

To: Joel Gardner

From: Monica Brodie

Date: August 25, 2006

Re: Impromptu Meeting with Tony Thomas on August 24, 2006

Joel I had an impromptu meeting yesterday with Tony Thomas in the Mayor's office. At first the initial reason for me going to see him was a concern about the per diem rate for travel. After our discussion concerning that I asked him about a comment of him wanting to meet with me about some things that took place while I was in Dallas, TX during the week of August 14th.

Apparently there were some strong concerns about the Harpole Phillips (HP) contract with JETS. Tony stated that the dissolution of the contract was a political ploy to destroy the Mayor's credibility with the city and the City Council of Jonesboro. I explained to Tony that this was not the case at all. Then Tony continued to explain that you (being Joel Gardner) had gone to the Public Services Committee concerning this and apparently it had been approved. Then he later explained that you (being Joel) presented a letter concerning the dissolution of the contract with HP on the day of the City Council meeting (August 15, 2006). He stated that he told you that he (being Tony) would not advise you to do such at that time. He did, however, state that you did not bring this to the forefront but that there were members of City Council who brought you forward to address budgetary plans for the 2007. He mentioned that you tried your best to avoid the issue concerning the dissolution of the contract with HP "like the plague" but the members of City Council continued to hammer you with questions until you finally gave the council information that was basically formulated as follows:

1. Cut services to the JETS line
2. Ask City Council for more money
3. End the contract with HP

Tony then explained that this was immediately brought to the table, it was seconded and there was a vote at that point by City Council. I then asked Tony for clarity concerning who brought the information up for the vote and he stated the City Council did. I asked what decision came of it. Tony gave no response. Then I asked was the vote unanimous still there was no response from Tony. Tony did express that the Mayor felt as if he had been ambushed by you (being Joel).

Tony then skipped to the point where there was a meeting with HP on the following Wednesday. You and the Mayor's staff met with HP concerning the contract. He (Tony) stated that you apologized for how HP heard about our decision to dissolve their contract with JETS and that HP seemed genuinely surprised by the announcement. His (being Tony) question to me was why would you apologize for this to HP.

I explained to Tony that there had been some concerns with HP about how they were handling our JETS account. These concerns were discussed administratively in June and

July of this year. Keeping in mind that at the beginning Amy Warner (who we know is no longer working with HP) had not been completely forthcoming about certain projects that were in place and contracts that were being mishandled. On top of that Amy was "milking" time from HP and billing it to JETS. Since that situation was corrected, HP has been nothing but wonderful in their handling of our account. It was later, I continued to explain to Tony, that we (JETS administration) discussed with Gary certain budgetary issues and that it may come to JETS dissolving our contract with them. We explained to them that our 2007 matching funds were coming up short for the next fiscal year. We explained to HP that our budget for 2007 called for JETS coming up with over \$437,000 +/- . We could only determine this based upon our current spending for operations for JETS. It was also explained to HP what our 2007 budget will be and how much money was being spent from incoming revenue for advertising. Which everyone agreed was excessive in this instance because our revenue needs were not being met. I explained to Tony that at this point that JETS has spent an estimated \$50,000 +/- with HP in Professional Services and commissions.

Tony continued to state that you (being Joel) went about it wrong. I told him that I was going to stay marginal on this particular issue and give the facts as I knew them to be. That first of all, you (being Joel) went to Phillip Crego to discuss the ramifications of dissolving the contract with HP. You (being Joel) told me that Phillip Crego looked of the contract and stated that the only way to dissolve the contract is to go through City Council. You (being Joel) explained to me that if you (being Joel) dissolved the contract then HP could take you (being Joel) to court and enforce the contract; however, if City Council votes to dissolve the contract then that would be between HP and the City Council. But I also told Tony that HP was fully aware of our interest in ending dissolving the contract it was just that we were going to wait until after the ASU-Army game in September. We were not going to pursue anything further until we knew exactly where our finances stood after that ASU game.

When I contacted you (being Joel) from Texas, I expressed to him that it would be better if we met with HP after the City Council and our Advisory Board meeting that following day after City Council. You (being Joel) agree. This is when Tony explained that City Council used you (being Joel) as a pawn with the Mayor being involved and embarrassed by this. I explained that the City Council members were coming to our office requesting information and we provided it to them. They were willing to listen to our concerns and they addressed them. It was then at this point that Tony stated that regardless the Mayor is going to enforce the contract between JETS and HP. I explained to Tony that we are going to be doing those services in house so there would be no need for HP services and if we (JETS) were not going to using those services then who would be. He stated that the Mayor, regardless of what City Council voted on, is going to make us (JETS) abide by the contract as stated. He also stated that there would be no additional funding coming to our department. That he (being Tony) along with the Mayor have spoken with the FTA and Mickey Newcomb at the AHTD concerning our allocations for the 2007. He also said that MPO is the only grants requestor for JETS and that Amin was directed not to request any additional funding for JETS except what was allocated for JETS for their 2006 budget and nothing more. This is the budget that we (JETS) will have to work with for

next year which means we will not be granted any additional large purchases or raises. He (being Tony) also stated that there will be no additional staff added to JETS. His final words to me at the end of this meeting was that the he and the Mayor were going to see to it that we (JETS) did not get the 2008 vote and for me to provide him with a 2007 anticipated budget for JETS. This is where he (Tony) stated that he has been asking you (being Joel) for this information for two weeks.