



**City of Jonesboro**  
**Meeting Minutes**  
**Finance & Administration Council**  
**Committee**

900 West Monroe  
Jonesboro, AR 72401

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Thursday, August 23, 2007

4:00 PM

Huntington Building

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**1. Call To Order**

*Mayor Formon and Mr. Tony Thomas from the Mayor's Office were also in attendance.*

**Present** 5 - Darrel Dover; Judy Furr; Jim Hargis; John Street and Ann Williams

**Absent** 1 - Harold Perrin

**2. Approval of minutes**

**MIN-07:1679** Minutes for the July 19, 2007, Finance Committee meeting.

**Attachments:** [071907](#)

**A motion was made by Councilperson Ann Williams, seconded by Councilperson Jim Hargis, that these Minutes be Passed. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

**Absent:** 1 - Harold Perrin

**3. New Business**

*Ordinances To Be Introduced*

**ORD-07:153** AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE MO-ARK COMMUNICATIONS TO RELOCATE MOTOROLA REPEATERS, CONTROLLERS, AND ANTENNAS FROM 1624 STRAWFLOOR TO 2920 MCCLELLAN DRIVE FOR THE E-911 COMMUNICATIONS CENTER.

**Sponsors:** E911

*E-911 Director Bob Andrews explained they are shutting down the tower site on Strawfloor and would like to move the existing tower to the Arkansas State Police site on McClellan Drive. Mr. Andrews noted the cost will be covered by the insurance money.*

**A motion was made by Councilperson Jim Hargis, seconded by Councilperson Judy Furr, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

**Absent:** 1 - Harold Perrin

*Resolutions To Be Introduced*

**RES-07:526** A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A LEASE AGREEMENT FOR PROPERTY LOCATED AT 519 WEST WASHINGTON

**Sponsors:** Community Development and Mayor's Office

**Attachments:** [David Cahoon](#)

*Mr. Tony Thomas explained the lease is for the MPO and CDBG offices next to City Hall. he further explained the lease is for a lower price due to JETS no longer be housed in that area but they are still using the full facility.*

**A motion was made by Councilperson John Street, seconded by Councilperson Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr;Jim Hargis;John Street and Ann Williams

**Absent:** 1 - Harold Perrin

**RES-07:613** A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN ENGAGEMENT LETTER FOR GENERAL LEGAL COUNSEL WITH WRIGHT, BERRY, HUGHES & MOORE ON MATTERS RELATED TO CABLE TELEVISION

**Sponsors:** Mayor's Office and Finance & Administration Council Committee

**Attachments:** [Engagement Letter---Cable](#)

*Mr. Thomas explained the firm will review the City's cable franchise agreement. Councilman Hargis questioned the cost of the contract. Mayor Formon stated the firm will be paid on an hourly rate at \$135-\$200 per hour.*

**A motion was made by Councilperson Jim Hargis, seconded by Councilperson Judy Furr, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr;Jim Hargis;John Street and Ann Williams

**Absent:** 1 - Harold Perrin

#### **4. Pending Items**

**RES-07:199** A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF JONESBORO AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A CONTRACT WITH THE DOWNTOWN JONESBORO ASSOCIATION

**Sponsors:** Mayor's Office

**Attachments:** [DJA - budget for city funds](#)  
[DJA - City Outside Agency Contract](#)  
[Downtown Project](#)  
[DJABudgetInfo](#)

*Ms. Betty Shaw asked the committee to forward the resolution on to the Council subject to getting the correct financials to the Council members.*

**A motion was made by Councilperson John Street, seconded by Councilperson Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr;Jim Hargis;John Street and Ann Williams

**Absent:** 1 - Harold Perrin

### Discussion concerning legislative audits

*Finance Director Don Ray stated Legislative Audit does a financial and compliance audit. He added they have a general audit program and a per-fund audit program. He further explained part of the audit program will deal with revenues and any revenue that can be confirmed, such as state turnbacks, sales tax and grant money, will be confirmed directly since the money comes from Little Rock. He stated property taxes can be confirmed through the courthouse. He noted that opinions on expenditure are based on statistical samples to form a reasonable opinion as to whether the expenditures are in accordance with general accounting practices. He stated expenditures that are looked into 100% will be fixed assets and capital improvements due to the large amounts of money spent on those items, while the remaining expenditures are just samples. Chairman Dover questioned whether they look into making sure sales tax rules set up by the City are being followed. City Accountant David Eagle stated yes, Legislative Audit will make sure the money is being spent the way it's supposed to. Mr. Eagle also stated Legislative Audit looks into more and puts in more manhours than private firms usually put in because Legislative Audit has no profit motive. Councilwoman Furr questioned how the auditors missed "Ditchgate". Mr. Eagle stated there was nothing wrong financial-wise with "Ditchgate". He explained the items for "Ditchgate" were signed off on by departments heads, so Finance paid the bills. Councilwoman Furr noted there were no bids taken and they did not follow engineering specifications. She added she looked at previous audits and the problems were the same year after year. She expressed concern over the audits not starting some sort of change and the City having the same problems over and over again. Mr. Eagle stated there are some problems the City will always have. Mr. Ray stated they can request special reports to look into different areas.*

**RES-07:2377** RESOLUTION TO ENLIST THE SERVICES FROM AN OUTSIDE INDEPENDENT AUDITING FIRM TO DETERMINE WHETHER CERTAIN CITY EXPENDITURES OR SERVICES OCCURRED WITHIN THE REQUIREMENTS OF STATE AND LOCAL LAWS IN EFFECT AT THE TIME OF THE EXPENDITURES

**Sponsors:** City Council

*Councilman Hargis stated he thinks the City needs a full audit to bring about a level of assurance that the financial accounts are properly accounted for and properly assigned. He noted the problems with the changing of Finance Directors, the problems with the financial software and the problems brought up by Legislative Audit. He explained the areas he would like the audit to cover include all income from 2006 to the present with cited sources of income and reflecting receipts; all expenses of the City from 2006 to the present with all categories identified and reported by City department and category; significant identified payments in every category, which will include such separate major categories as the specific project for industrial infrastructure development for Alberto-Culver; the amount and classification of all funds on deposit by the City as of the closing date of the audit; and the aggregate amount of the total income and expense for the most recent 5-year period for the purpose of trend understanding to help show where income and expenses are going. He added they need to ask interested parties how soon the audit could be started, how long it would take to complete, how much the audit would cost to complete and could the committee review the two most recent copies of peer review and references.*

*Councilwoman Furr explained the audit should be a three-prong approach with a look at the 2005 audit and the \$2 million problem and other deficiencencies; the second priority should be to gather as much information now as possible to get the 2008 budget up and*

running; the third priority would be to address the specific concerns brought to the attention of the Council over the past several years. She noted they have made several attempts to clarify these problems but have gotten no answers. She stated if the Council is going to request an audit then they should be the ones who need to handle the selection process. She suggesting hiring someone with experience with Springbrook, as well as expertise in municipal auditing, a good understanding of Arkansas law and a knowledge of the community. She stated information should be collected concerning the Street and Sanitation departments due to purchase of equipment and increase in personnel; financial software the City has recently purchased including Springbrook and the GIS software; how capital improvement money has been spent since 2000 in order to have an idea as to whether the money is being spent properly to prepare for the future. Councilwoman Furr then stated she wanted Internal Auditor Misty Micenhamer to prepare a list of all capital improvement projects and itemized expenditures for each department from 2000 to present; distinguish the Sanitation Department's revenues and expenditures to the administration, landfill, commercial or residential and allocate the administrative fixed assets and capital improvement costs to the landfill, the residential or commercial to see what the costs of operations are in each division; list all the dedicated revenues for the Street Department including state turnback funds and provide an itemized list of all expenditures including drainage, street maintenance, etc, and distinguish what is operations, fixed assets and capital improvements; list man-hours and equipment hours by job location and dollar amount since January, 2007; list full-time and part-time employees that are authorized positions by department for January, 2005; January, 2006; and January, 2007. She added they need a list of all rolling stock for January, 2005; January, 2006; and January, 2007 with all of the costs; they need a status reports on software packages, such as GIS, Relativity, and Springbrook; any written agreements to jail fees; look into JETS advertising contracts and expenditures; review furniture purchases for 2005 to make sure they feel in the state and local purchasing guidelines, if the items were in the budget and where as well as a list of each item that was purchased, how much they cost and what department it was charged to; and whether there was any taxpayer money used for the proposed convention center and if so then who approved it. She added she would also like to see a list of all agencies funded in part or in total by the City that has loans or liens that might be problems to the City. Councilwoman Furr stated someone, an auditor, Ms. Micenhamer or Mr. Ray needs to answer those questions.

Discussion was held concerning a full financial audit. Chairman Dover stated a full financial audit might take two years. Councilwoman Furr expressed concern over the capital improvement money. Mr. Eagle stated if they have any questions then they can talk to him. Councilman Hargis stated he spoke with people and they indicated a legislative audit and an independent audit are completely different and can complement each other. Mr. Eagle agreed. Mr. Ray stated he has no problems with an audit. He added if there are any concerns or allegations then they should be brought forward and dealt with. Mayor Formon stated he does not have any problems with anything Councilwoman Furr asked for, but cautioned going back to 2000 for the capital improvements might taken a while. He stated one of their major concerns has been getting the financial software up and running. Councilwoman Furr stated they need to find out if there is anything being done wrong with the capital improvement money for the future and to re-pay any money that might have been mis-spent.

Mr. Mike Cameron stated the since the Finance Director is no longer hired by the Council that takes away from the checks and balances of the City Council. Mr. Eagle stated he is not against an audit, but what is being asked for is not an audit. Chairman Dover suggested if there are specific concerns or questions they can take it to Ms. Micenhamer and if the questions still aren't answered they can perform an audit. Chairman Dover questioned what would be audited. Councilman Province stated the proposed resolution

and what Councilwoman Furr mentioned would be able to get the answer they need or may lead them in specific areas. He added the resolution would be a good start. Councilwoman Williams expressed concern over the audit being something that is put off. She stated she would like to have the audit started and some of the work completed before the budget hearings. Councilwoman Williams stated the resolution can be amended if needed at the full City Council meeting. Councilman Hargis explained he and Ms. Micenhamer can work together to put together an RFQ for the auditing services.

**A motion was made by Councilperson Ann Williams, seconded by Councilperson Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

**Absent:** 1 - Harold Perrin

#### Privilege license fees

City Collector Becky Sharp discussed privilege license fees. Ms. Sharp and Mr. Ray recommended increasing the fees. Ms. Sharp stated she would like to update the survey. Councilwoman Williams asked for all of the information to be put into Legistar so it can be easily found in the future.

### **5. Other Business**

#### JETS salary considerations

JETS Director Joel Gardner questioned what to do about department heads who were not included in the salary review. Chairman Dover questioned why some department heads were not included in the salary review. Human Resources Director Gloria Roark stated she wasn't sure why some were left out. It was noted former HR Director Suzanne Hackney and Councilman Perrin were the ones who performed the survey. Mayor Formon stated one reason why Mr. Gardner may have been left out is due to the JETS Director position being surveyed last year when the position was advertised. Mayor Formon stated he would find out why the department heads were left out. It was also asked for Ms. Hackney to perform the survey on the remaining department heads.

### **Parcel development online website**

Information Systems Director Alan Young stated the parcel development site is online and the only hold back now is getting the most current information from the Assessor's Office. He explained they are having some problems extracting the data. He noted the website address is [parcels.jonesboro.org](http://parcels.jonesboro.org). Councilman Street questioned concerns about whether the server was adequate to hold the information. Mr. Young stated they have done some upgrades and he now thinks the server is sufficient.

#### **ORD-07:3065** AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF A 330CL CAT HYDRAULIC EXCAVATOR

**Sponsors:** Streets

**Attachments:** [City Of Jonesboro Caterpillar 330CL12 10 Proposal 1 073007](#)

Public Works Director Erick Woodruff explained after the insurance money and the credit for the months for leasing the excavator they will need \$39,533.60 to purchase the excavator. Discussion was held concerning whether the ordinance should be amended to

*reflect the money that needed to be appropriated for the purchase. Mr. Ray suggested appropriating the whole purchase price as an expenditure and to appropriate the entire proceeds from the insurance revenue. City Clerk Donna Jackson stated they can amend the ordinance to include the appropriation of the \$39,533.60.*

**A motion was made by Councilperson Ann Williams, seconded by Councilperson Judy Furr, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

**Absent:** 1 - Harold Perrin

## **2008 budget**

*Mr. Ray questioned whether he should proceed with preparing the budget or whether he should hold off until the audit is completed. It was asked for Mr. Ray to continue putting the budget together. Mr. Ray stated his goal is to get the budget to everyone next month.*

### **6. Public Comments**

### **7. Adjournment**