



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Tuesday, July 28, 2020

4:00 PM

Municipal Center

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### 1. Call To Order

### 2. Roll Call by City Clerk Donna Jackson

**Present** 6 - Charles Coleman; Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

### 3. Approval of minutes

[MIN-20:066](#)

Minutes for the Finance and Administration Committee on July 14, 2020

**Attachments:** [Finance Minutes 07142020](#)

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

**Aye:** 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

### 4. New Business

#### ORDINANCES TO BE INTRODUCED

[ORD-20:029](#)

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE DENNIS NEAL RESURFACING TO EPOXY RESIN FINISH FIVE SETS OF RESTROOM AT CRAIGHEAD FOREST PARK FOR THE PARKS DEPARTMENT

**Attachments:** [Craighead Forest Restrooms Estimate](#)

*Councilmember David McClain asked, since there is an emergency to get this done, Danny would you mind speaking to that? Parks Director Danny Kapales said, what we are looking for on being an emergency is the fact that there is such a short window to be able to get this company here. They are working with all of the schools also to be able to do the same thing. Plus, the fact that the Park is so busy right now at the moment. With COVID, there are a lot more people using Craighead Forest Park and the faster we can get this done, the faster this facility will be able to be resealed and we will be able to keep it cleaner and make it healthier for anyone using the facilities. Councilmember McClain said, thank you.*

A motion was made by Councilperson John Street, seconded by Councilperson LJ Bryant, that this matter be Recommended to Council . The motion PASSED

with the following vote.

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

### RESOLUTIONS TO BE INTRODUCED

*Chairman Joe Hafner said, I am only going to read them by title only and unless otherwise noted, they are each for \$175 for mowing and trimming.*

[RES-20:102](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT MORTON, PARCEL 01-144233-03000, JONESBORO, ARKANSAS 72401, OWNED BY JULIA FORMON

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

*Deputy City Clerk April Leggett asked Chairman Hafner if he wanted a minute on the clock for public comment for each one. Chairman Hafner said, let's do 30 seconds, that will give people time to get in here. Mrs. Leggett said, I can't put 30 seconds on the clock, but I can tell you when 30 seconds are up. Chairman Hafner said, okay, then we will just go on because I think history has proven that if action has taken place between now and the council meeting, they will be pulled off as appropriate. So, we will just move on. If it is the pleasure of the committee, I will give a minute on each one of them. At each item if you would like for me to place a full minute on the clock, just let me know.*

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:103](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 200 S. ALLIS, PARCEL 01-144181-40800, JONESBORO, ARKANSAS 72401, OWNED BY MICHAEL DUANE DARLING

**Attachments:** [200 S. Allis](#)

*Councilmember John Street said, I would like to mention something. They do give them the opportunity to correct these deficiencies so it is not like they just go out there and write them up. They have the opportunity to fix it and every one of these has refused to correct the condition that warranted this. Chairman Hafner said, they each received a certified letter. They have time to correct them. Councilmember Street said, I just don't want them to think that Code Enforcement just goes out and writes tickets. When you do a list of these, that is kind of how it looks. They give them every opportunity to fix it. Chairman Hafner said, right, thank you Mr. Street.*

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:104](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON VACANT PROPERTY LOCATED AT 129 N. BRIDGE, PARCEL 01-144181-55600, JONESBORO, ARKANSAS 72401, OWNED BY PATRICIA WILLIAMS

**Attachments:**     [129 N. Bridge](#)

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:105](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 816 HOOVER, PARCEL 01-144181-14800, JONESBORO, ARKANSAS 72401, OWNED BY ROBERT WHITAKER

**Attachments:**     [816 Hoover](#)

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:106](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 1328 WEST HUNTINGTON, PARCEL 01-144133-18100, JONESBORO, ARKANSAS 72401, OWNED BY DKI LLC C/O RICHARD KNIGHT

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:107](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 1506 PRATT CIRCLE, PARCEL 01-144082-9900, JONESBORO, ARKANSAS 72401, OWNED BY CHARLES H BOWMAN

**Attachments:**     [1506 Pratt](#)

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:108](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 5104 DARR HILL, PARCEL 01-133023-08700, JONESBORO, ARKANSAS 72404, OWNED BY CHARLES ALLEN

**Attachments:**     [5104 Darr Hill](#)

*Chairman Hafner said this one is for \$190 instead of \$175.*

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion**

**PASSED with the following vote.**

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:109](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT BROWNS LANE ACCESS, PARCELS 01-144294-01211, 01-144294-01212, AND 01-144294-01213, JONESBORO, ARKANSAS 72401, OWNED BY NORTHEAST ARKANSAS HOTEL & CONVENTION CENTER LLC

**Attachments:** [Browns Lane Access](#)

*Chairman Hafner said this one is for \$440.*

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:110](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 501 N. MAIN, PARCEL 01-144182-12100, JONESBORO, ARKANSAS 72401, OWNED BY CAROLYN HATCHER

**Attachments:** [501 N. Main](#)

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

**5. Pending Items**

**6. Other Business**

*Chairman Joe Hafner said, I think I mentioned this last week at our city council meeting. I know that Steve Purtee has been meeting with some of the department heads. There could potentially be some items that come before the council for us to consider for various departments. Deputy City Clerk April Leggett said, Mike Burroughs is here. Chairman Hafner said, Mike can cover his credentials, but briefly, he had a long tenure with Arkansas Legislative Audit so he has a lot of audit history. The city has been lucky enough to have him around for several years in our accounting department helping out. In light of recent events at the county, Mike has basically done an internal audit of our cash accounts. Mike, I will turn the floor over to you. We appreciate you taking the time to be here today.*

*Mike Burroughs said, briefly what I did was I wrote a letter to the committee kind of explaining what I have done, my credentials and so forth. "To members of the Finance Committee, I have examined financial records including bank reconciliations, bank statements and ledgers for January through June of this year and the non-uniform pension through May though because they have not been completed. I have given extra attention to payroll withholdings and subsequent payments to the appropriate government agencies up to yesterday's date which was the 27th of July. I have noted*

*no material instances of errors or misstatements within the records for the period above. I have contracted to work with the city since July 5, 2011. I was City Accountant up until March 20 of this year. I was absent up until June 15, primarily because of COVID, when I began the process of reviewing bank reconciliations and other records as an internal auditor. I was employed by the Arkansas Division of Legislative Audit as a field auditor and Review Supervisor for thirty-four years prior to being contracted with the city. I was a Certified Public Accountant from June 2001 up until the end of last year at which time I chose not to renew my certification. I have not performed an official review or audit but an internal review. I could not do an "audit" because I would not be considered independent since I had worked here before. I am not performing an official review. This process will, hopefully, be ongoing on a monthly basis along with reviews and tests of internal controls and other procedures deemed necessary. I will strive to provide an extra layer of internal control over financial information. It is my hope that this position will be ongoing and that is after I leave. I welcome suggestions from all members of this committee as well as other council members. Any findings will be reported first to this committee, specifically through the committee's Chairman. Any potential instances of improprieties will be reported as soon as possible."*

*I would hope that the chairman would definitely go to the city attorney, most likely then to our auditors, and to the prosecuting attorney if needed. Does anybody have any questions about what I am doing or trying to do? We have internal controls in the city set up pretty well. There is nothing that at least two people don't see, usually there is three, and now, that I am looking at this, apart from being the city accountant, there is four. So, right now I am in the process of looking at expenditures. So far, just doing a test and looking at documentation to see if they are appropriate, the supervisors have signed off on it, and where a purchase order is needed, there is one and that type of thing right now and that is going to take me quite a while because I'm trying to catch up. Once I get through July, I should be able to set up a schedule and pretty much do everything in one month. In other words, for June, I should be able to finish it up in July, hopefully be the end of the week. Then, after that, you know, it is going to take me a little bit longer because I have to wait until the accountants get everything done, but I do believe that you do have good personnel here. We have people who are tenured. At least three people in that Finance Department have been here a while. I think that is pretty much what saved the city over the turnover over last year that we had in the Finance Department. It is really amazing that it is in as good as shape as it is. I credit that to the people working there. We have two new employees, Steve and Andrew, who are doing an excellent job. I have been really happy with their work that they have done. But, at the same time, I will be as independent as possible. It is not just because I know somebody, it's not going to keep me from turning them in if they are doing something wrong because I am not doing them a favor or the city a favor. Chairman Hafner said, right.*

*Councilmember David McClain asked, you said there are two or three that look at every purchase, pretty much for us if any money is moved or transferred or whatever we have, two or three sets of eyes that review it and sign off on it? Mr. Burroughs said, right, you know, because it is just the way that we have got it set up right here. For instance, the person that gets the mail is not the person that receipts money. She gets the mail, opens it, gets the checks out and lists those checks where there is a record of the checks that came in before they are taken down to collections. So, that is a step that is in there that keeps somebody from doing what is called a check cash substitution. In other words, in that case, you would insert a check and pull out cash and not receipt the check. But, that is covered here. With Legislative Audit, we found that quite often as one of the major scams that was out there. I imagine it is still there.*

*Chairman Hafner said, Mike, I think you will agree that our system of internal controls is probably easier to do at a city level than at a county level. Mr. Burroughs said, well, everything is together. We don't have separate victims and I am not being facetious, maybe I am, but in a county government, it is set up to where each person is elected and they are over their office. The county judge really has no control over the treasurer or the collector. Its main responsibility is holding meetings and taking care of the roads. Whereas, here, the mayor basically has responsibility over the whole city as such.*

*When I came up, Ben Barylske was here and I had actually trained him. I was at retirement time and he asked me to come since the accountant that was here resigned. He called me at midnight one night and I said sure. I have been here ever since, a lot longer than I thought I would to be honest with you. I think I have seen between five and seven finance directors in that short nine-year period. There has been a lot of turnover but I am hoping, I know that the accountant loves being here. He loves the job. I believe Steve is the same way. He is very dedicated to what he is doing. And like I said, you can email me at any time. If, for instance, you have someone who comes to you with possible information that you need to look at, it will be confidential. Nobody will actually know who gave me the information. I will just look at it. I will just investigate it. I would like to be able to set up a place on our website where there is a fraud section where people could report fraud. I am not naïve enough to think that it would be all fraud because some people jump on every little thing. There may be things that someone in the community sees or an employee sees and he is afraid to come forward to anyone else. Chairman Hafner said, I think that is a great idea and it something we can talk with Mayor Perrin and Mike Downing and Jason Ratliff about getting on the website. I think the fact that we post our financials on the website now along with the disbursement record for the month, that helps transparency. If anybody looks at that information and sees something that doesn't look right, they can get in touch with us and we can investigate. We had our audit closing meeting last week and the audit is not officially done until it gets approved down in Little Rock. But, before this audit, I think we had nine clean audits in a row. I don't expect anything less out of this current one. That is not something that I take for granted, a clean audit. Auditors don't make any more for writing up a finding. It is unusual for them to find something. We have two or three sets of eyes looking at every transaction.*

*Councilmember David McClain asked, is it the same on any accounts that we have that at different banks to have two or three sets of eyes? Mr. Burroughs said, basically, we use for our operations, one bank. We have CD's in three banks. But, as far as checking, I can look and see what is going on in the bank accounts at any time. I have access to all bank accounts. The way that it is set up, you cannot transfer money out of the bank as such. It has to go to another account within the city's list of accounts. It can't go to another account outside of the bank or even inside the bank but someone other than a city account. I have traced every one of the transactions. I review the bank statements, money going to the state, money going to LOPFI, money going to the IRS. I reconcile it to the 941's for the first and second quarter. So, I feel pretty confident that there is no problem like what happened at the county. Chairman Hafner said, to clear up any confusion, Mike says he didn't do an official audit and he didn't officially do a review because he is not independent. As CPA's, that is something that we have to be aware of because you can't audit something and issue a report on something that you are a part of. So, he can do the same procedures. He can do audit procedures and review procedures. He just can't offer an "official" report, but by his letter he is basically telling us what he looked at, everything appears to be good to go. Mr. Burroughs said, again, you can contact me by email or phone or*

*whatever you need to do. I am open to any recommendations or suggestions from anyone on this committee or other members of the city council. Chairman Hafner said, Deputy City Clerk April Leggett will post a copy of the letter to the agenda or to the minutes. Thank you Mike. I appreciate his help in this matter. It is a very key function that Mike is performing for us.*

[COM-20:038](#)

Letter from Mike Burroughs, City of Jonesboro Internal Auditor regarding Financial Records

**Attachments:** [Burroughs\\_Finance 07282020](#)

Read

## **7. Public Comments**

## **8. Adjournment**

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

**Aye:** 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant