



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes City Council

Tuesday, April 2, 2013

5:30 PM

Huntington Building

PUBLIC WORKS COMMITTEE MEETING AT 5:00 P.M.

1. CALL TO ORDER BY MAYOR PERRIN AT 5:30 P.M.

2. PLEDGE OF ALLEGIANCE AND INVOCATION

3. ROLL CALL BY CITY CLERK DONNA JACKSON

Present 12 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Tim McCall; Gene Vance; Chris Gibson; Rennell Woods; Mikel Fears and Charles Coleman

4. SPECIAL PRESENTATIONS

[COM-13:022](#)

Airport Commission presentation by Mr. Bob Gibson

Sponsors: Mayor's Office

Attachments: [Handout](#)
[Pictures](#)
[Financial report](#)

Airport Commission member Bob Gibson discussed the airport.

Councilman Woods questioned whether the twenty hangers are full or if there are vacancies. Mr. Gibson answered there are currently two vacancies, but they usually stay full.

Mr. Gibson stated the City of Jonesboro owns the airport. It consists of 850 acres, 450 of which are being farmed. The Airport Commission takes care of the management of the airport. The Fixed Base Operation (FBO) is run by Mr. Phillip Gillespie and provides fuel and other pilot needs, such as the lounge area and courtesy cars. The FBO is currently under a 25-year lease, which will come due this year.

Mr. Gibson then discussed the financial statement handout he provided to the Council. He noted without the \$70,000 stipend the City gives the airport, the airport would have only made \$11,877 in 2012 and \$5,174 in 2011. He thanked the Council for the money every year. They use it to secure state grants in order to make improvements to the airport.

He explained they need to start looking at increasing the profits made at the airport.

He noted while it looks like they are in a good financial situation, there have been times when they had to borrow money because grants have to be paid up front and then they are reimbursed afterwards.

The current FBO lease is with Mr. Gillespie, but the service will be bid out once the lease expires. Mr. Gibson stated he has spoken with Chief Financial Officer Ben Barylske and he is in agreement that the service should be bid out. The FBO seems to be a profitable operation, while the commission side isn't so they would like to balance those two sides out. They propose an increase in the lease to \$1.25 per square foot, with the heating and cooled space being \$5.50 per square foot. There will be no taxes. The building insurance is paid by the commission, as well as the repairs and maintenance. They have determined the minimum standards and will send out an request for proposals (RFP). The standards will be listed on their website. They would like to continue flight training and aircraft rentals. They would also like to continue offering fuel. They are going to issue the RFP on April 5th and advertise it in the newspaper. The service should be in place October 1st.

Mayor Perrin referred to the handout that detailed the RFP process and asked if July 15th would be the cutoff date and then the RFPs would be reviewed for 30 to 60 days. Mr. Gibson answered yes, but if they need to they can extend the timeline. Mr. Gillespie's lease expires on June 30th and they have given him another 90 days after the expiration. He added if need be they can give another extension.

Councilman Woods discussed the insurance coverage by the commission and asked if the City is liable for anything under the lease agreement. Mr. Gibson stated they cover the comprehensive insurance on the building, while Mr. Gillespie covers the liability insurance as part of his lease. He added he would have to ask City Attorney Phillip Crego what the City's liability is, but Mr. Crego was not in attendance at the meeting. He noted they have almost \$10 million in coverage on the buildings. Councilman Woods then questioned whether this RFP will affect the service provided by Air Choice One. Mr. Gibson answered no, that Air Choice One has had their service extended through February of 2014. This RFP will have no affect on Air Choice One.

Councilman Street asked if they had considered moving to an automated fuel system. Mr. Gibson stated that has been discussed and could be an option with the new lease proposal. They did not feel like they could make someone put that system in, but several of the commissioners thought it would be a good option to have. Councilman Street explained that would allow planes who are out early in the morning to refuel without having to call someone. He then questioned whether that would make the cost of fuel cheaper. Mr. Gibson answered it should since the service part is taken out.

Councilman Fears asked how Jonesboro compares to other cities concerning fuel cost. Mr. Gibson explained you can go on the internet and figure out what the fuel costs are for other cities. But, Jonesboro has historically been higher. They have discussed this issue with the fixed based operator. In January they did a study of their fuel retail prices and found there to be \$1.70 profit margin with jet fuel selling at \$2.50 profit per gallon. He further explained it is tough to discuss the situation with a fixed based operator because you want them to make money, so you can't really tell them there is a ceiling to what they can charge. What they are hoping for is someone to propose \$1 to \$1.25 profit margin on gas. The single complaint he has heard over the years is the about Jonesboro fuel prices.

Mayor Perrin stated he wanted Mr. Gibson to discuss this with the Council because it has been in the newspaper recently. He noted the contract will be between the

commission and the fixed base operator, not the Council and the fixed base operator. The commission will have to decide how to address the RFPs and the minimum standards.

Mr. Gibson added Mr. Gillespie has done a good service since he took over the fixed base operation, which he cannot say for the years before Mr. Gillespie. He explained the service is not the issue; rather, the issue is the lease is about to expire and they have to go through the bid process.

Councilman Street agreed that the airport is an extremely important part of the City. He stated when he was flying he also complained about the prices and would fly to Kennett to pay cheaper prices. He explained he would rather have a fuel depot because he thinks it hurts the airport to have such high fuel prices.

This item was Read.

5. CONSENT AGENDA

Approval of the Consent Agenda

A motion was made by Councilman Chris Gibson, seconded by Councilman Chris Moore, to Approve the Consent Agenda. A motion was made that these files be approved by consent voice vote

Aye: 12 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Tim McCall; Gene Vance; Chris Gibson; Rennell Woods; Mikel Fears and Charles Coleman

MIN-13:029

Minutes for the City Council meeting on March 19, 2013

Attachments: [Minutes](#)

This item was PASSED on the consent agenda.

RES-13:049

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO A SAFETY AND WELFARE AGREEMENT WITH JURHA

Sponsors: Mayor's Office

Attachments: [JURHA Safety & Welfare Agreement](#)

This item was PASSED on the consent agenda.

Enactment No: R-EN-047-2013

6. NEW BUSINESS

7. UNFINISHED BUSINESS

8. MAYOR'S REPORTS

Mayor Perrin reported on the following items:

On Thursday, April 4th, the Land Use Committee and the Master Street Plan Committee will have a joint meeting at St. Bernard's Auditorium from 5-7 p.m. Mr. Jim von Tungeln, who works through the Municipal League, will be attending. They will be looking at how they want to start the process of reviewing the Master Land Use Plan and the Master Street Plan and update those two documents. Once this meeting is done, the committees will split back up and continue with their work.

They met with Walter McMillan, the AHTD district engineer, to discuss several items. AHTD will be resurfacing four major intersections in the city this year: Stadium & Highland, Stadium & Nettleton, Highland & Highway 1, and Southwest Drive & Highland. Mayor Perrin also sent a letter to ask for an extended right-hand turn lane on Stadium to Nettleton and Stadium to Highland. The traffic engineer put together data showing that 30% of the traffic at those intersections turn right. He also discussed the Airport Road roundabout with Mr. McMillan. It is currently in the design phase. AHTD held a plan review for the Clinton School Road signal light this week and it will likely go up this year. The signal light going up at Darr and Valley View Road will not be put out to bid this year.

With the help of the traffic engineer, they have put together information showing the need for major improvements at Caraway and Highland. They are looking at double left-hand turn lanes in order to speed up traffic at that intersection. It will take a lot of money and time in order to make those improvements. But, they are reviewing that intersection at this time.

2012 financial reports were sent out via email. Revenues exceeded expenditures due to the hard work of the department heads. He thanked the department heads for the work they did to control cost.

Presentation of the Mayor's Merit Award to Ronnie Shaver and Aaron Smith

Mayor Perrin presented Code Enforcement Officer Ronnie Shaver and Grants Rehab Coordinator Aaron Smith with the Mayor's Merit Award to recognize them for their work and service to the City. He discussed a recent Jonesboro Sun article that told how a Jonesboro couple were living in a house that needed to be condemned and had nowhere to go. But, Mr. Shaver and Mr. Smith worked to get them qualified for a demolition grant and helped find them a place to live. Mayor Perrin thanked them for their service to help those citizens.

9. CITY COUNCIL REPORTS

Councilman Street motioned, seconded by Councilman Gibson, to suspend the rules and add RES-13:046, RES-13:048 and RES-13:055 to the agenda. All voted aye.

RES-13:046

A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO UTILIZE FEDERAL-AID MONIES FOR THE INSTALLATION OF TRAFFIC SIGNAL AT HIGHWAY 49 AND VALLEY VIEW DRIVE AND DARR HILL ROAD

Sponsors: Engineering

Attachments: [AHTD Letter 022013.pdf](#)

A motion was made by Councilman John Street, seconded by Councilman Chris Gibson, that this matter be Passed . The motion PASSED by a unanimous

vote

Aye: 12 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Tim McCall; Gene Vance; Chris Gibson; Rennell Woods; Mikel Fears and Charles Coleman

Enactment No: R-EN-048-2013

RES-13:048

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

Sponsors: Mayor's Office

Attachments: [AHTD Mowing Agreement](#)

A motion was made by Councilman John Street, seconded by Councilman Chris Moore, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 12 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Tim McCall; Gene Vance; Chris Gibson; Rennell Woods; Mikel Fears and Charles Coleman

Enactment No: R-EN-049-2013

RES-13:055

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO A FULL RELEASE AND ASSIGNMENT WITH AMERICAN CONTRACTORS INDEMNITY COMPANY

Sponsors: Engineering

Attachments: [Release and Assignment.pdf](#)

A motion was made by Councilman Chris Moore, seconded by Councilman John Street, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 12 - Darrel Dover; Ann Williams; Charles Frierson; Chris Moore; John Street; Mitch Johnson; Tim McCall; Gene Vance; Chris Gibson; Rennell Woods; Mikel Fears and Charles Coleman

Enactment No: R-EN-050-2013

Councilman Gibson announced he will not be able to attend and chair the next Public Services meeting. He asked Councilman Frierson to chair the meeting in his absence.

Councilman Coleman asked if there are any plans to widen and put sidewalks on the north side of Patrick and Johnson. He also noted turning onto and off of Patrick at Washington is difficult due to the Hedger Brothers vehicles on the road . Councilman Woods agreed with the comment concerning Patrick and Washington , adding that it's been that way for years and people have complained about it. Mayor Perrin stated he will check into both of those concerns. He thinks the Hedger Brothers in the past had agreed to donate money to widen the street, but he will have to talk with the company to find out. Mayor Perrin agreed with the problems with Patrick and stated the City owns two lots in that area that may go up for sale in the future. Councilman Coleman

recommended getting an easement for sidewalks on those lots before selling them in order to help widen Patrick and put sidewalks in.

10. PUBLIC COMMENTS

Mr. Phillip Gillespie referred to Bob Gibson's earlier presentation concerning the airport. He stated fuel prices in Jonesboro are competitive and that Kennett prices have always been cheaper. He noted he cannot buy fuel for the same price as what Kennett sells it. He explained his fuel prices are comparative to like-size facilities and that the things he has to provide cost more. He then referred to the comment about him not paying taxes and stated he will talk to his accountant because he has paid a lot of taxes for a lot of years and up to \$25,000 per year in insurance. Mr. Gillespie then explained he gives the airport 72% of the rent income that he receives, which leaves him \$4,000 a month to operate a business on. Of the \$4,000, he pays \$2,000 for the fuel trucks and \$1,000 for utilities. That leaves him \$1,000 a month to run a business on seven days a week, 365 days per year.

Mr. Gillespie stated he has gone to every Airport Commission meeting, every month for 20 years. He noted in the past 10 years he has never been reprimanded during those meetings. He noted the assets he purchased (not leased) have depreciated. He reiterated that he did not buy a lease; rather, he bought the assets of an on-going business. And he is there seven days a week, 365 days a year. He asked for them to visit his business, see the people and then determine if he's not doing good for the City of Jonesboro.

Mr. Gillespie then referred to the comments regarding how much profit he makes per gallon. He explained if he made \$1.25 per gallon, then he would hire someone to be at the airport every day and wouldn't do it himself. He noted most of the money he makes is from his personal flying because his business does not provide him with enough money to support his family.

Councilman Woods asked Mr. Gillespie if he thinks the problem is the fuel prices. Mr. Gillespie answered he doesn't know because his fuel prices are not out of line. He further explained he has went to the commission several times over the past 10 years and asked for a new lease. Each time he was told things were fine and was not given any reason to believe his lease wouldn't be renewed in June, until the January meeting where he found out about the problem with complaints concerning fuel prices. He added he has never heard complaints about the fuel prices and has not received any letters from the Airport Commission expressing any concern. All he has are letters saying he has been doing a good job.

Councilman Frierson referred to the bidding process and stated there is no way to legally do anything else. Mr. Gillespie stated he has no problem with the bid process. Councilman Frierson explained the Airport is an agent of the City and the City has to put services out to bid. Mr. Gillespie stated he understands the process, but it just hasn't been done that way in the past. He added all he is asking for is a fair bid and fair rent.

Councilman Street then questioned whether the fuel prices would be cheaper if the airport had an automated fuel system. Mr. Gillespie explained his fuel sales have gone down since 2008, but people still want to use the facilities. He added if people have a problem with his fuel prices, he recommends they keep flying to Kennett. Councilman Street noted that is what he used to do when he was flying.

He invited the Council to his office to look at it and ask any questions.

11. ADJOURNMENT

A motion was made by Councilman Mitch Johnson, seconded by Councilman Chris Moore, that this meeting be Adjourned . The motion PASSED by a unanimous vote

Aye: 12 - Darrel Dover;Ann Williams;Charles Frierson;Chris Moore;John Street;Mitch Johnson;Tim McCall;Gene Vance;Chris Gibson;Rennell Woods;Mikel Fears and Charles Coleman

_____ **Date:** _____

Harold Perrin, Mayor

Attest:

_____ **Date:** _____

Donna Jackson, City Clerk