



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, July 14, 2020

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

Present 6 - Charles Coleman; Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

3. Approval of minutes

[MIN-20:063](#)

Minutes for the Finance Committee meeting on June 30, 2020.

Attachments: [MINUTES](#)

A motion was made by Councilperson John Street, seconded by Councilperson David McClain, that this matter be Passed . The motion PASSED with the following vote.

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-20:095](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO APPROVE THE REQUEST FOR RELEASE OF FUNDS AND TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE EXECUTION OF THE 2020 ACTION PLAN

Attachments: [Grant Agreement CDBG](#)
[Grant Agreement CDBG-CV](#)
[Rehab RROF](#)
[Request for Release of Funds](#)
[VV Outreach Center RROF](#)
[Demo RROF](#)

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:096](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS TO AMEND THE 2020 STREET CAPITAL IMPROVEMENT BUDGET FOR THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) JONESBORO AREA PARTNERING PROJECTS

Attachments: [2020 Budget Res \(003\)](#)

Chairman Joe Hafner said, this money has been sitting in the STIP. Mayor Harold Perrin said, that is correct. When we passed the original ordinance that refers back to, that is when you all passed an ordinance. I appreciate that and we earmarked all of the monies for all of these projects. This is just one of the projects coming up. Chairman Hafner said, right. It looks like at the beginning of the year, the STIP fund had about \$3.8 million dollars in it. So, this \$1.4 million would be part of that \$3.8 million. Mayor Perrin said, that is correct and you will see on your financials that were already sent to you this week from Steve on the second or third cover sheet, it shows you the total amount of money through June. It also comes on down to about the third section and it will show you the amount of money that is restricted for the STIP projects. Chairman Hafner said, yes sir.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:097](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2020 ANNUAL BUDGET FOR THE STREET DEPARTMENT TO PURCHASE A REMOTE CONTROL MOWER

Attachments: [Bid 2020-22 Remote Control Mower Tabulation](#)

Chairman Hafner asked, Mayor, is the remote mower needed to get to unsafe places to mow. Mayor Perrin said, yes. Steve Tippitt is here that is our Streets Director. I can tell you two things. One, is on the bypass where we are having to mow through that, some of that is now taken down and when they put that barrier back up, I am going to suggest or ask the ARDOT to do like in Missouri and put it back right next to the road instead of putting it in the middle which will help us on our mowing. We still need that remote. Number Two, with the Shooting Range for all of the backdrop and all of that stuff, we are going to have to use that too. We are really behind on this, but we have been trying to put it off so we can see how we can do through June. You all have got your financials through June which I was very impressed when dealing with the COVID-19 pandemic.

Councilmember David McClain said, Mayor, you said that behind the gun range and in certain spots in town that are needed, I guess, that are tight quarters. Is that what you are saying that is the need for the remote control? Mayor Perrin said, yes sir, Councilmember McClain. There are a lot of those type deals and Steve could tell you a lot more because this thing will be moving every day. It will be rolling. Steve, if you want to make a comment, feel free to do that. Streets Director Steve Tippett said, this thing helps us on big slopes that we have around town that we have to mow with the zero turns and the tractor. As you all know, we had a tractor turn over a couple of years ago. We had a zero turn get hit out on the bypass with just scrapes and we lucked out. We will keep it busy every day as long as it is running. We purchased one last year,

but the company couldn't keep the machine that they brought us going so we elected to get our money back for that machine so we need to get another one. Mayor Perrin said, we did get our money back, every bit of it back on that. Mr. Tippitt said, yes. Chairman Hafner said, thank you Steve.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:098](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO AMEND THE CITY 2020 BUDGET TO ADD A SENIOR PLANNER POSITION

Mayor Harold Perrin said, we have Planning Director Derrel Smith here. If you have any questions, he would be glad to answer them. Councilmember David McClain asked, are we eliminating the Land Bank? Chairman Hafner said, I don't think the Land Bank has been eliminated because there is still a Land Bank Board. It is just moving under the Planning Department instead of having a separate department. Mr. Smith said, Mr. McClain, that is correct. The Land Bank is now operating under the Planning Department and that Senior Planning position will be the person that runs the Land Bank. They will still be working in Planning and do special projects for me, but they will also be running the Land Bank. Chairman Hafner said, right now, that position was budgeted under the Land Bank. It wasn't budgeted under Planning. Mayor Perrin said, correct and there may be a point in time, I think Derrel will agree with me on this, as we visited many of you, some of you went with us to Little Rock to look at their Land Bank operation. There will be a point in time in Jonesboro where the Land Bank will be or could be divided out on its own. That will be a call based on the administration, but right now there is not enough activity, if you will, within that Land Bank to have that salary. What we did is we took that salary when Jonathan Smith left and used it for this for the Senior Planner's position which he needs to do if I am correct on that. Is that right Derrel? Mr. Smith said, yes sir, that is correct. Mayor Perrin said, and so, that is actually what we are doing. Councilmember McClain said, okay.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-20:099](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AGREEMENT WITH THE DEPARTMENT OF JUSTICE AND ACCEPT THE 2020 COPS HIRING GRANT

Attachments: [Budget and funding-COPSH](#)

Mayor Harold Perrin said, again, I think that this is a good grant. I have noticed that the Federal Government has kindly changed the way that they are working on these grants. If you noticed, they pay 75% the first three years and 100% on the fourth. So, what they are trying to do is retain our police officers because you have got a lot of investment in those officers. The Chief is sitting here and she can make a comment if she would like. It takes a lot of money to train an officer and get them certified and get your return on investment for the city. What they are doing is they are paying so much and then 100% on that fourth year. So, if you keep everybody that you have got on that deal under this COPS program, then it is a good deal. So, I kind of like the way that they are doing that now.

A motion was made by Councilperson John Street, seconded by Councilperson LJ Bryant, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

5. Pending Items

6. Other Business

Mayor Harold Perrin said, I have got Finance Director Steve Purtee. I apologize. I made a statement a while ago that he had sent it to me and that I had been reviewing it with him. If you would like to just take a few minutes because he will be sending that out probably tomorrow to all of you. I would like for him to make some good highlights on June because they are much better than we thought with this COVID deal. If you don't mind to let him share a little bit of that information with you. Chairman Hafner said, that would be great.

Mr. Purtee said, this report is timed to be delivered in conjunction with the files for the next council meeting. So, we will be distributing these tomorrow. We were very pleased with the results of this. I'll just quickly go over our financial overview of that report. Our revenues for the month of June through the first six months exceeded our expenses by \$1.5 million. We had budgeted that we would be in a deficit of roughly \$2.8 million. So, we are effectively \$4.2 million better than our budget projection. One footnote to that information is that \$4.2 million does include \$1 million relating to our tornado insurance claim. And, so, if you back that out of that number, then effectively, we are \$3.2 million better than budget. If you will recall, we did a scorecard with ten items that we are scoring or gauging each month. Seven of those are favorable compared to budget and the three relating to our other fees are unfavorable compared to the previous year. We are continuing to feel pressure in our A&P tax, in our alcohol beverage tax, both of those are below the previous year by 13% and 19%, respectively. The encouraging thing is that our revenue is ahead of budget by 7%. Our expenses are behind our budget projection by 6%, which is favorable, as well. We did see continued improvement or sustaining in our sales tax activities. So, we did see that our April activities which were distributed during the month of June held and thus far, we are 3% and 4% better in those categories. So, all in all, a very good financial overview and we will distribute this information to this committee and the council tomorrow.

Chairman Hafner said, I have a couple of quick questions and you may not have this at your fingertips. Of the expense, you said our expenses are down compared to what we had budgeted this year at this point. Do you know how much of that was capital items that we decided to slow down on because we didn't know where the revenue was going to be? Mr. Purtee said, yes sir, we projected \$5 million in capital improvements and through the first six months, we have spent \$2 million so we are in a better position of \$3 million relative to that. Now, again, that capital position would include all of the full year so we have one or two or three items planned for the later part of the year. But, if you did a snapshot and looked at it right now, we would have a position to support an additional \$3 million in capital purchases compared to our budget. Chairman Hafner said, okay. My second question was kind of when do you expect the finance page to be updated with these new financials? I know you all are doing a good job of keeping the most current month on the city's website. So, I appreciate that. Mr. Purtee said, what we do is we time these that they get delivered on the Wednesday prior to the next council meeting. They get delivered to the council at that same time that they are

uploaded into the website. So, we will be doing that tomorrow evening. Chairman Hafner said, okay. I have one final question. Sometime this year, you also started posting basically our checks by date. You are doing a summary of the checks that are written during the month. Does that include all funds or is it only certain funds? Mr. Purtee said, that is correct. It is all funds. Chairman Hafner said, I think that is important because I think it is great that we put all funds up there because it is more transparent than just having just one or two funds up there. Mr. Purtee said, I will quickly just give an overview. We operate a control clearing of any checks. Relative to those funds, they are all cleared through what we call our AP clearing account which is an accumulation of all of those funds. So, effectively, we issue all of the checks out of one checking account, but we do control that down to an ending balance so that we know everything has cleared properly. Chairman Hafner said, I really appreciate you all keeping that up to date.

Mayor Perrin asked, Steve, are you in a position now to just discuss a little bit about Mike Burroughs or do you want to wait and do that at the council meeting? Mr. Purtee said, I will be glad to do that. I believe we have had some preliminary conversations with Chairman Hafner about what role Mike Burroughs would play for us. Mike, obviously due to the COVID situation, the position was such that we didn't feel that it was necessary to contract for Mike's services during that period when effectively City Hall was on a short employee ratio. When he did come back in, approximately four weeks now, we have addressed or identified Mike's work to audit concerns. He has performed a full cash account audit of all of our bank accounts, those reconciliations. He will be reporting that to the Finance Committee. I believe we are also scheduling him for the second meeting of August to present to the Finance Committee an audit agenda whereby that we would work up an audit plan that he would follow relative to performing audit functions as somewhat of an internal auditor position for the city. So, he will be having more information for us on that in a couple of weeks. Mayor Perrin said, his report, as you know Chairman Hafner, will be presented to the council at the same time that it is presented to me. So, he will be reporting directly to the council to make it totally transparent. In other words, the administration, if there's any deficiencies or whatever, I will learn it the same time you will. Then, we will get on top of those and all that. I don't think that is the issue but my point is I am trying to let the public know that we have an outside firm doing it besides Legislative Audit. That report will be given to the public at the same time that it is given to me as the mayor. That was one of your suggestions and I appreciate that. Chairman Hafner said, with the events that transpired a couple of weeks ago, one of my first thoughts was to the mayor. We have been very fortunate that we have had a strong finance team and we have had really good audits, but you always want to make sure that your system of internal controls is strong. With Mike Burroughs background as a long-time Legislative Audit employee, we are fortunate to have Mike on the team. I talked to Mike and he is doing a full-blown audit of our cash accounts to make sure that all transfers are solid, that are proper. I don't expect there to be any issues, but you always like to have that double checked. So, I appreciate everyone's support on that.

Mayor Perrin said, I have one comment and it is nothing related to Finance, but in a way, it is. We have a contract, as you all know, with Vector. They called me this morning and said they will start tomorrow night and have eight flights every week all over town. If you all don't hear an airplane, let me know. Chairman Hafner asked, are they still offering the service to residents to where they are having a special event or something, they will come and spray their yard for free? Mayor Perrin said, yes sir. In fact, it is on their recording when you call out to Vector. It tells you which line to press if you have a party or something that you want done. They did the same thing this weekend for the Country Club for the big Red Wolf Tournament. That is a big plus for

us in our contract. Chairman Hafner said, I just hope our citizens know that because that is a great service. Mayor Perrin said, it is just that you can't have a birthday party every weekend. I don't think you want to get to that point. They have done a good job as you all know. For those that have been on the council for a long time, we switched one year and went to another firm out of Mississippi. We got back real quick with Vector. Chairman Hafner said, it doesn't always come down to just a few dollars saved. Councilmember John Street said, no. Mayor Perrin said, like I said before, the lowest bid meeting specs may not be the right one.

7. Public Comments

Patti Lack, 4108 Forrest Hill Road, said, I am all for getting more police officers. Can you explain to me exactly how the grant works and the matching and the couple of years that you said we were going to have to pay for that? Can you explain that? Chairman Hafner said, are you asking me to explain exactly how of the ins and outs of the grant? Ms. Lack said, yes, can you explain how the grant works and can you break that down as far as the cost to the city? I am all for getting more police officers, but can you break that down just a little bit for me? Chairman Hafner said, basically, the grant is for a total of \$824,000 and over the course of the time of the grant, we will receive funds of \$618,000 and our match will be \$206,000. I don't have the by year breakdown on that. Regina, if you want to add to that you can. It says that year one post grant retention amount in year four is estimated to be \$274,737 which the City of Jonesboro will be responsible for included in the future budget. The bulk of our match will be in year four. For the first three years, there will be a 25% local match and then in the last year, we pay 100% of the salaries just like we do for regular law enforcement officers. Basically, in our grants budget, there will be this money for COPS just like it has been done just about every year I have been on there. But, you can look at the city's budget and see revenue budgeted in the Grants Department for the COPS budget and then the local match will be budgeted as an expense. Ms. Lack asked, so are you saying that this would this be for the 2021 year and putting it into the budget for that? Chairman Hafner said, no, this is to amend the 2020 budget for a portion of the grant that we would receive this year. And, then the 2021 and 2022 and 2023 budgets would have the full year budgeted for it. Regina, if I am speaking incorrectly, please feel free to correct me. Regina is also on the phone Patti. Ms. Lack said, okay. So is that first year, Regina, the 25% that we pay? Am I getting that correct? Councilmember John Street said, yes. Ms. Lack said, okay, correct? Chairman Hafner said, yes, you are correct. Ms. Lack said, okay. I am all for getting more police and stuff like that. Good for them for finding a grant. I just wanted a breakdown on that. I appreciate it. Thank you. Chairman Hafner said, you are welcome. I know that was an item that we had already discussed on the agenda, but with the technology that we are working with, I will be a little bit more lenient especially on a question like that. So, good question from Ms. Patti Lack.

8. Adjournment

A motion was made by Councilperson John Street, seconded by Councilperson David McClain, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant