



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Wednesday, September 14, 2016

4:00 PM

Municipal Center

1. Call To Order

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2. Roll Call by City Clerk Donna Jackson

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Mayor Harold Perrin was in attendance.

Present 5 - Ann Williams; John Street; Darrel Dover; Charles Coleman and Todd Burton

Absent 1 - Rennell Woods

3. Approval of minutes

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MIN-16:113

Minutes for the Finance Committee meeting on August 30, 2016

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A motion was made by Councilman John Street, seconded by Councilman Todd Burton, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

MIN-16:115

Minutes for the special called Finance Committee meeting on September 6, 2016

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A motion was made by Councilman John Street, seconded by Councilman Todd Burton, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

4. New Business

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Ordinances To Be Introduced

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ORD-16:064

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY; TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENTS IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; TO AUTHORIZE AND PRESCRIBE CERTAIN MATTERS PERTAINING TO THE PROJECT, THE ACQUISITION, CONSTRUCTION, AND EQUIPPING THEREOF, AND THE FINANCING THEREOF; TO AUTHORIZE THE EXECUTION AND DELIVERY OF LEASE AGREEMENTS RELATING TO THE PROJECT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

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Chairman Dover stated this is the typical agreement to help bring industry here and to create jobs. Mayor Perrin agreed.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

Resolutions To Be Introduced

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RES-16:120

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE EAST ARKANSAS PLANNING AND DEVELOPMENT DISTRICT FOR THE 2015 GENERAL IMPROVEMENT FUNDS (GIF) FOR THE MIRACLE LEAGUE PROJECT

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Mayor Perrin stated this is \$7,000 of GIF money that Representative Ladyman gave us. This goes through the East Arkansas Planning Development District that helps pay for the pavilion that we put up at the Miracle League Field.

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

[RES-16:124](#)

A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH MID-SOUTH HEALTH SYSTEMS TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR RESIDENTIAL FACILITIES FOR THE 2016 CDBG ACTION PLAN

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Mayor Perrin stated this is in the CDGB Action Plan. Kimberly Marshall, Grants/CDBG Grants Director stated that this will allow Mid-South Health Systems to provide homeless prevention services and three units for transitional housing for individuals with mental illnesses.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

[RES-16:125](#)

A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH FOUNDATION CARE, LLC (DAVID E. PURYEAR CENTER) TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR THE FACILITY IMPROVEMENTS FOR THE 2016 CDBG ACTION PLAN

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Kimberly Marshall, Grants/CDBG Grants Director stated this MOU is with the David E. Puryear Center to redo the driveway and part of the area where the residents walk around.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

[RES-16:127](#)

A RESOLUTION AUTHORIZING THE ENTRY INTO AN AGREEMENT TO ISSUE BONDS FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRIAL FACILITIES WITHIN THE CITY OF JONESBORO, ARKANSAS, TO BE LEASED TO FRITO-LAY, INC., PURSUANT TO THE AUTHORITY OF THE LAWS OF THE STATE OF ARKANSAS, INCLUDING PARTICULARLY AMENDMENT 65 TO THE ARKANSAS CONSTITUTION AND THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW.

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Mayor Perrin stated that we have with us legal counsel from Frito Lay. Michele Allgood, attorney for Frito Lay, came to the podium to speak. She said this was the first step in another industrial project where we are asking for payment in lieu of tax agreement. She stated the total project will not exceed \$150 million and we do have representatives from Frito Lay here if there are any specific questions or you need any information about the project. Mayor Perrin stated they are thankful and that they have been a great corporation citizen. He said to float an issue that big is very substantial for our city and we are very appreciative. A representative from Frito Lay stated they appreciate the partnership.

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

Todd Burton, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods

5. Pending Items

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Mayor Perrin stated that there will be retirement party for the Highway Department's Walter McMillian tomorrow at the Jonesboro Chamber of Commerce. The Transportation Committee is doing that for him. In addition, at 10:00 a.m., the Washington Avenue/Parker Road Extension will have a ribbon cutting ceremony and Highway Officials will be here. We will probably let Mr. Chris Barber cut that since St. Bernard's Hospital gave \$500,000 and we only put \$900,000 in the project. In reality, they paid almost 2/3rd's of that project. We are real excited about that. It is not striped yet, but we are going to go ahead and open that up and let Craig get that striped really quickly.

6. Other Business

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Chairman Dover stated at the last council meeting he asked Suzanne Allen, CFO, to come up with some numbers and look at different things. He said he is going to give her an opportunity to present that. I think she gave a lot of that out to you all, but this will give you a chance to ask her questions if you have any.

Suzanne Allen, CFO, came to the podium to speak. She stated the main two documents to look at are the spreadsheets. The document with the columns has the base pay for all of the employees of the City of Jonesboro. I wanted to explain to you how the spreadsheet works. The Police Pay column is the proposal that they put forward and that you have already seen. To the right of that, the percentages, 0, 2, 3, 4, 5, and 6 represent what it would cost the city to increase the minimum, mid-point, and maximum of the Johansen current scale to those percentages and place our staff on the line of continuum compared to what they have for experience. So, if they had five years, they would be in the middle of the minimum and mid-point.

Mayor Perrin asked if the 1st one was the proposed police package at \$626,000. She said yes. He asked if the 3% was adding \$943,116. Ms. Allen stated no and that every column represents its own costs. City Clerk Donna Jackson asked for a copy of what Ms. Allen was presenting. Ms. Allen said that no she did not have a copy because it was not on the agenda and the council has it. City Clerk Donna Jackson stated that she needed one for the record. Ms. Allen said ok.

Councilman Street asked what the change needed to be made that was referenced in the paper this morning. He asked if there were some other numbers that were pending or were there some numbers from the Municipal League survey. Ms. Allen stated that she was not sure what Councilman Street was talking about. She asked what the paper said. Councilman Street stated there were some numbers being recalculated. Ms. Allen said no and what we have is what Johansen did for us and the numbers we have from Johansen are from the February 2016 plan. These numbers are based on the study they did for us. Councilman Street asked if it was 2015. She said no, it was 2016. Chairman Dover said it was 2016. Ms. Allen stated

the AML Survey is not the study they did for us. Councilman Street said ok.

Mayor Perrin stated he wanted to make a comment on what was in the paper. He said when AML or any other company does a survey that is for the end of the year. Right now we are in budget. If you look at salaries for this year and you give an increase for next year, you are looking at a year behind you. He stated he thought that was something that was brought out in the paper. He said it says alternatives and that's what they were talking about. Mayor Perrin said that AML does the same study with every city in there. The problem with that is like with any percentage, you've got small and you've got large cities so when you take the accumulation of all that and you put it out there, you got to look at that. It's just like the same thing she sent you on turnover. If you look at some of these departments, the Police Department had a 10% turnover in 2014 and 9.85% in 2015. You look at the Finance Department, they had a 38% turnover because they have a small department of 8 and only 2 people left. You have to be careful with percentages when you look at that stuff.

Mayor Perrin said what you are saying is that the Police are asking for \$646,000. The next column is \$561,000 which represents what? Ms. Allen said it represents a 0% increase to the scale, to the current scale, but placing people on a continuum line as if they would be at the mid-point at ten years and up with their experience with the city. Mayor Perrin asked if you passed the Police and the other at 0, is the cost still \$646,000. Ms. Allen asked if you do what Mayor. Mayor Perrin asked that if you passed the Police Plan and did no other department, your total cost would be the \$646,000. Ms. Allen said that was correct. Mayor Perrin asked if you do that and give the city's non-uniformed employees a percentage of a cost, what would that be. That would be the 0, 2, 3, 4, 5, and 6%. Ms. Allen stated that has the Police in it as well. She said it was placing everyone into a step like plan. Mayor Perrin asked about the sheet from 2016 to 2025. He said he assumed everyone got that sheet. Ms. Allen said that everyone did. It was emailed to council. City Clerk Donna Jackson stated that she did not get that information. She said the clerk's office hasn't received anything. Mayor Perrin stated they would get her a copy. Ms. Jackson stated that it was hard to do minutes if she doesn't have any of the documentation. Mayor Perrin stated they would get her a copy. He said he was following the sheet now.

Ms. Allen asked if anyone had questions. Mayor Perrin said he wanted to make sure he was understanding those figures.

Mayor Perrin stated they just left the Highway Commission meeting and they passed their 2017 budget. He said their personnel costs have an increase of less than 1%. He said they didn't get any raise at all last year. The projected revenue for them was 3% because of the way they collect their revenue.

Mayor Perrin stated that I am all for giving what we can. We, this body, passed a budget of \$57,333,000 for 2016. Within that budget when you passed it, we have a \$3.2 million deficit in capital improvements for this year so you are pulling down from reserves. We have to have a balanced budget for the City of Jonesboro. There is very little in O&M which is about \$100,000. Hopefully, we will come in a little better than that, but we have to budget conservatively on that. This body has already passed a \$1.2 million increase in salaries so now you are at \$58 million. We are going to have \$1.5-\$2 million of equipment and other things for the cleanup. If we do nothing else this year on excavators or anything we need to buy, it is not in this budget. We are going to end up being at about a \$60 million budget. Your sales tax through last month is right about an \$878,000 increase. If that continues, then we might end up at \$1-\$1.2 million. What you've done is cover the first step on the

salaries and that's all you've done. Sales tax is 6.7% of the revenue that you bring into the city and that's what you operate on. In the future, we have had capital improvements like Race Street, we had to pay for over a three year period rather than take a bite of \$2 million in one year. We have also lost \$7 million to the public because we told them we would do it on the Public Safety sales tax that we are not collecting now and have not since 2014. We took a check of \$7.8 million to the Highway Department today to show them we have our monies earmarked for the \$90 million worth of deals. Now, you are down to \$20-21 million. You are going to keep pulling from that Christmas Club till there is no Christmas Club left. You are going to have to look at the projections out to see what the costs are going to be. I can't project what the revenue is going to be. In 2008, during the recession, the sales tax was about a 1% increase.

What I am saying to you as you enter into this, and I know you will do your fiduciary responsibility. You all vote and make the decision on what to do. Whatever you decide, I will make it work. The drainage was \$110 million. What I am telling you is to be cautious and to be careful as you look and evaluate what you want to do. I want to do the same thing you do and that is to do something. The question is how much can you bite off. I am asking questions because I want to be sure. I have been through this for 23 years, 15 years on council and 8 years as Mayor. I want my City to be strong financially and again, that reserve is dramatically being drawn down. Don't promise something and then have to go back because then you might have to reduce personnel and you may have to reduce your capital improvements. I don't think I want to do that and I don't think you want to either. I cannot speak for you, I can only speak for myself. What I am saying is let's do something, but let's look at it very prudently because we have already put \$1.2 million on top of that and now you are looking at putting whatever on top of that. This is not a fear tactic and I want to make that very clear. Whatever you adopt, you are going to have to live with it. We will have a balanced budget, even if we have to cut expenses and take out equipment.

City Clerk Donna Jackson stated that she has some questions. She said she fully wants to understand this plan since we are discussing it. I went through this last year and there is not a clear plan that lays out how you get from point A to B to C. What is the process? We can raise those levels all day long, but what is the process from going from A to B to C. Chairman Dover stated that you are correct right now the way the plan we currently have outside the \$75 longevity is not a real defined clear step. He said what the Police and other employees are asking for is a step plan and I am for that. There is money that will come every year or every two years or whatever we agree to that can tell you I start here, in 5 years I'll be here, and in 10 years, I'll be here that is if the sales stay the same. Hopefully sales are going to rise so that will change a little bit. What the police have proposed is a step plan and what I asked Suzanne Allen to look at is a step plan for everybody. Ms. Jackson said she has not seen that. Chairman Dover said we are still working on it. Ms. Jackson asked what this is and if it was just the Police Plan that went to the council. Chairman Dover said yes that is the only one that has been to council. None of this else has been to council. Ms. Jackson stated she thought this was supposed to be done all together and I am strictly trying to understand. Chairman Dover said this was just a general information because Ms. Allen just got this information late Friday afternoon.

Ms. Jackson said she has not seen this information before. Chairman Dover said she sent this out to the council. Ms. Jackson said that normally when things are sent out to the council, the City Clerk's office is included. Chairman Dover said that he would take the blame and this was more of an information setting because all of the council had received them and this was a chance to go over them. Ms. Jackson stated that this is a matter of public record and it needs to come to the Clerk's Office.

Suzanne Allen stated that it was not a public record. She said the lawyer told them not to send out names and amounts until something was finalized.

Ms. Jackson stated that this was an open meeting and anything you present in here is public record. Chairman Dover said he would let the lawyers work on that one. He said he didn't know and he wasn't a lawyer. He said this plan would have steps for everybody if we adopt it. I don't know what the council will do, but it's up to the council. Ms. Jackson stated that we also have a plan here that was given to me last year. Chairman Dover asked if it was the one they voted on in January or February. Ms. Jackson said it is more recent than that. She said it was revised November 3, 2015. Chairman Dover said ok. Ms. Jackson asked if it had been revised. She asked if it had ever been revised by Council. Chairman Dover said he thought he knew what Ms. Jackson was saying. He said they put the amount in the ordinance and probably weren't real specific. He said we the attorney and she said she would recommend that we wait until we had all of it and put all of it together. Ms. Jackson said no. She said we got an opinion from the City Attorney and what happened was this was revised and emailed to the council just like this was emailed to the council. It was not provided in public record and it is being handed out as if it was adopted. It was not and I wanted to make that clear. Chairman Dover stated that they would go back and correct that.

Ms. Jackson said that she had some other questions. Chairman Dover said ok. Ms. Jackson said back when we approved this \$1 million, when we say everybody, is that all employees got a \$1,000 pay increase or was it non-uniform or uniform? Chairman Dover stated that it was to his recollection that everyone got it. Ms. Jackson asked if it included fire and police. Chairman Dover said yes. Ms. Jackson asked if it was a one-time raise. Chairman Dover said it was added to their base. Ms. Jackson stated that there were 8 employees that received pay raises above the \$1,000. She asked what was the determination for those 8 employees to get that raise. Chairman Dover asked who because he wasn't aware of that. Ms. Jackson said there were 8 employees that got raises within that \$1 million and I want to know what was the determination for that.

Suzanne Allen, CFO, said in summation, it was to make sure they were at the minimum and the salary plan was in active at the time of the presentation. It is in the record that we adopted the Johansen Plan in February. It was in our salary plan previous, the one adopted in November. It says all employees have to be at the minimum. Ms. Jackson stated the some employees hadn't even served six months. Ms. Allen said you have to be hired in at the minimum of Johansen. She said that's what our pay plan says. Ms. Jackson asked how they were hired and not at the minimum because that was against the plan. Susan Allen, said because of the Johansen study, we have a plan. Chairman Dover stated they were hired in under the previous Johansen Study and when we redid it. Ms. Jackson said they were hired in under the December 2015 plan because we haven't had a plan other than that one because this one wasn't adopted. Ms. Allen said the February figures were in the council presentation or PowerPoint. Ms. Jackson said PowerPoint is not legislation and just because you put it in PowerPoint, that is not an adoption. That's what I keep telling you. Ms. Allen stated in that case I guess we didn't adopt all of the raises for everyone so everyone that got those shouldn't have. Ms. Jackson said no because the ordinance appropriated the money for the raises. What I am trying to say is your process for deciding who gets a raise and who doesn't was not adopted. Chairman Dover said he was not disagreeing with Ms. Jackson, but when he talked to the city attorney, Nikki had sent us her opinion, and I went and talked to her personally and asked basically if we need to do it now or can we wait until we finish it and she said it would be ok to wait until we finish it and do it all at once.

Ms. Jackson asked Chairman Dover when did he speak to the city attorney because we have an email from her that said no. Chairman Dover said he talked to her one night at the council meeting. He said he didn't document it. Ms. Jackson asked if it was recently. Chairman Dover said it was probably two or three months ago. He said he didn't recall the exact date. He said there was a discussion that was brought up by Nikki that we didn't have enough detail in the ordinance. Ms. Jackson said right here is the discussion. Chairman Dover said once he got that he spoke to Carol Duncan, City Attorney, about what we should do. Ms. Jackson asked why wasn't the Clerk's Office notified. Chairman Dover said he didn't know why but he would take responsibility for that. He said I was just asking the City Attorney. I guess I assumed she would contact you. Ms. Jackson said ok and that was all she had.

7. Public Comments

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8. Adjournment

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A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

Absent: 1 - Rennell Woods