



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, August 11, 2009

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

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

2. Approval of minutes

MIN-09:075 Minutes for the Finance Committee meeting on July 14, 2009.

Attachments: [Minutes](#)

A motion was made by Councilman Mikel Fears, seconded by Councilman Jim Hargis, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

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

MIN-09:076 Minutes for the special called Finance Committee meeting on July 23, 2009.

Attachments: [Minutes](#)

A motion was made by Councilman Mikel Fears, seconded by Councilman Jim Hargis, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

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

3. New Business

Resolutions To Be Introduced

RES-09:120 A RESOLUTION AMENDING RES-09:092 ADOPTED JULY 14, 2009, WHICH AUTHORIZED AN AGREEMENT TO ISSUE BONDS FOR NORDEX; AND FOR OTHER PURPOSES

Sponsors: Finance

Attachments: [Agreement to Issue Bonds - Nordex](#)

Mr. Richard Casey, Chief Legal Officer & Corporate Secretary of Nordex explained they have broken ground. He noted they are asking for an additional \$25 million to help invest more into the City.

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

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

RES-09:121

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF JONESBORO TO ACCEPT GRANT FUNDS FROM THE ARKANSAS ECONOMIC DEVELOPMENT COMMISSION

Attachments: [Quick Action Closing Document--Nordex](#)

Mayor Perrin explained the City should receive \$2 million from AEDC for the Nordex rail spur. He added the City is currently working on the engineering for the rail spur into Nordex.

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

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

Ordinances To Be Introduced

ORD-09:051

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF JONESBORO, ARKANSAS; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE; AND TO DECLARE AN EMERGENCY

Sponsors: City Clerk

Attachments: [Shipment Letter](#)
[Code of Ordinances](#)

City Clerk Donna Jackson noted this ordinance is for the codification of the City's Code book.

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

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

RES-09:117

A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH CRAIGHEAD COUNTY JONESBORO PUBLIC LIBRARY FOR PUBLIC SERVICE

Sponsors: Finance and Mayor's Office

Attachments: [Jonesboro Public Library](#)

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

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

4. Pending Items

5. Other Business

COM-09:097 July, 2009, Financial Reports

Sponsors: Finance

Attachments: [Jul-09 Rev + Exp w-Fund Balances YTD](#)
[July-09 Alcohol Beverage Tax](#)
[July-09 Budget Report Summary by Department & Fund](#)
[Jul-09 Review of Interest Earnings](#)
[Jul-09 Deposit Collateralization Report](#)

This item was Read.

COM-09:103 Review of criteria for the investment advisor

Attachments: [Investment Advisor Review Criteria](#)
[Investment Advisor Request for Proposal](#)

Finance Director Jim Barksdale explained the City has received all the RFQs for the actuarial and management services. He noted the RFPs are due Monday. He added the Finance Department will recommend which company the City should hire based on the RFPs.

Assistant City Accountant Jim Eagan discussed the review criteria for the investment advisor. He added the City is specifically looking for experience with public entities due to the uniqueness of the business. He added most public entities have a defined benefit plan unlike commercial entities.

Councilman Hargis questioned how the City's non-uniform pension plan fared compared to other state and city pension plans. Mr. Eagan answered the City's pension plan did better than the other plans during the first quarter of 2009.

Mr. Eagan explained the City should be aware of the different types of methodology and systems the companies use due to the experience the City requires with the non-uniform pension plan.

This item was Read.

COM-09:104 Award criteria for actuarial services

Attachments: [Actuarial Services Award Criteria](#)
[Actuarial Services Request for Proposal](#)

Mr. Eagan explained the actuarial services are more in-depth due to the nature of business. He discussed the actuarial award criteria. He added the amortization of unfunded liabilities is a very important item that needs to be reviewed.

Mr. Barksdale stated the questions listed in the award criteria and investment advisor plans will be asked during the interview process. He added the City needs to give the

investment advisors a broad range of parameters to work with. He noted he will present a formal policy and recommendation concerning how often the City should review the non-uniform pension plan.

Mr. Eagan discussed the non-uniform pension policy. He added if trouble arises the standard of care portion of the policy could be questioned. He noted the non-uniform pension policy shows the standard of care the City desires.

He recommended the City devise a plan dealing with conflict of interest involving an advisor or actuary service. He noted this issue will be reviewed closely if issues should arise.

Chairwoman Williams questioned if a final draft of this policy will be brought before the Finance Committee. Mr. Barksdale answered yes.

This item was Read.

COM-09:105

Discussion concerning the non-uniform and uniform pension plans

Attachments: [Jul-09 Non-Uniform Pension Funds - Changes in Position](#)
[Jul-09 Police Pension Funds - Changes in Position](#)
[Jul-09 Non Uniform Benchmarks](#)

Mr. Barksdale stated the investment report concerning the non-uniform and the police pension plans will be discussed on a quarterly basis. He noted the monthly pension reports will be available on the City's website.

He explained the balance for the non-uniform pension plan is \$5.1 million and the police pension plan is \$9.8 million.

This item was Read.

Jail Bill

Mayor Perrin explained the Police Department has 29% or \$3.2 million of their budget left for 2009. He added the suggested benchmark percentage rate that should be left is 41%. He noted most departments are within the benchmark percentage range.

He stated the jail bill is part of the problem, which required the City to transfer funds from the personnel fund in the amount of \$335,000. He added the City paid 3 months of the 2008 jail bill in January of 2009. He noted the City may need to make a budget adjustment for the Police Department by the end of the year. He explained the amount to incarcerate prisoners went up to \$45 a day. He noted the state reimburses the City \$28 a day for each incarcerated prisoner. He added the number of people being incarcerated will continue to climb as Jonesboro grows.

Collection of delinquent fines

Councilman Dover asked for an update concerning the collection of delinquent fines. Mayor Perrin explained Judge Blackman will hold an amnesty day for approximately 30 days. He added if the amnesty day does well then Judge Blackman will continue with the collection of fines in that matter. He noted if the amnesty day does not work then an outside firm will be hired to collect the delinquent fines.

Discussion concerning the RFPs interview process

Chairwoman Williams asked when the interviews for the RFPs would be held. Mr. Barksdale answered once the information is compiled and reviewed. He added Human Resource Director Gloria Roark, Chairwoman Ann Williams and Mayor Perrin will join him for the interviews.

Councilman Dover suggested including the whole City Council in the interviews. Chairwoman Williams stated she did not have a problem with that suggestion.

Federal audit exit interview

Mayor Perrin explained he attended the federal audit exit interview for the COPS grant on Friday. He added the interview went good and the City should have the report in approximately 30 days. He stated every item bought by the Police Department was accounted for. He noted some recommendations were made concerning accounting issues.

Special called Finance Committee meeting

Mayor Perrin requested a special called Finance Committee meeting be called to discuss hiring a janitorial company. Councilman Darrel Dover motioned, seconded by Councilman John Street, that a special called Finance Committee meeting be held on August 18 at 6:00 p.m. to discuss hiring a janitorial company to clean all City offices. All voted aye.

Discussion concerning self insuring

Mayor Perrin recommended the Finance Department look at self insuring the employees at a cost of \$2 million per year. He added the dental insurance will not increase for 2010.

Councilman Dover asked if the health insurance benefits would change if the City was self insured. Mayor Perrin explained the way the insurance is funded would change, but the benefits would stay the same.

6. Public Comments

7. Adjournment

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

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