



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, June 16, 2009

4:00 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

COM-09:077

Discussion concerning the City's non-uniform pension plan

Attachments: [Coorespondence between Ms. Gloria Roark and Councilman Dover](#)

Chairwoman Williams stated one of the options is to use an outside administrator if the City leaves the funds with Principal.

Councilman Dover explained the consensus from the employees meeting was to look at increasing Principal's benefits with employee contribution.

Employees Representative Larry Jackson explained the employees understand due to the state of the economy it would be a burden for the City to go with APERS at this time. He noted the City could look at APERS when the economy is better. He added the employees are willing to pay a percentage of their retirement. He recommended raising the multiplier to 2. He stated the employees do not trust Principal. He also recommended possibly raising the life insurance benefit when the economy is better.

Chairwoman Williams asked if the City can choose someone else to manage the plan. Mayor answered that is correct. Councilman Dover stated the cost of the added benefits would be approximately \$400,000, which is 5% of payroll. He added the question is who will pay for the 5% of the plan. He recommended having the City and the employees share the 5% cost. He noted now is not the perfect time to change to APERS. He also explained the two important items to the employees are the multiplier and the 5-year average of service, which needs to be looked at. He added the employees want a 2% multiplier and a 3-year average of service.

Discussion was held concerning the raising the multiplier.

Chairwoman Williams asked if the employees' contribution is tax deferred. Mayor Perrin answered if the contribution is mandatory then it will be deferred. He added if the contribution is not mandatory then it will not be tax deferred, but added he not sure if that is right. He stated the City may want another advisor, such as Stephens.

Chairwoman Williams noted if the City uses a new advisor they could still use the Principal funds. Mayor agreed.

Councilman Fears asked what the amount of the cost to catch-up was. Finance Director Jim Barksdale answered \$604,000, but part of cost goes towards this year's contribution due to paying the fee in December.

Councilman Dover motioned, seconded by Councilman Street, that the City proceed with the study to move to a 2.0 multiplier of the total cost and then have the Mayor and City employees look at the cost to negotiate what the employees will contribute and to get it on paper. All voted aye.

Mayor Perrin asked if Mr. Decoursey has the information for the study concerning changing the multiplier. Human Resource Director Gloria Roark answered yes.

Mr. Barksdale questioned if Mr. Decoursey's figure include the new estimate from Principal. Councilman Dover answered probably not. He added the City needs to get the information to Mr. Decoursey. He stated once the City has the figures they need to negotiate with the employees.

Councilman Dover motioned, seconded by Councilman Street, to send out RFQ's for managing the City's non-uniform pension plan. All voted aye.

Mayor Perrin explained he hopes to give every employee a report showing how much the City pays for all total benefits.

Mayor Perrin stated the City needs to look at qualifications so everyone can bid on this. Mr. Jackson stated the employees would prefer using someone local.

Councilman Fears thanked all the City employees for working with the City.

Councilman Hargis stated the stipulation requiring the City to purchase annuities if they leave Principal needs to be removed from the contract.

Councilman Dover asked how long it will take for the City to receive any information. Mr. Barksdale stated Mr. Decoursey has all the information, but he needs instructions to proceed.

Mayor Perrin recommended the committee narrow down the list of qualified applicants. He added he is willing to help with the selection.

Councilman Dover motioned, seconded by Councilman Street, that Chairwoman Williams and Councilman Hargis narrow down the applicants to whoever is qualified and present the selection to the committee. All voted aye.

This item was Read.

3. Adjournment

A motion was made by Councilman John Street, 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