



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Tuesday, July 8, 2025

4:00 PM

Municipal Center, 300 S. Church

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### 1. CALL TO ORDER

### 2. ROLL CALL (ELECTRONIC ATTENDANCE) CONFIRMED BY CITY CLERK APRIL LEGGETT

**Present** 5 - Joe Hafner; Charles Coleman; John Street; David McClain and Brian Emison

**Absent** 2 - Ann Williams and Anthony Coleman

### 3. APPROVAL OF MINUTES

[MIN-25:055](#)

Minutes for the Finance Committee meeting on Tuesday, June 24, 2025

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

A motion was made by John Street, seconded by Brian Emison, that this matter be Passed. The motion PASSED with the following vote.

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

### 4. NEW BUSINESS

#### *RESOLUTIONS TO BE INTRODUCED*

[RES-25:075](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 715 N. PATRICK STREET, PARCEL 01-144074-01300, OWNED BY ARETHA & CLARENCE FOX IN THE AMOUNT OF \$1,565.00

**Sponsors:** Code Enforcement and Finance

**Attachments:** [01. 715 N Patrick St Notice of Violation.pdf](#)  
[02. 715 N Patrick Clean Up Billing Request.pdf](#)  
[03. 715 N Patrick Clean Up Invoice.pdf](#)  
[04. 715 N Patrick Council Notice.pdf](#)

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

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:076](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 2612 CRAWFORD, PARCEL 01-144273-02300, OWNED BY RANDY & ALEY CRAWFORD IN THE AMOUNT OF \$275.00

**Sponsors:** Code Enforcement and Finance

**Attachments:** [01. 2612 Crawford Notice of Violation.pdf](#)  
[02. 2612 Crawford Billing Request.pdf](#)  
[03. 2612 Crawford Mowing Invoice.pdf](#)  
[04. 2612 Crawford Council Notice.pdf](#)

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:077](#)

A RESOLUTION TO CONTRACT WITH ARKANSAS STATE UNIVERSITY FOR SPONSORSHIP OF TWO BASEBALL FIELDS AT JOE MACK CAMPBELL PARK

**Sponsors:** Parks & Recreation and Finance

**Attachments:** [ASU Baseball Contract.pdf](#)

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:078](#)

A RESOLUTION TO CONTRACT WITH ARKANSAS STATE UNIVERSITY FOR SPONSORSHIP OF ONE SOCCER FIELD AT JOE MACK CAMPBELL PARK

**Sponsors:** Parks & Recreation and Finance

**Attachments:** [ASU Soccer Contract.pdf](#)

*Chairman Joe Hafner said, Mr. Kapales. Parks Department Director Danny Kapales approached the podium and said, I just want to... on the resolution, that was actually a mistake, a duplication from the baseball resolution. If you notice in the contract, it's actually a one field for soccer, not two fields. So, I just want to make a clarification, that is one soccer field for that contract.*

*Councilmember Dr. Charles Coleman motioned, seconded by Councilmember Brian Emison, to amend RES-25:078 from two soccer fields to one soccer field being sponsored by Arkansas State University. All voted aye.*

*Councilmember David McClain said, does it name one? They said name one in particular. So, is it two baseball fields and one soccer field? Director Danny Kapales*

*said, yeah, the first one is two baseball fields. The second is one soccer field.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:079](#)

A RESOLUTION OF THE CITY OF JONESBORO, AR TO CONTRACT WITH DENVER'S REFRIGERATION FOR SPONSORSHIP OF ONE ATHLETIC FIELD AT THE SOUTHSIDE SPORTS COMPLEX

**Sponsors:** Parks & Recreation and Finance

**Attachments:** [Denvers Refrig - Signed by them.pdf](#)

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:080](#)

A RESOLUTION OF THE CITY OF JONESBORO, AR TO CONTRACT WITH COACH JOEY'S FASTPITCH ACADEMY FOR SPONSORSHIP OF ONE ATHLETIC FIELD AT THE SOUTHSIDE SPORTS COMPLEX

**Sponsors:** Parks & Recreation and Finance

**Attachments:** [Coach Joeys Fastpitch Academy - Signed by them.pdf](#)

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:087](#)

RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS, GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE FY25 ARKANSAS COMMUNITY ASSISTANCE GRANT PROGRAM

**Sponsors:** Grants

*Councilmember John Street said, I do have one question. I noticed the one behind it is a grant through the same agency. Are we applying to see if one of these will get the grant or is it a grant for each one of them? One of them might be picked over the other one, is that what it is? Chief Administrative Officer Brian Richardson approached the podium and said, there was no stated limit on not being able to apply for two different projects, so we figured if they do like one more than the other one then what's the harm in applying for both. Not likely we get both, maybe not likely we'll get any. But thought these are two good projects that both merited consideration for them look at. Councilmember John Street said, ok. I was just curious.*

*Councilmember David McClain said, Mr. Chair I had just one. Funding from Arkansas Community Assistance Grant Program, what does that typically fund? Does that typically fund projects like this or is this more of a... Grants Department Interim*

*Director Alejandra Morales approached the podium and said, so, this is a new grant that our governor recently started, and it's kind of all over the place a little bit. You can do fire stations, recreational facilities, you can do police stations, you can also do buying equipment and things like that. It's kind of vast. So, it kind of encompasses multiple areas.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:088](#)

RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS, GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE FY25 ARKANSAS COMMUNITY ASSISTANCE GRANT PROGRAM

**Sponsors:** Grants

*Councilmember David McClain said, only question I have is in regards to this project. How much do we have on hand for it so far? Parks Department Director Danny Kapales approached the podium and said, so, yeah. Currently, we have \$2,100,000 that has been allocated to it, and some of that's been spent for property acquisition. So, that's been spent down already at this point. But it was total \$2,100,000. Councilmember David McClain said, how much do you think it'll take to get it completed? Director Danny Kapales said, you know, we're in current design mode, so I don't have those overall numbers. Currently we're designing the whole park, but we're going to pull out the section within the budget amount that we have and try to build within the original grant. This will be able to help add to that lower section that we are not going to build in the first phase. We're hoping to be within that \$2,400,000, I think. Brian, if you can correct me, I think about \$2,400,000, \$2,500,000 is what we do have remaining from the property acquisition to be able to spend.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:089](#)

A RESOLUTION FOR THE CITY OF JONESBORO TO APPROVE THE FY2025-2026 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ACTION PLAN THAT INCLUDES THE FY2025-2026 CDBG PROJECTS, ACTIVITIES AND BUDGET

**Sponsors:** Grants and Community Development

**Attachments:** [Public Service Organization FY20252026 RFP Grants Handout for 07082025 FY25-26 CDBG Annual Action Plan Draft.pdf](#)

*Councilmember David McClain said, Mr. Chairman, the only question I had, and I think I've asked for it before, is there... could we get a breakdown? Do they... I know the different organizations have to provide. Do you mind to share that? Is that include? I didn't see it in here, but do you mind to send that to us? Where we can see where Jonesboro Business Association, they plan to use this for X or Jonesboro Church Health Center. Just to give us an idea of what they plan to use the funds for. Grants Department Interim Director Alejandra Morales approached the podium and said, yeah. Sure, I actually printed something for you guys to look at because I watched the*

*previous City Council. Councilmember David McClain said, perfect... Last thing I had, do you think or have y'all heard whether or not CDBG will be cut in the future? Or is it still... you think it'll still be funded going forward from the federal side, obviously? Interim Director Alejandra Morales said, we don't anticipate it being cut. It's kind of like, such a complex thing to cut honestly. I haven't heard anything from the grapevine as well. So, I would anticipate it continuing to be a thing. I know I've talked to HUD and everything as well, and they're not... I mean, they're business as usual. Nothing crazy has come in that they have to stop funding or cut any funding as of now at least.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:090](#)

A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO, ARKANSAS TO AUTHORIZE THE GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE FEDERAL TRANSIT ADMINISTRATION (FTA), FY2025 49 U.S.C. SECTION 5339 FORMULA GRANTS FOR THE JONESBORO ECONOMICAL TRANSPORTATION (JET) SYSTEM

**Sponsors:** Grants and JETS

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

[RES-25:091](#)

A RESOLUTION TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE THE PURCHASE OF 11 VEHICLES UNDER THE 2025 BUDGET

**Sponsors:** Parks & Recreation, JETS and Finance

**Attachments:** [July Vehicle Purchase Attachment.pdf](#)

*Councilmember David McClain said, Mr. Chairman. It looks like we've got Park Rangers. Have we already hired Park Rangers? City Attorney Carol Duncan said, yes. I'm training them this week. Councilmember David McClain said, are you? City Attorney Carol Duncan said, yeah. Councilmember David McClain said, are they law enforcement or are they... City Attorney Carol Duncan said, like Code Enforcement. Parks Department Danny Kapales approached the podium and said, yes, Code Enforcement.*

**A motion was made by John Street, seconded by Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman

**5. PENDING ITEMS**

**6. OTHER BUSINESS**

[COM-25:025](#)

CITY STARS AUDIT REPORT

**Sponsors:** Joe Hafner and Finance

**Attachments:** [City Stars Audit.pdf](#)  
[Jonesboro City Stars Booster Club Audited Financial Statements Handout 07](#)

*Chairman Joe Hafner said, we have Melissa Harrison here from Thomas, Speight & Noble. She's going to go through the City Stars audit report, and then we'll probably have a few questions and comments, and go from there. Thank you for coming. Thomas, Speight & Noble CPA Melissa Harrison approached the podium and said, thank you for having me. As you said, my name is Melissa Harrison. I'm the audit partner at Thomas Speight & Noble here in Jonesboro. Just to kind of... I mean, I'm sure everybody's aware of the City Stars situation. We were asked to perform an audit and were made aware of allegations and things. Basically, what we were made aware of is there was a question about field rental, you know, field usage. Checks not being written for field usage. The City Stars has an agreement, and it'll say this in the report, with Revelation Soccer for \$45 per player, per league to pay for field usage. So, they're charged for the... so Revelation Soccer is charged \$45 per player per season for field usage. Since City Stars and Revelation Soccer is maintained in one checking account, that does not really, I mean, it's just a transfer on paper. So, when Revelation Soccer was seeing the financial reports seeing this field usage, my understanding was they called the City and the City was like, we're not receiving any money, and that's where all this began. Well, I'm here to say the City won't be receiving any money because there's no checks written that it's a just a on the paper transfer, because City Stars and Revelation Soccer are all in one account. But just to kind of go through the audit report, and I also included a few other things in here that we normally don't, just to give you a little more information.*

*On page one and two you will find the audit report, and this basically says we didn't have to make any material modifications to the financials for them to be in compliance with the cash basis of accounting. We use the cash basis of accounting because they have no debt with them not being audited, you know, this is the first time being audited. They don't have depreciation schedules and things that we would normally see every year. So, we did the cash basis of accounting and noticed no material modifications that need to be made.*

*On page three, you'll see a statement of assets, liabilities and net assets cash basis. This is like a business balance sheet. Basically, the only asset we have is cash of \$82,346.*

*Page four will be your statement of support, revenue, and expenses on the cash basis. Support and revenue was \$573,449. Your total expenses was \$557,095 for a change in net assets of \$16,354. Beginning net assets was \$65,992. Bringing you down to your net assets at the end of the year, or your cash, of \$82,346.*

*Page five starts the notes. This is a real... I mean, with it being such a small program there's not much to the notes. I mean, it talks about if there were funds made with donor restrictions, we'd have to segregate those, which they weren't any. The first paragraph talks about all the different programs that City Stars and its bank account maintains.*

*On page six. You're a nonprofit organization, so you're only required to file the federal*

information return, which is being done by David Eagle. And on that field rental note, next to the last note on the page, is what I was talking about earlier. Arkansas Revolution FC Travel Soccer has an outstanding agreement with City Stars to pay \$45 per player per season for the use of soccer fields. As both programs share a bank account, no actual cash is exchanged for this transaction. Instead, the field rental cost is recorded as an internal expense for Arkansas Revolution FC Travel Soccer. This accounting entry is used solely for budgeting and balance tracking within the Arkansas Revolution FC Travel Soccer financial reports and does not reflect a cash outflow. The last note says, we weren't aware of anything since December 31st, 2024 that should be disclosed in this audit report.

You should see... the next thing is going to be a page like this. This just tells you where we got our numbers. It's a breakdown, if you want to look at that. I also included five-year analytics on this, and it looks like this. I just kind of wanted y'all to see the flow for the last few years. If you look in 2020. On a second page, in 2020 you had a net profit of \$16,976.31. 2021 it jumped back up to \$44,295.69. Of course, COVID, I'm sure was the major contributing factor of that increase. With, you know, people, everything cranking back up. 2022, you had a loss of \$17,835.08. I believe when we had the... Councilmember David McClain said, what page are you on? Are you on the five year? Melissa Harrison said, yeah I'm on the five year... Councilmember David McClain said, page two of five years? Melissa Harrison said, yeah, second year. I'm at the net income, net loss, at the bottom. Sorry, I talk really fast. Councilmember David McClain said, yeah, you were moving quick. Melissa Harrison said, I don't want you to fall asleep on me. So, 21 jumped up to \$44,295.69 with everything getting back in gear from COVID. 22, you had a net loss of \$17,835.08. And when I had the meeting with Danny and the other guys from the Parks Department, originally to present this audit report, they said I think it was helmets or something they purchased in 22 that was probably the cause of that loss. 23 we're jumping back up to a profit of \$12,711.01. Then 24, \$16,353.08. Now, of course, all the numbers before 24 are unaudited, I just had, you know, went ahead and had him send me all the information from 20 on, so we had five years' information.

And last, I enclosed the financial reports for Arkansas Revolution. Chairman Joe Hafner said, those numbers aren't included in the previous numbers, right? Melissa Harrison said, well, they are. This is just a breakdown of Revolution Soccer's part of it. Chairman Joe Hafner said, so these numbers are also included. Melissa Harrison said, yeah, it's all part of City Stars, but they do a separate financial for the Revelation Board meeting. In 22/23 year, they had a total revenue of \$151,584.46. They had expenditures of \$150,296.92. Giving them a net profit of \$1,287.54. You'll see that they had a reserve coming into 23 of \$16,285.56, and that leaves them with a total reserve of \$17,573.10. Jump on over to 23/24 on the next page. They had total revenue of \$198,649.13. Total expenses of \$224,779.12. Giving them a net loss of \$26,129.99. And the major cause for this is a revenue, I mean, your revenue didn't increase but your expenses increase due to increase in director of coaching, Registrar, and technical director. I think your director of coaching went from \$15,810.00 to \$63,628.61. Your Registrar went from \$650.00 to \$12,650.00. And your technical director went from nobody being to \$11,500.00. So that's why you're... that's why the loss in 23/24. Jump on over to 24/25. It's not going to be complete, because we started this before the season was over. So, 24/25 you were at \$155,656.85 in revenue. Your expenses were \$163,029.65 and this was as of May 12th. Giving you a net loss of \$7,372.80. And I mean, it's the same kind of situation there. I mean, the reason that they're running out of money with Revolution Soccer... Tell this all the time, you can't spend more than you bring in. And when you increase pay from \$15,000 to \$63,000, I mean, it's going to make a difference in your bottom line.

*That's all I have. If you have any questions... I mean, as far as the records, we didn't find anything. I didn't find anything abnormal or out of order or anything like that. Danny and David, they both do a really good job at keeping everything organized and they were really fast to get me stuff and easy to work with and we really appreciate that. Chairman Joe Hafner said, and we appreciate you doing this. I do have a couple of questions, but I wanted to say something first. So, the City Stars, is kind of, you know, I don't want to say a unique situation, but it's kind of a little bit of a different situation because they're a separate 501c3 from the City of Jonesboro. There is a lot of overlap because of our Parks Department, personnel serve on the city board and do a lot of things, but they are a separate entity from us. And, you know, that's something I think we're going to look at moving forward. You know, there was an agreement that was done several years ago that I think is still kind of providing a lot of the basis for how they operate. But, you know, this is an agreement that needs to be updated and reviewed, and I'm sure we're going to sit down and talk about it. But I did have just a few questions, because like you said, there were a lot of, you know, I won't say allegations, but there were some statements made. As part of the audit work, were you comfortable that all cash received was deposited to the bank account? And can you kind of talk about what the process that you reviewed for the cash collections? Melissa Harrison said, yes. As far as cash collection, you really, you're not handling just a terrible amount. Most of their money is coming through with ACH and credit cards and things like that. Danny was able to send me information, as far as what they received, and I was able to tie that back to bank deposits. Chairman Joe Hafner said, ok. Did you see any incidents where a full-time City of Jonesboro employee was paid by City Stars? Melissa Harrison said, I did not. Chairman Joe Hafner said, I'm sure we'll probably include you if we need some recommendations on how this might need to be structured moving forward. Melissa Harrison said, that's fine.*

*Councilmember David McClain said, I think that was, what you just asked, was one of my big questions. So, you said, no city employee was paid to work. I mean, that's... No full-time, well, I think part-time is important too. Chairman Joe Hafner said, well, but you see, to me part-time's different. Because let's say there's somebody that works in that department, but then they go, you know, part-time, but then they go out there and they officiate a game. Councilmember David McClain said, so, are they paid out of the pot of City Stars? Chairman Joe Hafner said, yes. Councilmember David McClain said, then how are they paid? Chairman Joe Hafner said, they're paid by check and then they get... Melissa Harrison said, the officials are paid out of... Chairman Joe Hafner said, it's a different organization. Councilmember David McClain said, right, but I'm saying, so you said officials, but maybe they're picking up trash or they're clean up, whatever, how are they paid? I think that's my big question, is how they... Melissa Harrison said, as far as City Stars goes, from what I've seen, they only pay like the gate workers, officials, concessions. They're not paying... The trash pickup I'm assuming would be the City of Jonesboro because it's at your parks. There's not really a payroll for City Stars. They're all 1099 employees. But I did not notice any city employee. Now, could there be somebody that works in the Street Department that I don't know that officiated a game and he got a... maybe. I mean, because I don't know every city employee, but I did not notice any checks to any... Well, there weren't any to Danny Kapales and there weren't any to any of the other guys on the board that I've worked with and things like that. Councilmember David McClain said, I guess the other question was, Mr. Chairman. Where do you see, or in this report, can you walk me through the gate fees? So, if I pull up, I give them \$5, \$10... Melissa Harrison said, that is one suggestion I would make. When they make deposits, pretty much everything is put into registration fees and concessions. I would, if possible, in the future it might be beneficial for y'all to break that down, so we could*



answer questions like that. Like how much is a concessions profiting. Because, I mean, right now it's all in registration fees and when it was given to me... If you'll look at... This is what we're given, this page right here. There were only two items of income, registration fees and concessions and parade registration donations. So that's the only separation I had. Councilmember David McClain said, so we don't have an accounting for the gate fees? Melissa Harrison said, right. It's all included in that \$557,548.83 on this. Councilmember David McClain said, I guess my question there... Chairman Joe Hafner said, remember this is just City Stars program. Councilmember David McClain said, I get it, I get it, but my question there is, does that not concern you when we have a large amount of cash that we don't know how much we took in? We don't know the accounting behind it. Does that not give you concern? Melissa Harrison said, no. You actually have compensating controls. You have several people counting the cash you do receive at concessions before it's turned in and then counted again before it's deposited. I don't have any areas for concern there. I would suggest that you separate that out just for comparative purposes and see how you're profiting and incoming costs and stuff as far as concessions goes and all that. Councilmember David McClain said, I know you say it's concession. That's why I'm asking... Melissa Harrison said, well gates the same way. Gate cash is the same way. Councilmember David McClain said, who counts the gate? Is that you Danny? Is that... Melissa Harrison said, it's two employees that work the gate, right? One employee and then another. He can give you that. Councilmember David McClain said, ok. Parks Department Director Danny Kapales approached the podium and said, all documentation is so when the gate is turned in, there's actually multiple employees that sign off on that count. And then all deposits are signed off by three employees as well. So, everything's done with multiple signatures and multiple counting. Nothing is done by one individual at all. Councilmember David McClain said, so you... we collect the gate, right? All the cash that comes in from the gate. Two to three people sign off on, this is what we took in. Director Danny Kapales said, there's usually a minimum of three people at all times counting. Councilmember David McClain said, and then they turn it in to you... Director Danny Kapales said, and then there's three people that recount it and make that deposit. Councilmember David McClain said, but do we have... and you are not provided that information or you were provided? Melissa Harrison said, yes, I saw the slips when they signed off. I just wasn't sure off the top of my head what positions they held or names or anything like that. Councilmember David McClain said, did it show concessions, or did it show gate? Melissa Harrison said, it had both. Councilmember David McClain said, so all together? Melissa Harrison said, I honestly can't remember. Director Danny Kapales said, so, on the deposit slips that she was able to see, if you see on the actual page, it is broken down, gate, concession, things of that sort. The only difference is the documentation that David would give her doesn't, he just lumps it all back into the accounting itself. He simplifies that for the accounting purposes. He just simplifies it. And that's what she saw was the simplified forms, but she was able to compare that to the deposit sheets. So, every sheet that's signed off on also has an attached deposit slip, so it has a comparable signed off sheet, broken down numbers and a deposit slip from the bank. Everything attached together. So, everything's dated, compared, signed off on, and that was all provided. Councilmember David McClain said, and like you said, the gate workers are paid from 1099. I get a check, you don't give me cash. Director Danny Kapales said, correct. There is, and I think you referenced that and I want to clarify. There is employees that's with other departments that have officiated for many, many years. Not just with us but with schools, with things of that sorts. They do that as a part-time job outside, and they do work with us as well. But all of them get paid through a check, and they do it outside of their normal hours of working for the city. They do it in the evenings and weekends on the other job as a secondary job. But that is something that they do, but that is completely a separate item and everybody's paid by

check. Councilmember David McClain said, like I said, I know not seeing that broken out, I think it gives me a little concern, if you will, just because we don't know on the cash. I can't. I mean, I haven't seen it. I mean, I know you've got your report here, but I don't see it. And I think that's where some folks say, "Hey, look, this is a problem." I mean, I think it is, because it's just a little messy and how we've kept up with it. I think we've kept up with it probably... Has it been this way since City Stars started? Director Danny Kapales said, yeah. All documentation and all processes are the way that it's been since its existence. So, we're following the procedures that was given to us.

Councilmember David McClain said, how long has City Stars been around? Chairman Joe Hafner said, since 2004. Director Danny Kapales said, yeah. Yeah 2002 was the official governance. 2001 was when all process started. Chairman Joe Hafner said, there's originally an agreement with the city in 2004. Councilmember David McClain said, ok. Chairman Joe Hafner said, that spelled out like a lot of the different duties and who's responsible for this and who's responsible for that. But I mean, one thing that it did call out for, you know, like it talks about on a yearly basis there'll be a financial review of expenditures and revenues from previous years, and annual financial review from a third-party auditor. So, that's stuff that it was, you know, this is the first time it's happened. So, this stuff that was in the original agreement, but they were never held to and so it just, you know... But I think moving forward at a minimum, we'll hold them to this stuff. And I think, you know, I don't know if it's possible for, you know, David to go back and, you know, break out some of the stuff by revenue type, registrations, you know, if that's possible to do. Even if you could see concession and gate in one line and not just lumped in with everything else, that would be, like you said, beneficial for comparative purposes and things like that. I know that City Stars is a separate entity, but it's still so intertwined with the City that we've got to make sure that things are, you know, done to a high level of correctness, if that's the correct term. But we appreciate you getting the audit done.

Councilmember David McClain said, I've got one last question. Chairman Joe Hafner said, ok go ahead. Councilmember David McClain said, so I know it's been very... You got Parks, Danny is Parks director, and you're the board chair or something like that. Who's the chair? Director Danny Kapales said, the chair is... Jared Stroud is the board president. Councilmember David McClain said, who all are on the board? Director Danny Kapales said, so, Jared is the board president, Brandon Shrader is the vice president, and then other positions are made up by different staff. Councilmember David McClain said, so, they're city employees? Director Danny Kapales said, yeah. Councilmember David McClain said, ok. I guess, should we... We're already talking about making some changes. In my opinion, we should separate and maybe get some volunteers from outside the city employees. And the reason I say that, I mean, most of our volunteer stuff is made up of people outside of the city. Again, so it doesn't look like there's something going on, something nefarious is going on. Clean it up where we don't have city employees also working for City Stars. If that's the case, City Stars, if we're going to have all the employees working on it, then make it a City of Jonesboro thing, right? Instead of having a nonprofit run within the city, I think that's where a lot of people get confused. I mean, it confused me, because I'm thinking, okay, City Stars is a City of Jonesboro program. Well, no, it's an outside entity. Well, you got city employees running it. So, we need to, in my opinion, we need to clean that up and change that where we don't have all city employees sitting in each seat. Chairman Joe Hafner said, right. I agree with that, but just to be clear. Just referencing this 2004 agreement, one of the mutual understandings was City and JCSBC understand and agree that city officials may be JCSBC officers and members of JCSBC, and may perform duties that benefit both the City and the JCSBC while under the employment of the city. So, the current structure is not anything new, but definitely something that

needs to be looked at moving forward. Councilmember David McClain said, yeah. I mean, I know Carol may feel different or I don't know you can speak to it, but again, I understand that but at the same time, to clean things up. Like you said, the cash thing, clean up who all are on this board, who all are in charge, you know, who writes checks, are the checks, you know, is that process done from the board members? Is it done through you? There's a lot of ambiguity that we got to clean up that too much, in my opinion, is left up for what we don't know, or, I mean, I don't need to be involved in everything because I don't. But at the same time, if somebody has a question, we need to be able to articulate exactly what is going on and how it's taking place. Melissa Harrison said, and to answer your question, all checks are signed by two board members, so, I mean, all checks are required to have two signatures. You asked who's signing the checks, I mean, it's going to be at least two board members. And I was going to let you know, you said something about on their agreement that they have to have an annual audit or review. There is a service that CPA firms offer if y'all didn't want to do a full-blown audit that's called a financial statement review. If they would be good with that that usually gets you a little cheaper. Chairman Joe Hafner said, yeah. Melissa Harrison said, it's less invasive, but it's an option. Chairman Joe Hafner said, more thorough than a compilation, but not as invasive as an audit. Yeah, I know a little bit about that. Melissa Harrison said, yeah, it's called limited assurances if you want to get technical.

Jeremy Terrell, 909 Pinecrest Drive, approached the podium and said, I'd like to know, and a lot of the people that listen to my podcast would like to know, who ordered this audit? Who picked the people that was going to do the audit? And, when you do that, when you ask for an audit, to what level of audit do you get? And, you know, I'm sure that they're amazing firm, and my comment isn't based upon any of, any individual, but like, it doesn't take a rocket science, scientist to count up the kids. We've got about 1,400 kids, let's say, that fluctuates every year, and you got two parents that come and see, let's say, 1,000 of them. 1,000 kids, two parents come at \$6 per person, or per car. That's \$6,000, then you times that times eight games per year, and you know, you're looking at a lot of money that I don't see on any line. And then, you want us to take their word for it that they counted the money right, and yet you see a thing for \$17,000. Well, that's not doing the public any justice. Like, this is what happens in any government where the citizens lose faith in whose representing them. And that's because we don't know what in the world's going on. And right now, I was a part of this in 2001. And actually, we got out when the City decided to take it over. It's been a mess ever since then. So, I mean, you know, it has with Revolution, people have always gotten pissed off every single year just about. It's a mess. And you know, poor Danny, because I wouldn't want to deal with 1,200 to 1,500 parents, regularly either. But, when you're dealing with taxpayers' money, at some point in time, there's got to be way more... An outside entity, we should know that if we're going to give \$3 to go watch our kids, that this isn't going to the city, that this is going to a 501c3. I think that's an injustice to us number one. We think it's going to, you know, the city, and it's not. And two, if that's the case, then it should be every dollar that comes into the city, is counted. Not by, you know, individuals that are part of a 501c3, unless I'm wrong. But it's got accountabilities that we don't see happening with 501c3 that is directly connected to the city. And at some point in time, and I agree with David, that it's got to change. Like, we can't keep having this. But it needs to be an audit that we need to see these sign offs. We need to see who signed off on each of these receipts, these cash receipts. I mean, that's a lot of cash. I don't care if it's \$9,000 or \$50,000, that's a lot of cash to a lot of people. And to have that amount of money going through, and I will say this, I know people that have told me, that work for the city, that they have been paid by, in cash, through gate funds and other funds collected. And so, how do we find that out, if somebody's lying or not, by a baby audit. You know, that's no

offense to you. Chairman Joe Hafner said, this is not a baby audit. I mean, I'll say this... Jeremy Terrell said, there's probably be a better term for that. Chairman Joe Hafner said, I'll say this about audits, Mr. Terrell, that they have a strict set of procedures and other things that they had to go through. They're peer reviewed by other CPAs. I mean, it's not, you can't just do a halfway audit. There's a lot of different steps that you have to go through for your professional care. But I will say this... Jeremy Terrell said, I hear what you're saying, but the truth of the matter is, answers to questions that we don't have. Chairman Joe Hafner said, let me finish. I will say this, we definitely agree that the situation for the setup needs to be improved. There's no doubt about that. And, you know, the situation with the Revolution really brought that to our attention. And that's what we're trying to do, is take steps to improve the accountability, the transparency and all that. So, I mean, your point is very well noted, and that's what we're trying to do is improve this arrangement so that there is more transparency and better accountability moving forward. Jeremy Terrell said, yeah, and I agree. And to reiterate, one of the ways that the public can be assured that this happens is that when you perform something like was just performed, number one, you don't have the person running the organization get the audit done. That's one, two, you... Chairman Joe Hafner said, he didn't do the audit. The audit firm did the audit. Jeremy Terrell said, who picked the audit firm? Chairman Joe Hafner said, the City Stars did. We did not. Jeremy Terrell said, the City Stars board picked it. Ok, that in itself... Chairman Joe Hafner said, any board at a business is the one that picks the auditor. Jeremy Terrell said, I don't think that that's true. I don't think that's true but... Chairman Joe Hafner said, ok. Jeremy Terrell said, I know if I'm part of a 501c3, which I've been a part of some of them, we don't get it if somebody demands an audit or one of our groups that donates us money asks us to get them an audit, we don't go pick the auditor. City Attorney Carol Duncan said, if you're paying for it, I think you do. Jeremy Terrell said, well, of course, if we're paying for it at some point in time, but... City Attorney Carol Duncan said, well, I mean, that's who paid for it. Jeremy Terrell said, well who paid for this, City Stars or... Chairman Joe Hafner said, City Stars. City Attorney Carol Duncan said, City Stars, yes. Jeremy Terrell said, but as, again, this is how we lose confidence in those that are running our city is, is that we don't have transparency. I know that... Chairman Joe Hafner said, you can say you're losing confidence, but this is the first time in 20 years that they've been audited, and that's because this City Council, and this administration requested it. Jeremy Terrell said, yeah, but there's hundreds of people have been crying this for 20 years. And I get it. I'm not pointing fingers. Chairman Joe Hafner said, it sounds like you are. Jeremy Terrell said, hey, this is literally... This is what gets everybody in an uproar. Just because somebody demands transparency at 100% doesn't mean that they're calling anybody out. Ok. Now, if you're in the position of the place that you're running that, yeah, you bear some responsibility, absolutely. Especially if you work for a city or you collect funds. But that's my job is to come up here and ask each and every one of you to make sure that we're being represented at 100%. It's nothing personal. Chairman Joe Hafner said, and that's what we're trying to do. Jeremy Terrell said, it's just 100% my goal. Chairman Joe Hafner said, and that's why we requested that the audit be done for the first time in 20 years. Jeremy Terrell said, and I think that that's fantastic, and it needs to be done. But we need to have those answers to the questions that you guys asked before this is let go and be like, okay, the audit's done. Chairman Joe Hafner said, we're not letting go. As I said, we're working on ways, we'll have future conversations of how to improve this arrangement. Jeremy Terrell said, and I appreciate that. I just wanted to come up here and make sure that... City Attorney Carol Duncan said, Mr. Terrell, one of the things that I try to do is make sure nobody is doing anything illegal. So, if you want to provide me the names of the employees that you say are receiving cash payments, I would sure like to know that. Jeremy Terrell said, I'll definitely get those to you. City Attorney Carol Duncan said, thank you.

*Jeremy Terrell said, sure. So, appreciate you guys.*

*Melissa Harrison said, can I comment on what he just said? Chairman Joe Hafner said, yeah, you can. Melissa Harrison said, just to touch on some of the things he said. I've been auditing since 2000. I worked for 15 years for the Division of Legislative Audit. They're who performs your annual city audit and most of the cities in the state, so I very much know what doing. I was hired by the City Stars board. I don't know any non-for-profit that we audit that the board doesn't hire me. I mean, there's not going to be some stranger off the road that's going to come hire me to audit your organization. It's going to be somebody from your board. And I've been in public accounting for 10 years doing not-for-profit, so don't really know there. But as far as my suggestions, like I said, I would suggest separating out that income and things like that. But, you know, as an auditor, I'm required to be independent, in fact, and appearance. And I have professional standards I have to follow. And I have to, you know, maintain professional skepticism and diligence and all that, or I lose my license, and I mean there's nobody in the City Stars organization that I would lose my job for. So, that's what I have to say about that.*

**Filed**

#### **7. PUBLIC COMMENTS**

#### **8. ADJOURNMENT**

**A motion was made by Brian Emison, seconded by John Street, that this meeting be Adjourned. The motion PASSED with the following vote.**

**Aye:** 4 - Charles Coleman; John Street; David McClain and Brian Emison

**Absent:** 2 - Ann Williams and Anthony Coleman