



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, February 9, 2010

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

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

Election of a committee chair and subcommittee chairs

Councilman Hargis motioned, seconded by Councilman Fears, for Councilwoman Williams to be appointed Finance Committee chair for 2010. All voted aye.

Councilman Street motioned, seconded by Councilman Dover, to assign subcommittee chairs. All voted aye. The subcommittee chairs for 2010 will be as follows:

*Finance & Audit - Councilman Hargis
Grants & Industry - Councilman Hargis
Records & Legal - Councilwoman Williams
Purchasing & Property Insurance - Councilman Street
Information Systems & Personnel - Councilman Fears
Employee Insurance & Pensions - Councilman Dover*

2. Approval of minutes

MIN-10:003 Minutes for the Finance Committee meeting on January 12, 2009.

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

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

MIN-10:009 Minutes for the special called Finance Committee meeting on January 21, 2010.

A motion was made by Chair Ann Williams, seconded by Councilman Mikel Fears, 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-10:013 A RESOLUTION TO APPROVE THE USE OF THE ALTERNATE CASH FLOW VALUATION METHOD TO DETERMINE THE ACTUARIAL SOUNDNESS OF THE JONESBORO POLICE PENSION FUND

Sponsors: Finance

City Treasurer Jim Eagan explained the alternate cash flow method will project the fund revenues and expenditures. He added the resolution also includes a provision in which the surviving spouse of a pension participant can draw benefits. He further explained the pension board obtained an actuarial study that showed the use of the alternate cash flow method is viable and the remarried provision would not have an adverse affect on the fund. He stated as long as the pension receives 5% then it's in good shape. He noted currently the fund is receiving 8%. Councilman Dover questioned where the funding for the police pension fund comes from. Mr. Eagan stated the old pension board receives some money from fines and other collections through District Court. He added it also supports itself through its investment returns. Councilman Hargis questioned for what time period the pension has been receiving 8.94%. Mr. Eagan stated the fund has been receiving that rate for the last quarter.

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

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

RES-10:016 A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT OF UNDERSTANDING WITH THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT RELATED TO THE RECREATIONAL TRAILS PROGRAM

Sponsors: Mayor's Office

Mayor Perrin explained there is no money coming out of the General Fund for this grant. He stated it is 100% funded. Councilman Hargis asked for a clear explanation of what this grant is going to be used for. He stated he did not want this grant to get into a similar situation as with JETS, in which they did not use some funding the way the grant was intended and the City had to pay the money back. Mayor Perrin stated the project manager can give updates on the grant, if needed. Operations Director Gary Harpole explained they have a spreadsheet that gives details of each grant, including how the monies would be expended. He stated he would provide that information to Councilman Hargis. He added Parks Director Jason Wilkie is the project manager and Engineering is included in the design and construction phases of the project. He stated Grants Coordinator Tony Thomas performs the accounting functions for all grants. Mayor Perrin noted starting with 2010 all grants go through Mr. Thomas. Mr. Harpole added for this particular grant a pre-construction meeting was recently held that include the Parks, Grants and Engineering Departments.

A motion was made by Councilman Darrel Dover, seconded by Councilman Mikel Fears, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

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

4. Pending Items

5. Other Business

Discussion concerning the pension plan

Councilman Dover questioned the status of the pension plan being transitioned to Stephens. Mr. Eagan stated they have notified Principal of the City's intent to transfer the funds and today he received their written response. He explained Principal responded by leaving open the option to change some provisions of the contract to transfer the monies, but that would require an additional outlay from the City. He further explained they are going to work with Principal to get the money removed and transferred to Stephens. Councilman Dover questioned when the payment for 2010 is due and if a study has been done to show how much the City will owe. Mr. Eagan stated a study has not been done yet, but Foster & Foster will prepare a study once the money has been transferred to Stephens. Chairwoman Williams then questioned whether monthly payments will be made in lieu of one lump sum payment. Councilman Dover added payments should be made at least every quarter. Mr. Eagan explained that option was discussed during budget time and it was decided to probably go with quarterly payments. Chairwoman Williams noted one-time payments do not benefit from dollar cost averaging since the payment is restricted to market conditions at that one time instead of during several times over the course of the year. Discussion was held concerning the pension plan. Chairwoman Williams questioned whether the money will be transferred before the next Finance meeting. Mr. Eagan stated he hopes so. Councilman Hargis asked if APERMA has been involved in this matter. Mayor Perrin stated he will speak with APERMA, but in the meantime he will draft a letter with City Attorney Phillip Crego and send it to Principal. Further discussion was held concerning the transfer of funds from Principal to Stephens. Chairwoman Williams asked if Foster & Foster thought the process was going well. Mr. Eagan explained he has spoken with Foster & Foster concerning the letter that was received today and that things are where they should be.

RES-10:020

RESOLUTION OF THE CITY COUNCIL OF JONESBORO, ARKANSAS, CERTIFYING LOCAL GOVERNMENT ENDORSEMENT OF BUSINESS TO PARTICIPATE IN THE TAX BACK PROGRAM (AS AUTHORIZED BY SECTION 15-4-2706(d) OF THE CONSOLIDATED INCENTIVE ACT OF 2003).

Sponsors: Mayor's Office

Mr. Harpole explained this item was just received from the Chamber of Commerce, which is why it was not on the agenda. Councilman Dover motioned, seconded by Councilman Street, to suspend the rules and place this resolution on the agenda. All voted aye.

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

ORD-10:005

AN ORDINANCE TO APPROPRIATE FUNDS FOR THE REFURBISHMENT OF THE NEW PARKS DEPARTMENT BUILDING

Sponsors: Finance and Mayor's Office

Mayor Perrin questioned whether the ordinance is in Legistar. Mr. Eagan answered yes, it is in there. City Clerk Donna Jackson noted the ordinance was disapproved by City Attorney Phillip Crego and then re-entered with changes, which is why the ordinance is not on the agenda.

Councilman Dover motioned, seconded by Councilman Hargis, to suspend the rules

and place this ordinance on the agenda. All voted aye.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.

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

Discussion concerning financial statements

Discussion was held concerning financial statements. Mr. Eagan explained according to accrual accounting and Legislative Audit rules, revenue should be accounted for in the month that it was received. He further explained this will delay the Finance Department being able to provide financial statements to the Finance Committee. Councilman Dover stated that will make the reports about a month behind. Mr. Eagan agreed. Mayor Perrin then discussed the financial reports and noted some figures can be given earlier, but full financial statements will be about a month behind. Further discussion was held concerning financial statements. Mr. Harpole noted expenditures are accounted for earlier than revenues, so the committee will know about expenditures quicker than revenues. Mayor Perrin stated they will be providing reports showing each department's expenditures, how much was expensed, how much was budgeted for and any variance.

COM-10:011

Jonesboro Municipal Airport financial statement for month ended January 31, 2010, and 2009.

Ms. Jackson noted the City has been written up by Legislative Audit in the past because the Council has not been receiving Airport financials. She recommended having the reports on the agenda every month and ensuring the reports are in Legistar, so they can be tracked and easily sent to the Council.

This item has been Read.

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