



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, June 9, 2009

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was in attendance.

Present 5 - Ann Williams; Jim Hargis; John Street; Darrel Dover and Mikel Fears

2. Approval of minutes

MIN-09:053 Minutes for the Finance Committee meeting on May 21, 2009.

Attachments: [Minutes](#)

A motion was made by Councilman Mikel Fears, seconded by Councilman Darrel Dover, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

Aye: 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

3. New Business

Resolutions To Be Introduced

RES-09:081 A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO UTILIZE FEDERAL AID MONEYS TO CONSTRUCT SECTION FIVE OF PHASE I OF THE TURTLE CREEK GREENWAY

Sponsors: Mayor's Office and Parks & Recreation

Attachments: [2009 Rec Trails Overview Form](#)
[2009 RecTrails Application](#)
[2009 Property Ownership](#)
[2009 Rec Trails Area Maps](#)

Parks Director Jason Wilkie explained this resolution is for the Recreation Trails Grant sponsored by AHTD. He added the grant requires an 80/20 match, which will require the City to pay \$18,400. He noted the grant is for Section 5 of the Greenway located at the north end of Turtle Creek Mall and runs to Nettleton Avenue.

A motion was made by Councilman Darrel Dover, seconded by Councilman Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

4. Pending Items

COM-09:075 Presentation of the Non-uniform retirement plan by Mr. Dennis Decoursey of Wertz & Associates, Inc.

Attachments: [Retirement plan by Wertz & Associates](#)
[Comparison of Significant Retirement Plan Provisions](#)
[Addendum 1 to the comparison of significant retirement provisions](#)
[Addendum II to the retirement plan](#)

Mr. Dennis Decoursey of Wertz & Associates explained early in the year he had presented a report showing the options the City has for its retirement plan. He stated he was asked to expand on some of the issues in the original report. Chairwoman Williams noted some committee members had just received the retirement plan information.

Councilman Hargis recommended the City hire a competent attorney.

Mr. Decoursey explained the City is not subject to Title 1 of ARISSA, but will be subject to some pre-ARISSA items. Councilman Hargis asked Mr. Decoursey why he recommended using ARISSA Counsel. Mr. Decoursey stated he recommended ARISSA because their Counsel would be the most able to go over the plan to make sure it is in compliance with the laws and regulations. Councilman Hargis asked if the City has responded to that recommendation. Mr. Decoursey answered it is Principal's responsibility to make sure the plan stays in compliance as long as Principal Group is the primary author of the document. He added if the City moves the plan to another company he recommends hiring someone outside of Principal Group to handle the plan, such as an attorney that specializes in retirement plans. Mayor Perrin explained the City did hire an attorney with Nesbitt, which recommended using Wertz & Associates.

Councilman Dover questioned the results of the survey that was given to the employees. Chairwoman Williams stated she don't recall seeing the results of the survey. Mr. Decoursey explained there was a miscommunication when Principal Group provided a list of potential items the City might want to consider. He added the objective was to figure out what the City wants the plan to do. He stated the results were questionable and he decided to coach the City more.

Discussion was held concerning the comparison between APERS & Principal Group.

Discussion was also held concerning Addendum I.

Mr. Decoursey stated Principal's interest rate is 7.5%, which is unreasonably high and offers a lower yield. He added an appropriate rate is 6%, which will offer a higher yield.

Councilman Hargis stated there may be other City plans to look at, not just Principal Group, which could benefit the City employees.

Councilman Dover questioned if the premium would jump in later years if the return is overestimated. Mr. Decoursey answered yes. He added any additions to the plan will have an immediate effect on cost.

Further discussion was held concerning Addendum I.

Councilman Dover questioned if the City would have to buy annuities for the people who are already retired if the City froze Principal Group. Mr. Decoursey answered yes, because of the contract.

Councilman Dover recommended setting a meeting time to go over the information.

Mayor Perrin explained he has requested Principal Group present an annual report for the past seven years. He noted he will present the report at the next meeting.

Councilman Dover motioned that a special called Finance meeting be held on Tuesday at 4 p.m. to discuss the non-uniform pension plan.

Mr. Decoursey recommended having the City Attorney review the annuity contract and the service agreement for the actuarially plan for the terms of terminating the contract.

This item was Read.

5. Other Business

RES-09:094 A RESOLUTION AUTHORIZING ACCEPTANCE OF AN AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT FROM THE FEDERAL AVIATION ADMINISTRATION (FAA)

Sponsors: Municipal Airport Commission

Attachments: [2009 AIP Grants Overview Form](#)
[Airport Improvement Program Grant No. 3-05-0033-016-2009](#)
[Letter handed out at the Finance Meeting](#)

A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

COM-09:073 Information concerning the Capital Improvement Fund as provided by Mayor Perrin to the Finance Committee on June 9, 2009.

Attachments: [Capital Improvement Fund projects in process](#)

Finance Director Jim Barksdale explained revenues will be \$85,000 less than what was projected and \$2 million less from the same time last year. He noted the Mayor is looking into reducing the spending for Capital Improvements. He added they are trying to reprioritize projects and move some of the projects to 2010.

Mayor Perrin explained revenues are not coming into the City as previously thought and they anticipate a shortage. He added the City will be curtailing expenses, particularly concerning fixed assets. He noted it will be a tight year for funds. He stated he will give a mid-year report at a later date.

This item was READ.

RES-09:093 A RESOLUTION TO AMEND THE CITY OF JONESBORO EMPLOYEE HANDBOOK

Sponsors: Mayor's Office

Attachments: [Computer Use Policy](#)

This resolution was still in the approval process at the start of the Finance meeting.

A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

Discussion concerning fees

Mr. Barksdale explained since the list of delinquent privilege licenses was published in the Jonesboro Sun, ten businesses came in on Monday and paid their privilege license fees for a total of \$1,200. He added the A&P has picked up with collections. He noted everyone is current except two businesses that have made payment arrangements. He added the A&P revenue amount through May is \$205,000, which puts the City well above the projected amount.

Introduction of the new Assistant Finance Director

Mr. Barksdale introduced new hire Kevin Graves as Assistant Finance Director.

Discussion concerning JETS

Mayor Perrin explained the City already loaned JETS \$50,000 and had to add another \$10,000 to the loan. He added JETS has paid down the loan amount, which is like an open line of credit. He noted he will meet with JETS Director Steve Ewart on Thursday. He added he will present the committee with more information concerning the needs of JETS. He stated Mr. Ewart is doing a good job reducing expenses and there are a few other items that could be reduced also, which will be discussed with Mr. Ewart on Thursday.

6. Public Comments

7. Adjournment

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