



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Thursday, October 18, 2007

4:00 PM

Huntington Building

1. Call To Order

Mayor Formon and Mr. Tony Thomas from the Mayor's Office were also in attendance.

Councilwoman Williams arrived at 4:03 p.m.

Present 5 - Darrel Dover; Judy Furr; Jim Hargis; John Street and Ann Williams

Absent 1 - Harold Perrin

2. Approval of minutes

[MIN-07:1726](#) Minutes from the September 27, 2007, Finance Committee meeting.

Attachments: [092707](#)

A motion was made by Councilperson Judy Furr, seconded by Councilperson Jim Hargis, that these Minutes be Passed. The motion CARRIED by a Voice Vote.

Aye: 3 - Judy Furr; Jim Hargis and John Street

Absent: 2 - Harold Perrin and Ann Williams

3. New Business

Ordinances To Be Introduced

[ORD-07:3140](#) AN ORDINANCE TO ESTABLISH A DEFERRED COMPENSATION PLAN FOR THE CITY OF JONESBORO

Sponsors: Human Resources

Human Resources Director Gloria Roark explained the plan was proposed by the firefighters so they could participate in it. She further explained the plan would be no cost to the City and is available for any City employee or elected official.

A motion was made by Councilperson John Street, seconded by Councilperson Judy Furr, that this matter be Recommended to Council . The motion PASSED by an unanimous vote

Aye: 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

Absent: 1 - Harold Perrin

Resolutions To Be Introduced

RES-07:2496

A RESOLUTION TO APPROVE THE EXECUTION OF A CONTRACT WITH IT ASSOCIATES, LLC FOR DEVELOPMENT OF A DISASTER RECOVERY PLAN

Sponsors: Information Systems

Attachments: [Contract](#)
[Executive Summary](#)
[Quote](#)

Information Systems Director Alan Young noted the recovery plan was discussed in the recent audit by Internal Auditor Misty Micenhamer. He explained the company was the most qualified of those who responded to the RFQ and would do it for the budgeted amount.

A motion was made by Councilperson Jim Hargis, seconded by Councilperson John Street, that this matter be Recommended to Council . The motion PASSED by an unanimous vote

Aye: 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

Absent: 1 - Harold Perrin

4. Pending Items

Update on RFQ's for audit

Ms. Micenhamer explained the RFQ's went out on Tuesday. She stated the information was mailed to the businesses on the list and other business as provided by Purchasing Agent Steve Kent. She added the information is also on the website. She further explained the bids will be opened on November 8 and the information will be sent to the Council. Councilwoman Williams questioned whether the committee will be able to interview the firms like they did with the firms for the salary survey. Chairman Dover stated yes, it would be similar to that process.

5. Other Business

COM-07:053

Opinion from Ed Skinner, Cable Attorney, regarding our current franchise agreement with Suddenlink and possible involvement with Ritternet.

Attorney Ed Skinner discussed the opinion letter he prepared which addressed several broad areas concerning cable tv regulations and franchising. He stated the City has a right to grant a competitive cable tv franchise if it wishes and Suddenlink's franchise ordinance with the City did acknowledge that they have a non-exclusive franchise with the City. Mr. Skinner further explained the FCC is going to make a ruling regarding "most favored nations" clauses like the one in Section 4 of Suddenlink's franchise agreement. He stated he expects the FCC's ruling to come within 30 to 60 days. He noted if Ritter is given a competitive franchise agreement, Suddenlink cannot change their service in a way that would be anti-competitive. He explained he thinks it would be unlawful for Suddenlink to pull their service out from the City because it would be anti-competitive. Mr. Skinner stated competition is good for the City and the residents. He added that if the City decides to deny Ritter's franchise agreement, then the City needs to be very precise as to why they did not grant it. Mr. Skinner then discussed a 90-day window Ritter has in order to negotiate and pass an ordinance with the City before providing services. Mr. John Strode noted he has already submitted an ordinance to the City. Mr. Skinner recommended additions to the ordinance, but did not specify what he recommended the additions

be. Mr. Tony Thomas stated they would like to proceed to negotiate with Ritter in order to add the provisions recommended by Mr. Skinner.

Councilwoman Furr motioned, seconded by Councilwoman Williams, to proceed with the proposed Ritter franchise ordinance, pending further negotiations with Ritter concerning the recommendations by Mr. Skinner. All voted aye.

It was also asked for the administration to provide further information regarding the services Ritter will provide.

Read

Rae Willis to discuss the City's pension plan

Ms. Rae Willis discussed the City's non-uniform pension plan. She noted she provided the City with a report regarding the 2007 actuarial work on September 12. She stated the City is at a 96% funding level with the current plan and has decreased the deficit to \$290,000. Ms. Willis explained the City's benefit formula for non-uniform employees is 1.5% of average compensation multiplied by accrued years of service. She noted the plan can be changed to increase or decrease benefits if the City chooses to. She stated the City could increase the multiplier, but added as the multiplier increases so will the City's liability. She also stated the City could require employees to contribute or ask employees whether or not they would like to voluntarily contribute to their pension plan. She explained the changes can be made by amending the existing retirement plan. Ms. Micenhamer questioned whether the City can add death benefits. Ms. Willis stated yes, the City can add death benefits. She noted the City's current plan does not have any type of survivor benefits, which would pay retirement benefits to a survivor if an employee passes away before retiring. Mayor Formon questioned whether the survivor would receive a full benefit. Ms. Willis stated that is the choice of City, whether they want the survivor to receive partial payments or full payments. Mr. Ray questioned why the annual required contribution by the City increased between 2006 and 2007 even though the gains in the investments. Ms. Willis explained the City's liabilities have increased, which is caused partially by the City adding employees as well as the City's employees being a year older than they were in 2006. Chairman Dover stated the City has been presented with several options concerning the retirement plan, so the City needs to decide which option is best for the employees. Mr. Ray asked how long it would take to receive a report on the annual cost of changes the City would like to make to the plan. Ms. Willis stated they could get a report together in 30 days or less. Chairman Dover asked for Councilman Perrin, Human Resources, Mayor Formon and some employees get together to come up with recommended changes to the current pension plan so Principal can estimate the cost of the changes. Mayor Formon discussed APERS and noted it could be used as a recruitment tool since so many entities in the State of Arkansas are currently using the plan. Ms. Willis noted that the liability with the City's plan will have to be addressed if the City decides to change plans.

Mr. Dick Darouse explained his office has been working with HR to implement a website that lists employee benefits and an employee benefit statement for the City. He discussed the difficulties of putting together the report. Chairman Dover questioned whether they are asking for too much information and suggested taking some of it out. Ms. Roark stated yes, they are entering too much information. Mr. Darouse added they can get the report together faster if some of the information is cut out.

Councilwoman Williams questioned how Principal makes the decision as to the

breakdown of the assets. Chairman Dover stated the committee decided to put it at 60-40. Ms. Willis noted each quarter they ask whether the City wants to change the breakdown.

COM-07:058

Report concerning proposed incentive pay plan for the Police Department as handed out by Chief Yates at the October 18, 2007, Finance Committee meeting.

Attachments: [Incentive Plan Report](#)

Police Chief Michael Yates provided the committee with a report concerning the proposed incentive plan for the Police Department. He explained the plan would require an additional \$190,000 to \$200,000 in funding for 2008, but that has already been put in the Police Department's proposed 2008 budget. Councilwoman Furr stated the Public Safety Committee asked to pass on their recommendation that the plan be retroactive to January 1 if it is not already in place by that time. Chairman Dover asked for the ordinance to be placed on the next Finance agenda, which would give the committee members enough time to look over the report and for any necessary changes be made to the 2008 budget. Finance Director Don Ray stated he has had the 2008 budget done for three weeks and hopes to deliver it to the committee early next week. Chairman Dover suggested having a general meeting in early November to discuss any questions about the budget. Mr. Ray noted he had spoken with Chairman Dover regarding doing the budget meeting differently this year.

Read

COM-07:057

Financial report as handed out by Finance Director Don Ray at the October 18, 2007, Finance Committee meeting.

Attachments: [Financial Report](#)

Read

Councilman Hargis concerning questions not responded to in writing

Councilman Hargis explained after the last meeting he sent the Mayor's Office an e-mail with 12 questions and copied Chairman Dover on it. He further explained he has been getting resistance to receiving written answers to the questions. He asked for the Mayor or someone on the behalf of the Mayor to answer the questions. Mr. Ray stated he attempted to answer Councilman Hargis' questions via a phone call two Friday's ago and Accountant David Eagle visited Councilman Hargis' home. Chairman Dover asked Ms. Micenhamer to send Councilman Hargis written answers to his questions by the middle of next week.

6. Public Comments

7. Adjournment

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

Aye: 4 - Judy Furr; Jim Hargis; John Street and Ann Williams

Absent: 1 - Harold Perrin