception of the General Fund due to it being so large. He added he will give a report next week.

Councilman Hargis asked why the actual expenditures and disbursements are not the same. Mr. Eagan answered the amount would have been the same, but the fund totals do not include interfund transfers and other pass-through amounts.

Councilman Hargis explained the report shows the City had \$9 million left to spend at the end of 2009. Mr. Eagan stated that is correct based on the approved budget amount.

Councilman Dover asked what the status is for interest rates on the CDs. Mayor Perrin answered the checking account is earning 1.30%. He added the City has a cap on the rate where it can't go below 1.25% and can't go above 3.50%, which is adjusted according to the Treasury bill rate. He noted the City could have excess funds after the checking account is settled in January. He explained he contacted local banks, but they would not bid near what the City is receiving for the checking account.

Councilman Dover asked if it would make a difference if the City spilt the money between numerous banks. Mayor Perrin answered it would not make a difference.

This item was Read.

6. Public Comments

7. Adjournment

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

Aye: 3 - Jim Hargis; John Street and Darrel Dover

Absent: 1 - Mikel Fears