



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, February 9, 2010

4:00 PM

Huntington Building

1. Call To Order

Election of a committee chair and subcommittee chairs

Subcommittees are:

*Finance & Audit
Grants & Industry
Records & Legal
Purchasing & Property Insurance
Information Systems & Personnel
Employee Insurance & Pensions*

2. Approval of minutes

MIN-10:003 Minutes for the Finance Committee meeting on January 12, 2009.

Attachments: [Minutes 1/12/10](#)

MIN-10:009 Minutes for the special called Finance Committee meeting on January 21, 2010.

Attachments: [Minutes 1/21/10](#)

3. New Business

Resolutions To Be Introduced

RES-10:013 A RESOLUTION TO APPROVE THE USE OF THE ALTERNATE CASH FLOW VALUATION METHOD TO DETERMINE THE ACTUARIAL SOUNDNESS OF THE JONESBORO POLICE PENSION FUND

Sponsors: Finance

Attachments: [01082010 Board Resolution](#)

RES-10:016 A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT OF UNDERSTANDING WITH THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT RELATED TO THE RECREATIONAL TRAILS PROGRAM

Sponsors: Mayor's Office

Attachments: [Rec Trails Agreement of Understanding Job 100706](#)

4. Pending Items

5. Other Business

6. Public Comments

7. Adjournment



City of Jonesboro

515 West Washington
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-10:003 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 1/14/2010 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the Finance Committee meeting on January 12, 2009.
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes 1/12/10](#)

Date	Ver.	Action By	Action	Result
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title

Minutes for the Finance Committee meeting on January 12, 2009.



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Tuesday, January 12, 2010

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Present 4 - Ann Williams; Jim Hargis; John Street and Darrel Dover

Absent 1 - Mikel Fears

2. Approval of minutes

MIN-09:130 Minutes for the Finance Committee meeting on December 8, 2009.

Attachments: [Minutes 12/8/09](#)

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

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

Absent: 1 - Mikel Fears

MIN-09:132 Minutes for the special called Finance Committee meeting on December 15, 2009.

Attachments: [121509](#)

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

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

Absent: 1 - Mikel Fears

3. New Business

Resolutions To Be Introduced

RES-10:001 A RESOLUTION TO ACCEPT THE REPORT OF THE DIVISION OF LEGISLATIVE AUDIT CONCERNING THE FINANCES OF THE CITY OF JONESBORO, ARKANSAS FOR THE YEAR ENDED DECEMBER 31, 2008

Sponsors: Mayor's Office and Finance

Attachments: [2008 Legislative Audit](#)
 [Identified Internal Control Weakness](#)

Chairwoman Williams explained the City is required to publicly present the audit results to Council.

Councilman Dover stated the audit report shows the City is heading in the right direction and he also commended the Mayor and the Finance Department for their work on the audit.

Councilman Street stated some of the deficiencies have been corrected, but others may never be corrected.

Assistant Finance Director Jim Eagan explained he presented the Mayor with an update showing how the City is going to address each of the deficiencies. He added they have added another person to the Collections Department and an internal review control mechanism was added in the latter part of 2009. He noted the supervisory review, which is now in place, coupled with the internal control review mechanism will be adequate for the legislative auditors based on a conversation with them.

Mayor Perrin stated a remedy to fix the internal control weakness is being put in place.

Discussion was held concerning the Chart of Accounts.

Mayor Perrin noted he will be meeting with Governor Beebe concerning the Southside ballpark. He explained the turnback money the City receives will be affected since the State is cutting their budget. He added the amount the City could lose is approximately \$38,000 annually, which amounts to \$24,000 in turnback funds and the City could be required to pay for their own policy. He stated he anticipates more cuts in 2010 due to the economy.

Discussion was held concerning the financial reports in the Legislative Audit report. Mayor Perrin explained he will give a revised sheet of the budget everytime money is appropriated.

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: 3 - Jim Hargis;John Street and Darrel Dover

Absent: 1 - Mikel Fears

4. Pending Items

5. Other Business

COM-10:002 Finance reports

Sponsors: Finance

Attachments: [01122010 Finance Committee Items for Discussion](#)
[12292009 Privilege License Audit](#)
[12312009 Budget Report Summary by Dept. & Fund](#)
[12312009 Receipts, Disbursements & Changes in Fund Balances YTD](#)
[12312009 Required Reserves Report](#)
[General Fund Revenue accounts](#)

Springbrook migration timeframe

Mr. Eagan stated the reports are preliminary. He added they are reconciling the 2010 budget with the actual 2009 ending budget. He noted the earliest the City could complete the migration of Springbrook to the newest version would be at the end of June or the latest could be September.

Pension Funds

Mr. Eagan stated the City did not receive the closing figures from Principal Group until today, which will delay the report until February. He added Stephens should have all the City's funds transferred over into their control by the end of this week.

He explained he has requested Stephens present a report concerning the movement of the funds and where they are placed. He added he would like for them to make a recommendation as to how much the City should have invested in real estate and securities and also would like to have a final meeting with them in March to discuss the final composition of a policy.

Chairwoman Williams stated the City requested Stephens present a report for two straight months before starting the quarterly visits.

Councilman Dover inquired if it would be a disadvantage to transfer the money and then come back and change it. Mr. Eagan answered based on his experience it would be to the City's advantage.

Councilman Dover then asked if Stephens would mirror the City's current allocations once the funds are transferred. Mr. Eagan answered yes. Mayor Perrin explained Stephens will transfer the funds in-kind. He noted he would prefer Stephens to present a monthly report for at least the first 3 months or until the City feels comfortable with the reports being presented.

Councilman Dover stated it is the City's responsibility to give Stephens their recommendation on what to do with the allocations. Mr. Eagan recommended having monthly meetings with Stephens in February and March and then have a quarterly meeting in April.

Privilege License Audits

Mr. Eagan explained the Collections Department has been working on the privilege license audit and have seen favorable results based on reviewing what is in the City's database and finding people who don't realize they need a privilege license.

Legislative Audit

Mr. Eagan noted things are better now than in 2008 and the City is moving forward.

Budget Reports

He explained the preliminary reports came out of the system last week. He added the City was able to process all of the 2009 payables last week and the items that are related to purchase orders were carried over to 2010. He noted he will present a final year end review next month. He added the amounts on the statement of receipts, disbursements and changes in fund balances report and the Required Reserves report are subject to change due to the end of the year adjustments.

Privilege License renewals

He stated 3,544 privilege license renewal notices were sent out and approximately 1,000 of those have been processed. He noted the City hopes to have all of the renewals in by the middle of next month.

Chart of Accounts

Mr. Eagan explained the City will be able to know which fund is being affected and which department it relates to. He added all the different types of accounts for example, public safety departments, revenue accounts, etc. will have their own number, which will make it easier to spot an improper transaction.

Bank Reconciliations

He stated the bank reconciliations should be done by the end of the week with the exception of the General Fund due to it being so large. He added he will give a report next week.

Councilman Hargis asked why the actual expenditures and disbursements are not the same. Mr. Eagan answered the amount would have been the same, but the fund totals do not include interfund transfers and other pass-through amounts.

Councilman Hargis explained the report shows the City had \$9 million left to spend at the end of 2009. Mr. Eagan stated that is correct based on the approved budget amount.

Councilman Dover asked what the status is for interest rates on the CDs. Mayor Perrin answered the checking account is earning 1.30%. He added the City has a cap on the rate where it can't go below 1.25% and can't go above 3.50%, which is adjusted according to the Treasury bill rate. He noted the City could have excess funds after the checking account is settled in January. He explained he contacted local banks, but they would not bid near what the City is receiving for the checking account.

Councilman Dover asked if it would make a difference if the City spilt the money between numerous banks. Mayor Perrin answered it would not make a difference.

This item was Read.

6. Public Comments

7. Adjournment

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

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

Absent: 1 - Mikel Fears



City of Jonesboro

515 West Washington
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-10:009 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 1/22/2010 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the special called Finance Committee meeting on January 21, 2010.
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes 1/21/10](#)

Date	Ver.	Action By	Action	Result
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title

Minutes for the special called Finance Committee meeting on January 21, 2010.



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Thursday, January 21, 2010

5:00 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

Resolutions To Be Introduced

RES-09:198

A RESOLUTION TO CONTRACT WITH RIDGELAND ENTERPRISES FOR THE CONSTRUCTION OF SPORTS FIELD LIGHTING AT MILES AND ALLEN PARKS

Sponsors: Parks & Recreation and Community Development

Attachments: [Ridgeland Contract](#)

Grants Coordinator Gayle Vickers explained the contract will be paid with 100% CDBG funds and does not require any funds from the City. She further explained Parks employee Brad Welbourne will be set up as the project manager and City inspectors will inspect the project. She added a pre-construction meeting has already been held to set out how the process will go. She noted the City and HUD have already approved the projects, so all that is left is for CDBG to draw down the funds.

A motion was made by John Street, seconded by 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

RES-10:009

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF JONESBORO TO SUPPORT AN APPLICATION TO THE 2009 GENERAL IMPROVEMENT FUND REGIONAL DEVELOPMENT GRANT PROGRAM

Sponsors: Mayor's Office

Chairwoman Williams questioned whether there would be any City funds used. Mayor Perrin answered no, there will be no cost to the City. He added they will have an answer to the application very quickly, most likely by the end of March. He explained the money is for economic development and can be used however the City wants for economic development. He further explained the City will apply for a specific amount of money, but he's not sure how much money Grants Administrator Tony Thomas requested.

A motion was made by John Street, seconded by 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 John Street, seconded by 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



City of Jonesboro

515 West Washington
Jonesboro, AR 72401

Legislation Details (With Text)

File #: RES-10:013 **Version:** 1 **Name:**
Type: Resolution **Status:** To Be Introduced
File created: 2/2/2010 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: A RESOLUTION TO APPROVE THE USE OF THE ALTERNATE CASH FLOW VALUATION METHOD TO DETERMINE THE ACTUARIAL SOUNDNESS OF THE JONESBORO POLICE PENSION FUND
Sponsors: Finance
Indexes:
Code sections:
Attachments: [01082010 Board Resolution](#)

Date	Ver.	Action By	Action	Result
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Title

A RESOLUTION TO APPROVE THE USE OF THE ALTERNATE CASH FLOW VALUATION METHOD TO DETERMINE THE ACTUARIAL SOUNDNESS OF THE JONESBORO POLICE PENSION FUND

Body

WHEREAS, participants of the Jonesboro Police Pension Fund believe it is advantageous to provide benefits for the surviving spouses (of members) who remarry after retirement; and,

WHEREAS, the Jonesboro Police Pension Board had determined it will seek this benefit as set forth by Arkansas Code Annotated 24-11-425(d)(1), which is also known as the “remarried provision”, and in accordance with the rules and regulations set forth by the Arkansas Fire and Police Pension Review Board, and in demonstration of their intent have adopted the attached resolution; and,

WHEREAS, to enable the adoption of the remarried provision, the certification of the City Council of Jonesboro, Arkansas is required to evidence the understanding of the City Council of the risks involved in the use of the alternate cash flow valuation method; and,

WHEREAS, an actuarial study conducted by Osborn, Carreiro & Associates, Inc. determined that use of the alternate cash flow valuation method was appropriate, and that use of the alternate cash flow method would support any benefit increases resulting from adoption of the “remarried provision”;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: The use of the alternate cash flow method is accepted and the Council understands the risks involved in the use of this method for actuarial purposes; and,

Section 2: Council supports the adoption of the “remarried provision” for determination of benefits for participants in the Jonesboro Police Pension Fund.

Jonesboro Police Local Pension Board

Resolution

Whereas, the governing body of the Jonesboro Police Pension Board believes that it is to the advantage of the members of the pension plan to seek benefits for the surviving spouses of members who marry after retirement.


Whereas, the governing body of the Jonesboro Police Pension Board will seek this benefit as set forth by Arkansas Code 24-11-425(d)(1), which is also known as the remarried provision, and by rules and regulations set forth by the Arkansas Fire and Police Pension Review Board (PRB).

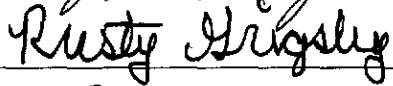
It is therefore resolved, that the governing body of the Jonesboro Police Pension Board approves to have an actuary conducted using the Alternate Cash Flow Valuation to determine if our pension plan can financially support this.

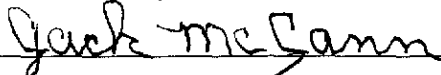
The Jonesboro Police Local Pension Board elected this resolution as listed above in the January 08, 2010 pension meeting.

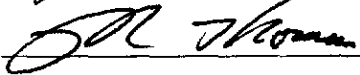
The following pension board members certify that we understand the risks involved in using the alternate cash flow valuation for a small group.


Board Members














Jim Eagan, Treasurer

Rusty Grigsby, Secretary

Jack McCann

Rick Thomas

David MacDonald

Wayne Ward



City of Jonesboro

515 West Washington
Jonesboro, AR 72401

Legislation Details (With Text)

File #: RES-10:016 **Version:** 1 **Name:**

Type: Resolution **Status:** To Be Introduced

File created: 2/4/2010 **In control:** Finance & Administration Council Committee

On agenda: **Final action:**

Title: A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT OF UNDERSTANDING WITH THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT RELATED TO THE RECREATIONAL TRAILS PROGRAM

Sponsors: Mayor's Office

Indexes:

Code sections:

Attachments: [Rec Trails Agreement of Understanding Job 100706](#)

Date	Ver.	Action By	Action	Result
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Title

A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT OF UNDERSTANDING WITH THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT RELATED TO THE RECREATIONAL TRAILS PROGRAM

Body

WHEREAS, THE City of Jonesboro agreed to submit an application to the Arkansas Highway Departments 2009 Arkansas Recreational Trails Program (see RES-09:081); and

WHEREAS, funding was requested to continue construction of the Turtle Creek Greenway (see documents associated with file number RES-09:081); and

WHEREAS, funding has been approved in the amount of \$72,865, with a Federal share of \$60,721 and a local match of \$12,144 (80%/20% split); and

WHEREAS, an existing appropriation of funds for this award is included in the Grants Fund of the 2010 budget for the City of Jonesboro; and

WHEREAS, the local match is being funded with \$5000 provided for the Bikes Belong Grant and \$7144 from existing appropriations of the City of Jonesboro.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: Mayor Harold Perrin and the City Clerk are hereby authorized and directed to execute the agreement of understanding related to the above stated project.

Section 2: Existing appropriations in the Grants Fund of the 2010 adopted budgeted are utilized for this project.

AGREEMENT OF UNDERSTANDING

BETWEEN

JONESBORO PARKS DEPARTMENT

AND

THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

In Cooperation with the
U. S. Department of Transportation
Federal Highway Administration

RELATIVE TO

Implementation of Job 100706, Turtle Creek Greenway Section V (hereinafter called "Project"), as a recreational trail development or improvement project.

WHEREAS, the Arkansas State Highway Commission has made available 80% Federal-aid funds for certain recreational trail projects; and

WHEREAS, the Jonesboro Parks Department (hereinafter called "Sponsor") has expressed its desire to use Federal-aid funds for an eligible project; and

WHEREAS, funding participation for each phase of the project will be as follows subject to a limit of \$60,721 maximum Federal-aid approved for the project:

	<u>Federal %</u>	<u>Sponsor %</u>	
Project Design:	-0-	100%	
Utilities/Right of Way:	-0-	100%	
Project Inspection:	-0-	100%	
Project Construction:	80%	20%	;and

WHEREAS, the Sponsor knows of no legal impediments to the completion of the project; and

WHEREAS, it is specifically agreed between the parties executing this agreement that it is not intended by any of the provisions of any part of the agreement to create the public or any member thereof a third party beneficiary hereunder or to authorize anyone not a party to this agreement to maintain a suit or action for injuries or damage of any nature pursuant to the terms or provisions of this agreement; and

WHEREAS, the Sponsor understands that the Arkansas State Highway and Transportation Department (hereinafter called "Department") will require the Sponsor to adhere to the General Requirements for Recipients and Sub-recipients Concerning Disadvantaged Business Enterprises as stated on Attachment A; and

IT IS HEREBY AGREED that the Sponsor and the Department, in cooperation with the Federal Highway Administration, will participate in a cooperative program for implementation of the Project and will accept the responsibilities and assigned duties as described hereinafter.

THE SPONSOR WILL:

1. Indemnify and hold harmless the Arkansas State Highway Commission, the Department, its officers and employees from any and all claims, lawsuits, judgments, damages, costs, expenses, and losses, including those arising from claims before the Arkansas Claims Commission or lawsuits brought in any other legal forum, sustained on account of the operations or actions of the Sponsor, including any act of omission, neglect or misconduct of said Sponsor. Further, the Sponsor shall take no action to compromise the immunity from civil suits afforded the State of Arkansas, the State Highway Commission, Arkansas Code § 19-10-305, or the 11th Amendment of the United States Constitution. This obligation of indemnification shall survive the termination or expiration of this Agreement.
2. Request review from the Arkansas Historic Preservation Program (AHPP) (See Attachment B). Then, forward AHPP's approval to the Department.
3. Comply with provisions of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act of 1964, FHWA Recreational Trails Program Guidance, and any other Federal, State, and/or local laws, rules and/or regulations.

The Arkansas State Highway and Transportation (Department) complies with the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964 and other federal equal opportunity laws and therefore does not discriminate on the basis of race, sex, color, age, national origin, religion or disability, in admission or access to and treatment in Department programs and activities, as well as the Department's hiring or employment practices. Complaints of alleged discrimination and inquiries regarding the Department's nondiscrimination policies may be directed to James B. Moore, Jr., Section Head - EEO/DBE (ADA/504/Title VI Coordinator), P. O. Box 2261, Little Rock, AR 72203, (501) 569-2298, (Voice/TTY 711), or the following email address: james.moore@arkansashighways.com.

This notice is available from the ADA/504/Title VI Coordinator in large print, on audiotape and in Braille.

4. **Refrain from any Project construction for which the Sponsor expects monetary reimbursement until a Notice to Proceed is received from the Department.**
5. Be responsible for its portion of the total project cost, which will include project design, construction, construction inspection services, appraisal and acquisition of right-of-way, relocation services (when required), and adjustment of all man-made improvements, including utilities.
6. Provide a copy of the registered deed or an appropriate certification stating the Sponsor's clear and unencumbered title to any right-of-way to be used for the project (See Attachment C).
7. Grant the right of access to Sponsor's records pertinent to this project and the right to audit by the Department and Federal Highway Administration officials. Be responsible for the inspection and certification of all work in accordance with the plans and specifications for the Project and to retain all records relating to such inspections, certifications, any billing statements, and any other files necessary to document the performance and completion of the work. A statement in writing must be submitted to the Department when the Project is completed. The Sponsor shall retain **all records for three years** upon completion of the project. in accordance with the requirements of

49 CFR, Subtitle A, Part 18, Subpart C, Section 18.42 – (See Attachment D for retention and access requirements for records). The date of completion of the project will be construed as the check date of the final payment submitted to the Sponsor by the Department.

8. If the project is to be advertised, for bids, it must be done in accordance with State and Federal procedures as shown in Attachment E.
9. Prepare plans, specifications, and a cost estimate for construction. These plans will be reviewed by the Department at the Pre-Construction Conference and these records need to be maintained by the Sponsor for three years after the completion date of the project. A registered licensed professional engineer, architect, or landscape architect must sign the plans and specifications for the project for any project over \$25,000. For any project under \$25,000, the Sponsor's legal representative must countersign the plans. (See Attachment F for certification letter to be sent to the Department).
10. Submit a certification letter (Attachment G), including all items noted, to the Department when requesting authority to begin construction on the project.
11. Be responsible for 100% of any and all expenditures which are declared non-participating in Federal funds, including awards by the State Claims Commission.
12. Be responsible for 100% of all project costs incurred should the project not be completed as specified. Repay to the Department the Federal share of the cost of any portion of this Project if the Federal Highway Administration removes Federal participation due to actions of the Sponsor, its agents, its employees, or its assigns, or the Sponsor's consultants or their agents. Such actions shall include, but are not limited to, Federal non-participation arising from problems with design plans, construction, change orders, construction inspection, or contractor payment procedures.
13. Retain total, direct control over the Project throughout the life of the improvements and **not, without prior written approval from the Department:**
 - sell, transfer, or otherwise abandon any portion of the Project;
 - change the intended use of the project as stated in the approved Project application;
 - make significant alterations to any improvements constructed with Federal-aid funds; or
 - cease maintenance or operation of the project due to the Project's obsolescence.
14. Be responsible for satisfactory maintenance and operation of all improvements and for adopting regulations and ordinances as necessary to ensure this. Failure to adequately maintain and operate the project in accordance with Federal-aid requirements may result in the Sponsor's repayment of Federal funds and may result in the withholding of future Federal-aid funds. The Sponsor understands and agrees that the Department may cause necessary funds to be withheld from the Sponsor's gasoline tax allotment should the Sponsor fail to pay to the Department any required funds, fail to complete the project as specified, or fail to adequately maintain or operate the project.
15. Promptly notify the Department if the project is rendered unfit for continued use by natural disaster or other cause.
16. Repay all Federal funds if this is determined necessary for any reason.

17. Complete all documentation necessary to obtain environmental, archeological, wetland and other clearances and transmit all necessary documentation pertaining to these clearances to the Department.
18. Construct the Project in accordance to plans and specifications that were developed by the Sponsor, or the Sponsor's representative, and were reviewed and approved by the Department prior to the issuance of the Notice to Proceed.
19. Notify the Department upon completion of various phases of the work in order that a Department representative may review the project before any payments for such work are made to the Contractor. Once the Sponsor makes payments to suppliers and visible progress has been made toward the completion of the Project an on-site inspection of the Project may be requested by the Sponsor. No reimbursement will be made by the Department without an on-site inspection of the Project.
20. Provide the Department with all necessary documentation including a resolution of support from the Sponsor's governing body, approval from the State Historic Preservation Officer, proof of ownership, plans and specifications, and permits or rulings from the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, Environmental Protection Agency, or other applicable agencies within one calendar year of the date this Agreement of Understanding is signed by the Director of the Arkansas State Highway and Transportation Department. Extensions will not be granted without good cause and must be requested in writing to the Department. Funding for a project failing to provide this documentation will be withdrawn and will be allocated to other eligible recreational trail projects.

THE DEPARTMENT WILL:

1. Be responsible for administering Federal-aid funds and for project approval and acceptance.
2. Review and approve environmental, archeological, wetland, or other necessary clearances.
3. Review plans and specifications for the Project.
4. Advise the Sponsor when to proceed with construction of the Project.
5. Review and approve any necessary change orders for Project eligibility, regardless of funding source.
6. Visually verify (insofar as is reasonably possible) that the work meets contract requirements before reimbursement is made to the Sponsor.
7. Reimburse the Sponsor for all legitimate, documented costs in accordance with the final executed contract.

IT IS FURTHER AGREED that should the Sponsor fail to fulfill its responsibilities and assigned duties as related in this Agreement, such failure may disqualify the Sponsor from receiving future Federal-aid funds administered by the Department.

IT IS FURTHER AGREED that should the Sponsor fail to pay to the Department any required funds due for implementation of the project or fail to complete the project as specified in this Agreement or fail to adequately maintain or operate the project, the Sponsor hereby authorizes the Director of the Department of Finance and Administration to transfer from any of the Sponsor's State funds to the Department's RRA account such sums as the Director of Highways and Transportation shall certify as due the Department under terms of this Agreement.

IN WITNESS WHEREOF, the parties thereto have executed this Agreement on this _____ day of _____, 20__.

ARKANSAS STATE HIGHWAY
AND TRANSPORTATION DEPARTMENT

JONESBORO PARKS DEPARTMENT

Dan Flowers
Director of Highways and Transportation

Arkansas State Highway and Transportation Department

Notice of Nondiscrimination

The Arkansas State Highway and Transportation (Department) complies with the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964 and other federal equal opportunity laws and therefore does not discriminate on the basis of race, sex, color, age, national origin, religion or disability, in admission or access to and treatment in Department programs and activities, as well as the Department's hiring or employment practices. Complaints of alleged discrimination and inquiries regarding the Department's nondiscrimination policies may be directed to James B. Moore, Jr., Section Head-EEO/DBE (ADA/504/Title VI Coordinator), P.O. Box 2261, Little Rock, AR 72203, (501) 569-2298, (Voice/TTY 711), or the following email address: james.moore@arkansashighways.com.

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