



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, August 10, 2010

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Councilman Street presided over the meeting in the absence of Chairwoman Williams.

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

Absent 1 - Ann Williams

2. Approval of minutes

MIN-10:069

Minutes for the Finance Committee meeting on July 27, 2010.

Councilman Hargis asked for an update concerning Principal and the transfer of funds for the non-uniform pension plan. Mayor Perrin explained he and City Treasurer Jim Eagan will be meeting with Principal tomorrow at 1:30 p.m.

A motion was made by Councilman Mikel Fears, seconded by Councilman Darrel Dover, that this matter be Passed . The motion PASSED by a unanimous vote

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

Absent: 1 - Ann Williams

3. New Business

Resolutions To Be Introduced

RES-10:095

A RESOLUTION TO SET SEPTEMBER 7, 2010, AS THE DATE OF A PUBLIC HEARING TO CONSIDER THE ISSUANCE OF NOT TO EXCEED \$45,000,000 CITY OF JONESBORO, ARKANSAS INDUSTRIAL DEVELOPMENT REVENUE BONDS AND RECOVERY ZONE FACILITY REVENUE BONDS (NORDEX USA, INC. PROJECT); AND FOR OTHER PURPOSES.

Ms. Anne Parker discussed the bonds and explained the bonds will be used to fund the money that has already been spent as well as future financing for the construction of the wind turbine facility for Nordex. She further explained the future financing will be for the next phase of the facility. Further discussion was held concerning the bonds. Ms. Parker stated even though Jonesboro was not considered to be a recovery zone, they asked the Arkansas Development Finance Authority to designate Craighead, along with 11 other counties in northeast Arkansas, as the

Jonesboro Labor Market Area. She added that they are expecting people within the Jonesboro Labor Market Area to be employed at the Nordex facility. She explained there is no money coming from the federal government; rather, this designation will allow for the Nordex bonds to be tax-exempt. She noted the bonds have to be issued by December 31st. She further explained the obligation to repay is solely with the company that will benefit from the issuance of the bonds.

Councilman Hargis questioned what the market expectations were concerning the bonds. It was explained that the company is anticipating receiving the bonds 20-year fixed rates at least than 6%.

A motion was made by Councilman Mikel Fears, 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

Absent: 1 - Ann Williams

Ordinances To Be Introduced

ORD-10:068

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS AND RECOVERY ZONE FACILITY REVENUE BONDS TO FINANCE CERTAIN INDUSTRIAL FACILITIES; AUTHORIZING THE LEASING OF SUCH FACILITIES TO NORDEX USA, INC.; AUTHORIZING TRUST INDENTURES SECURING THE BONDS; AUTHORIZING THE SALE OF THE BONDS; DESIGNATING A PORTION OF THE BONDS AS RECOVERY ZONE FACILITY BONDS; DESIGNATING THE JONESBORO WORK FORCE RECOVERY ZONE; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

It was noted the facility construction is ahead of schedule and they began occupying the facility during the third week of July. It was added the assembly line process was re-vamped about six to eight months ago and the company is hoping the Council will be able to tour the facility in the future.

A motion was made by Councilman Jim Hargis, 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

Absent: 1 - Ann Williams

4. Pending Items

5. Other Business

ORD-10:069

AN ORDINANCE TO AMEND THE 2010 BUDGET FOR THE CITY OF JONESBORO, ARKANSAS

Sponsors: Finance and Mayor's Office

Mr. Eagan explained the ordinance takes into account certain things that occurred during the first six to seven months of this year that need to be reflected in the budget. He added there were also some technical corrections. Discussion was held

concerning the clean-up ordinance.

A motion was made by Councilman Mikel Fears, seconded by Councilman Jim Hargis, 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

Absent: 1 - Ann Williams

COM-10:078

Cash Management Reports

Mr. Eagan stated there have been questions as to why some of the accounts at Liberty Bank do not earn the full interest amount. He explained he spoke with Liberty and they indicated that due to federal regulations there is a one-day lag between the balance that is included in our collected balance amount, which decreases the interest earned on some accounts. Councilman Hargis noted that the City has \$588,000 less at the end of the month than what it started out with at the beginning of the month. Mr. Eagan agreed, stating the expenses that went out during the month were more than what the City made in revenue. Mayor Perrin cautioned that the amounts can vary due to the expense reports. Mr. Eagan added the accounts payable cycles were not as heavy in July as they had been in previous months.

This item was Read.

COM-10:079

Revenue Reports

Mr. Eagan noted the alcoholic beverage tax now includes three more private clubs and all of the hotels are current on their taxes.

This item was Read.

COM-10:080

2011 Budget Timeline

Sponsors: Mayor's Office

Operations Director Gary Harpole explained they already have the baseline for the 2011 budget process and next week they will start meeting with department heads again to go over the anticipated expenses for 2011. He added they will also be looking at 2012 and 2013 budget projections. They are hoping to have the first draft of expenses done by October 1st and the first draft of revenue projections in by October 18th. Mr. Harpole noted the later in the year they project revenues, then the more accurate they think the projections will be. He stated they should have a drafted budget by October 21st in order for them to review again. He added they hope to deliver the budget to the City Council no later than Tuesday, November 23rd, in order for the Council to review the budget during the Thanksgiving holiday weekend.

This item was Read.

COM-10:081

Discussion of improvements to Forum building as needed to comply with requirements of the Americans with Disabilities Act

Sponsors: Mayor's Office

Mr. Harpole explained this is included in the clean-up budget that was voted on by the committee earlier in the meeting. They included a \$10,000 expenditure in the ordinance to allow for the purchase of seats before the theater season begins. He added there are also some issues that may need to be taken care of in 2011.

This item was Read.

6. Public Comments

7. Adjournment

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

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

Absent: 1 - Ann Williams

COM-10:084

Information regarding land lines, phone lines, long distance services and T1/fiber optic lines bid from Ritter Communications.

After the meeting was adjourned, Mayor Perrin handed out information regarding a recent bid from Ritter Communications regarding communication lines for the City. He explained the City can save money with the bid from Ritter. He stated he will be calling a special called Finance Committee meeting to review the bids. He further explained the City can save \$23,682 by going to a single-source for service.

This item was Read.