



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, December 21, 2010

6:00 PM

Huntington Building

Special Called Meeting

1. Call To Order

Mayor Perrin was also in attendance.

Present 5 - Ann Williams; Jim Hargis; John Street; Darrel Dover and Mikel Fears

2. New Business

RES-10:180

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A REVISED SERVICE AGREEMENT WITH PRINCIPAL FINANCIAL GROUP CONCERNING THE NON-UNIFORM PENSION PLAN AND AUTHORIZING A SEPARATE TRUST TO RECEIVE THE RETIREMENT FUNDS.

Sponsors: Mayor's Office

Attachments: [Stephens Trust Agreement Non-Uniform](#)
[Indemnity Agreement](#)
[Trustee Acceptance](#)
[Principal Flexible Pension Investment Services](#)

Mayor Perrin explained Principal Financial Group sent back a service agreement that still included the Benefit Index and other language. He added he sent the service agreement to the Friday Eldredge & Clark Firm and met with them last week and was able to have the changes made. He added the trust is being set up, which the City has to establish to put in the \$800,000 for the 2009 contribution. He also stated due to the changes to the service agreement the Benefit Index is being removed. He noted the trust will allow the money to go to Stephens instead of sending it directly to Principal.

Councilman Hargis stated he could not tell if Principal was going to make Stephens sell the assets or not. Mayor Perrin answered the next meeting will be with the actuary Foster and Foster to make a decision. He added Stephens is only getting the 2009 contribution, which the City has to do by December 31, 2010. He stated once the money is delivered to Stephens he would like for them to come meet with the Finance Committee and discuss how to invest the money. He explained there is a difference of opinion on what is required if the City uses or doesn't use the Benefit Index. He added one opinion is saying the City will need to put in \$1.3 million if the City uses the Benefit Index and another opinion says if the City does not use the Benefit Index then the City will need to put in \$2.3 million. He further added if Principal will concur, then the City will need to coordinate with Stephens to make sure the money is transferred in-kind or cash the investments in so the City does not lose any money.

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

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

RES-10:181

A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH NORTHEAST ARKANSAS INDUSTRIAL DEVELOPMENT COMMISSION FOR FUNDING OF ECONOMIC DEVELOPMENT SERVICES.

Sponsors: Mayor's Office and Finance

Attachments: [NAIDC Contract](#)

Mayor Perrin explained the City needs a contract or letter stating how the monies that are given to the NEAIDC be disbursed. He noted this item is already budgeted.

Councilman Street asked if this resolution needs to be placed on tonight's Council agenda. Mayor Perrin answered no.

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

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

3. Adjournment

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

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears