



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Thursday, July 17, 2008

4:00 PM

Huntington Building

1. Call To Order

Mayor Formon was also in attendance.

Councilman Perrin left at 6:10 p.m.

Present 5 - Darrel Dover; John Street; Harold Perrin; Ann Williams and Jim Hargis

Absent 1 - Judy Furr

2. Approval of minutes

MIN-08:152

Minutes for the Finance Committee meeting on June 26, 2008.

Attachments: [Minutes](#)

A motion was made by Councilman Harold Perrin, seconded by Councilman John Street, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

3. New Business

Ordinances To Be Introduced

ORD-08:035

AN ORDINANCE TO ADOPT THE CITY OF JONESBORO FIRE DEPARTMENT EDUCATIONAL/TRAINING INCENTIVE PLAN

Sponsors: Fire Department

Attachments: [educational-incentive plan](#)

Councilman Hargis stated he did not feel comfortable voting for the ordinance because it has not be thoroughly looked at. Councilman Street stated he got a manual a few months ago and has been able to look through it. He noted it has been on Legistar for quite a while. Councilman Hargis expressed concern over the budget deficit and already being over appropriation. Assistant Fire Chief Leonard Jadrich explained they recently met with ISO and one of the items that will be changed will be the City receiving points for education. He added the City will have to be proactive in order to keep up the rating.

A motion was made by Councilman Darrel Dover, seconded by Councilman

Harold Perrin, that this matter be Recommended to Council . The motion PASSED by an unanimous vote

Aye: 3 - Darrel Dover;John Street and Harold Perrin

Nay: 1 - Jim Hargis

Absent: 1 - Judy Furr

ORD-08:054

AN ORDINANCE PROVIDING FOR THE APPOINTMENT OF THE FINANCE DIRECTOR AS TREASURER FOR THE CITY OF JONESBORO AND FOR OTHER PURPOSES.

Sponsors: Mayor's Office

Mayor Formon explained it's been past practice that the Finance Director is appointed as treasurer.

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

Aye: 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

ORD-08:060

AN ORDINANCE TO AMEND THE 2008 ANNUAL BUDGET FOR THE CITY OF JONESBORO

Sponsors: Finance and Mayor's Office

Attachments: [Appropriation Adjustment 2008-7-7-08](#)

Finance Director Jim Barksdale presented the committee with a list of appropriation adjustments that are needed for 2008. He noted most of the big item expenditures are Capital expenditures. He explained he hopes he didn't give the wrong impression at the Council meeting in that the projects were not approved by the Council. He clarified the projects have been approved, some in 2006, but on the accounting side the appropriations lapsed at the end of 2006 and were not set up for again in the following year. He further explained the projects were permitted, but not documented for properly. Mr. Barksdale noted some things that should have been done in the past on the management level were not done. He discussed the items on the appropriation list. He stated one the items are cleaned up then they will have a better idea of the City's spending. He noted state code restricts cities to spending what is estimated to be taken in during any fiscal period. He added if the city has reserves, then spending more than revenues can be done. He explained they need to document what money is taken out of reserves. Further discussion was held concerning the items on the appropriation list. He noted some Capital items were appropriated for in previous years, but not expended. Mr. Barksdale explained they have implemented a procedure in which bills will not be paid if the line item is going to go over budget. He further explained he then will meet with department heads to see if there's money that can be moved around in order to pay the bill or else the bill won't be paid. He added the exceptions are Capital items that have already been approved. He stated due to the problem not being a big deal in the past he thinks that's why the auditors are "beating on us" more heavily than they would have in the past.

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

COM-08:085

Budget summary by department as presented to the Finance Committee by Finance Director Jim Barksdale on July 17, 2008.

Attachments: [Budget summary by department](#)
[Sales Tax](#)
[State Turnback](#)

Mr. Barksdale discussed the budget summary. He noted the fuel costs may need increased appropriations due to the higher than projected cost of fuel. He stated they have already made adjustments to move Sanitation Commercial salaries into Sanitation Residential. He also explained when the mosquito control fee is added into Sanitation Administration it makes the line item go over budget. He further explained once the proper \$400,000 appropriation is added to Sanitation Administration then there will be money left over to spend. Councilman Hargis stated if Sanitation is making money in commercial service then once things get moved around to residential then the department will have the same expenses but less revenue. Councilman Street explained the equipment from commercial services will be sold and there will be cost savings due to fewer repairs. Mayor Formon added once other factors are added in, then the commercial service is a wash and no revenue is actually made. He then discussed the mosquito control service being in Sanitation Administration. He noted there is no law stating the Sanitation accounts have to be kept separate. He questioned whether the Sanitation accounts can be grouped together now that they have done away with commercial service. Mr. Barksdale answered yes, they can do that. Mayor Formon asked for that to be done in the future. Mr. Barksdale stated they can do that by the end of the year. Councilman Perrin suggested making an executive summary to answer some questions. Mr. Barksdale stated that was a good suggestion. He discussed making reports within Springbrook. Councilman Perrin stated if the software isn't fixed or if they don't get rid of it and buy a new piece of software, then Mr. Barksdale will have the same problems next year. Councilman Perrin stated the administration needs to seriously look at the software for 2009. Mr. Barksdale explained his employees are working overtime to get the information that he asks for. He added they are also researching other pieces of software. Councilman Hargis questioned the turnback money that is reflected in the reports. Mr. Barksdale noted the reports may not reflect all of the revenue taken in. Councilman Hargis discussed financial reports from Arkadelphia and noted trend lines would help the city figure out what is going on. Mr. Barksdale stated Arkadelphia didn't have a conversion a few years ago. He added they are looking at Arkadelphia's system because Arkadelphia is pleased with their system.

This item was Read.

COM-08:087

Cash fund balances report for June 1 through July 17, 2008, as presented by Finance Director Jim Barksdale to the Finance Committee on July 17, 2008.

Attachments: [Cash Fund Balance Report, June 1 - July 17, 2008](#)

Councilman Perrin questioned whether all of the funds were secured. Mr. Barksdale answered yes. He stated there is \$33 million in pledged assets against the City's deposits. Councilman Dover asked if all the accounts are drawing interest. Mr. Barksdale answered yes. Councilman Dover noted the accounts do not include the pensions.

This item was Read.

COM-08:086

Fuel report presented to the Finance Committee by Finance Director Jim Barksdale on July 17, 2008.

Attachments: [Fuel Report](#)

Mr. Barksdale presented the committee with a fuel report. He noted the City may be \$461,000 over budget with fuel. He explained in the coming months money will need to be re-appropriated to cover the fuel costs. Councilman Dover questioned whether diesel fuel is bid out. Mayor Formon answered yes. Councilman Dover then questioned whether the other standard fuel for other city vehicles can be bid out. Mayor Formon stated tanker prices are only good for so long, so it can't be bid out. Councilman Hargis asked what is being done to conserve gas. Police Chief Michael Yates explained if they are going to keep providing the same level of service as they have now, then they will need to appropriate funds. He further explained two-man cars cuts coverage. He noted they are consuming less gas than they did this time last year, but the cost of fuel has increased. Mr. Barksdale stated the summary is just a simple forecast. He agreed with Chief Yates in that actual gallons used is less than last year, but the cost is higher due to the increase cost in fuel.

This item was Read.

COM-08:088

A.C.A. 14-508-203 regarding appropriations and changes as presented by Finance Director Jim Barksdale to the Finance Committee on July 17, 2008.

Attachments: [14-58-203 Appropriations and changes](#)

Mr. Barksdale explained the Council has the right to amend the budget. He added the attached form will be used to document any changes. He stated any amendment over \$20,000 has to go to Council. Councilman Hargis questioned whether any adjustment, whether it goes to Council or not, will be recorded. Mr. Barksdale answered yes.

This item was Read.

Principal Financial letter

Mr. Barksdale stated he received a letter from Principal Financial Group. He explained the letter indicated the City can keep things the way they are or the City can choose a different way to have the funds invested. He recommended keeping the funds the way they are.

COM-08:089

A.C.A. 24-11-820 regarding Benefits - death of active or retired member other than while employed outside department

Attachments: [A.C.A. 24-11-820](#)

Mr. Barksdale explained under LOPFI rules if a surviving spouse remarries then they will no longer receive benefits. He further explained the director of LOPFI indicated if the City Council passes an ordinance then the benefits can continue. He noted Mt. View and Ft. Smith have passed ordinances. He added it's not his decision to make, so someone else will need to submit. Councilman Dover motioned, seconded by Councilman Perrin, for the Mayor meet with the City Attorney to get an ordinance drawn up. All voted aye. After further consideration, Councilman Dover withdrew his motion. Mayor Formon explained he would like Human Resources Director Gloria Roark to check with LOPFI to make sure the City can allow widows to maintain the benefits after they re-marry.

This item was Read.

ORD-08:062

AN ORDINANCE CONFIRMING MATTERS PERTAINING TO INDUSTRIAL DEVELOPMENT REVENUE BONDS PREVIOUSLY ISSUED; AUTHORIZING AND PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

Sponsors: Mayor's Office

Attachments: [Clerks Certification](#)
[First Amendment to Lease Assignment and Assumption](#)
[Estoppel Agreement](#)
[Ordinance](#)

Mayor Formon explained City Attorney Phillip Crego has no problems with the ordinance, but did have a question concerning personal property.

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

Aye: 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

Resolutions To Be Introduced

RES-08:117

RESOLUTION TO AMEND THE CITY OF JONESBORO 2008 ANNUAL BUDGET BY INCREASING THE STEP/SALARY FOR PUBLIC WORKS DIRECTOR

Sponsors: Mayor's Office

Attachments: [PW Job Summary](#)
[EW Raise justification](#)

Mayor Formon discussed the history of the Public Works Director position and MPO Director Amin Ulkarim. He noted the salary survey done in February that was tabled. Chairwoman Williams stated a position that is called one thing in one city may not be the same as another city. Human Resources Director Gloria Roark explained she did not go by job title; rather, she sent the job qualifications to the cities. She further explained she sent the job descriptions and asked the cities to respond with a comparable position and its salary. Councilman Dover questioned whether the cities that were surveyed had engineers for Public Works Directors. Mayor Formon stated when the qualifications were sent out it was noted Jonesboro's Public Works Director is not an engineer. Councilman Dover clarified when the survey was done the only cities that were counted were the ones that didn't have an engineer as a Public Works Director. Mayor Formon agreed, stating at the time those cities didn't have anyone in place that was an engineer. Councilman Hargis stated the raise is untimely, noting the deficit and pending administration change. Mayor Formon stated the raise would have been in the budget, but he was told by the Finance Committee to only include Police and Fire. He added he and Councilman Street both thought the Public Works Director should be around \$70,000 when the position was first being hired, but they couldn't get it that high. Councilman Street noted when they were considering Mr. Paul House for the position he wouldn't agree to less than \$72,000. He expressed concern about being fair to all of the employees and stated that the current salary for the Public Works Director is comparable to other similar job salaries in Jonesboro. Discussion was held concerning salaried in Jonesboro and salaries in the City. Mayor Formon noted Public Works Director Erick Woodruff makes less than

all but one of the employees he supervises. Councilman Dover stated there's not so much concern regarding giving the raise; rather, the concern is with how much of a raise is being requested. He also noted the range in salaries in the survey for Public Works Director. Further discussion was held concerning the position. Councilman Perrin stated there will be times when adjustments will be needed to the survey plan. He explained the City needs to look at the overall picture. He questioned whether it should be addressed now or at budget time. He added if they want to address it now, then they have to decide whether there's enough information. Chairwoman Williams expressed concern about being fair, noting the departments that aren't speaking up now about raises and are waiting until the budget process are being penalized for not raising the issue now. Councilman Dover questioned the salary for the position. Ms. Roark stated the position is now at \$54,000. Councilman Dover noted the proposed increase is to \$80,000. Mayor Formon stated they do not have to increase it up to \$80,000; rather, they can put it at something less. Councilman Street stated he would like to see all of the departments looked at, so after the next budget is passed they won't have to face more proposed salary increases next year. Discussion was held concerning the recent salary adjustments for the Fire Department. Councilman Dover expressed concern over the large jump in salary. Councilman Perrin motioned, seconded by Councilman Street, for Ms. Roark to get the committee hard numbers concerning the three items. Ms. Roark questioned whether the survey can be done for all department heads. Councilman Perrin answered yes.

Mr. Barksdale clarified the City is not in a deficit, noting Street and Engineering have 56% of their budget left after six months. He added there's not one director whose subordinates make less than they do. He stated he doesn't care what political side anyone is on, that it's wrong for a director to make less than a subordinate. Ms. Roark stated the money is in the budget and will not require an appropriation.

Councilman Perrin explained he has been working with Ms. Roark to look at some of the issues with the Condrey plan. He discussed the Johanson Group, which is endorsed by the Municipal League and has serviced many cities in Arkansas. He stated they can change the plan between now and 2009 and be budget neutral. Councilman Perrin motioned, seconded by Councilman Street, for Ms. Roark to make a presentation to the committee concerning information from the Johanson Group regarding their plan. All voted aye. Councilman Dover questioned whether they have a plan already made for Jonesboro. Councilman Perrin answered no, that after the presentation the committee would make a decision as to whether they should hire the company. He explained he has been impressed with the information he has reviewed with Ms. Roark. He noted the three resolutions concerning raises would have to be tabled until the committee decides whether the survey should be done. Councilman Street noted the third resolution is a separate issue and should not be tabled. Councilman Perrin stated they are prepared to do the presentation quickly and they should call a special meeting to get it done.

A motion was made by Councilman Harold Perrin, seconded by Councilman John Street, that this matter be Tabled . The motion PASSED by an unanimous vote

Aye: 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

COM-08:090

Salary survey dated December, 2007, as presented by Human Resources Director Gloria Roark to the Finance Committee on July 17, 2008.

Attachments: [Salary survey - December, 2007](#)

This item was Read.

RES-08:118

RESOLUTION TO AMEND THE CITY OF JONESBORO 2008 ANNUAL BUDGET BY INCREASING THE STEP/SALARY FOR MPO DIRECTOR

Sponsors: Mayor's Office

Attachments: [August 2007 Salary Survey Request](#)

A motion was made by Councilman Harold Perrin, seconded by Councilman John Street, that this matter be Tabled . The motion PASSED by an unanimous vote

Aye: 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

RES-08:119

A RESOLUTION TO AMEND THE CITY OF JONESBORO EMPLOYEE HANDBOOK

Sponsors: Finance & Administration Council Committee

Attachments: [2008 FMLA Policy](#)

Ms. Roark explained the Family Medical Leave Act has an amendment regarding military families and it needs to be adopted into the handbook.

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

Aye: 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

RES-08:123

A RESOLUTION TO AMEND THE CITY OF JONESBORO PAY PLAN

Sponsors: Public Works

Attachments: [Drainage Supervisor information](#)

Mr. Woodruff stated this is a budget neutral item. He then questioned whether it has to be taken to the full Council because it's just a step increase. Councilman Perrin stated he thinks it should go to the full Council due to the number of steps increased.

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

Aye: 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

Absent: 1 - Judy Furr

4. Pending Items

5. Other Business

[COM-08:061](#) Responses from Actuary RFP sent out.

Attachments: [Buck](#)
[Werntz](#)
[Foster](#)

Ms. Roark questioned which one the committee would like to talk to. Councilman Perrin asked what the prices were for each one. Ms. Roark stated she did not know. Councilman Perrin stated he didn't think the hourly rates varied by much. Councilman Perrin motioned, seconded by Councilman Street, to hire Foster. All voted aye. It was explained Foster will be making a presentation to the committee.

Councilman Perrin left the meeting.

NOTE: This motion was amended during the special called Finance meeting on September 4, 2008. At the meeting on September 4, Councilman Perrin motioned, seconded by Councilman Dover, to amend the record for the July 17, 2008, Finance meeting to reflect the hiring of Werntz for the actuarial study. All voted aye.

This item was Read.

[COM-08:050](#) Equipment Request for the Forum

Sponsors: Auditorium Commission

Attachments: [Forum Request #1](#)

No one discussed this communication.

This item was Read.

[COM-08:059](#) Freezer storage building for Animal Control

Sponsors: Animal Control

Attachments: [Animial Control Freezer Building](#)

Councilman Street motioned, seconded by Councilman Dover, to approve the transfer of money. All voted aye.

This item was Read.

[COM-08:081](#) For committee review - minutes from the Depository Board meetings on December 31, 2007; April 29, 2008; and July 2, 2008.

Attachments: [July 2, 2008 minutes](#)
[April 29, 2008 minutes](#)
[December 31, 2007 minutes](#)

This item was Read.

6. Public Comments

7. Adjournment

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

Aye: 3 - Darrel Dover; John Street and Jim Hargis

Absent: 2 - Harold Perrin and Judy Furr