



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Tuesday, December 8, 2009

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Present 4 - Ann Williams; Jim Hargis; Darrel Dover and Mikel Fears

Absent 1 - John Street

2. Approval of minutes

MIN-09:121 Minutes for the Finance Committee meeting on November 10, 2009.

Attachments: [111009](#)

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

Aye: 3 - Jim Hargis; Darrel Dover and Mikel Fears

Absent: 1 - John Street

MIN-09:123 Minutes for the special called Finance Committee meeting on November 17, 2009.

Attachments: [111709](#)

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

Aye: 3 - Jim Hargis; Darrel Dover and Mikel Fears

Absent: 1 - John Street

3. New Business

Ordinances and Resolutions To Be Introduced

ORD-09:104 AN ORDINANCE TO AMEND THE 2009 ANNUAL BUDGET AND THE CITY PAY PLAN FOR THE CITY OF JONESBORO TO ADD A POSITION OF COMPLIANCE OFFICER TO THE GENERAL ADMINISTRATION DEPARTMENT

Sponsors: Human Resources and Mayor's Office

Attachments: [Compliance Officer](#)

Mayor Perrin explained this position is in the 2010 budget and Finance Director Jim Barksdale will be the new compliance officer. He added due to the numerous audits that have been conducted, the compliance portion needs to be removed from the Finance Department and be placed in the General Administration.

Councilman Hargis asked if Assistant Finance Director Jim Eagan would be the new Finance Director. Mayor Perrin answered he will be working with Mr. Eagan for the first few months and they will see how things will go from there.

A motion was made by Councilman Jim Hargis, seconded by Councilman Darrel Dover, that this matter be Recommended to Council . The motion PASSED by an unanimous vote

Aye: 3 - Jim Hargis;Darrel Dover and Mikel Fears

Absent: 1 - John Street

ORD-09:107

AN ORDINANCE TO APPROPRIATE FUNDS TO PURCHASE THE LICENSES FOR PUBLIC PLAYING AND PERFORMANCE OF MUSIC, AUTHORIZING THE EXECUTION OF THE CONTRACTS, AND DECLARING AN EMERGENCY

Sponsors: Finance

Attachments: [BMI Contract For Music Licensing](#)
[SESAC Performance License for Municipalities](#)
[ASCAP Licensing Contract](#)
[Better Business Bureau Recommendation on Music in the Marketplace](#)

Mayor Perrin explained City Attorney Phillip Crego has reviewed this ordinance. He added this is good insurance to have to protect the City from copyright infringement.

Chairwoman Williams asked what the cost is for the insurance. Mr. Crego answered he did not know. Parks Director Jason Wilkie answered two of the companies will charge approximately \$608 each and the third company will charge approximately \$800 for a year, which will total \$2,089 for one year.

Mr. Crego explained this is good insurance to have because one fine could cost the City up to \$30,000 if the City allows someone to play a copyrighted song. He noted the City is limiting their programming by trying to avoid getting a license. He recommended the City get the insurance to avoid future liability and to allow the City to expand programming.

Councilman Hargis asked if the City pays for a performance. Mr. Crego answered no, the companies collect the royalties for the artist. Mayor Perrin noted the ASCAP and SESAC are \$608 a year each and BMI is \$873 a year.

Councilman Fears inquired if this includes the music being played at the Craighead County Courthouse. Mayor Perrin answered it includes any music being played on City-owned property. Mr. Crego stated it also includes the music being played on the phone while someone is waiting on hold.

Mayor Perrin stated he recommends getting the insurance.

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

PASSED by an unanimous vote

Aye: 3 - Jim Hargis; Darrel Dover and Mikel Fears

Absent: 1 - John Street

Councilman Darrel Dover motioned, seconded by Councilman Jim Hargis, that the rules be suspended and RES-09:201, ORD-09:109, RES-09:204, RES-09:203, RES-09:202, RES-09:200, ORD-09:108, ORD-09:111 and ORD-09:110 be placed on tonight's Finance Committee agenda. All voted aye.

RES-09:201 A RESOLUTION ADOPTING THE CITY OF JONESBORO, ARKANSAS, SALARY SCHEDULE AND ADMINISTRATION POLICY

Sponsors: Finance and Human Resources

Attachments: [Salary Administration Plan \(2\)](#)

Mayor Perrin explained the City looked at different companies in 2008 for the City's salary plan and the City picked the Johanson Group. He added the Johanson Group uses salaries outside the City and of other municipalities. He added the City purchased the Johanson Group's software and tracking system in 2008. He noted a previous set of minutes reflected the City adopted the salary plan and made it retroactive to January 1, 2009.

Mayor Perrin stated the salary plan uses the minimum, middle and high range for salaries and only a few City employees are below the minimum range. He noted the Johanson Group recommended the City adopt this plan.

He explained he wants to have all the employees who are under the minimum pay range brought up to at least the minimum pay range by the end of 2009.

Councilman Dover asked if this was the first information the City has received concerning the study. Mayor Perrin answered yes and this plan has not been reviewed by the City. Human Resource Director Gloria Roark explained the Johanson Group presented a PowerPoint presentation in March of 2009 and this is what they identified the City needs to do in order to adopt the plan. Mayor Perrin noted the salary increases are included in the 2010 budget.

Mr. Roark stated the amount to bring the employees up to the minimum pay range for 2009 would be \$28,988.43 and the amount for 2010 would not be as much as the amount for 2009 due to 17 police officers and several firefighters being non-certified. She added after they are certified the City would be paying them approximately \$200 less than the salary plan.

Councilman Fears questioned if the salary increase will affect the police and firefighters incentive plan. Ms. Roark answered no.

Councilman Dover inquired why the figure on paper is different than the figure being discussed during the meeting. Ms. Roark answered she had to make some adjustments today to some of the firefighters and the actual total for 2009 would be \$28,988.14. She added the total for 2010 would be \$47,316.14, but the 2010 actual total would be \$17,576.00 because the firefighters and police officers start at a lower salary and once they go through the academy and are certified they are automatically raised to a certified salary.

Councilman Fears asked how the cost of living increase would affect the salary plan. Ms. Roark answered a true cost of living increase would require the pay plan to be adjusted accordingly. She added no one would max out by getting a cost of living increase.

Councilman Dover questioned how the City would know what to pay a new hire. Ms. Roark answered the administration plan states they are hired in at the minimum pay range or if they have a lot of experience then they can be hired halfway between the minimum and the middle pay salary.

Councilman Dover explained he would like more time to study this plan and also would like the employees review the plan. Mayor Perrin stated he does not have a problem with that.

Councilman Dover asked if there would be a problem with this being put on hold. Mayor Perrin stated the salary figures are included in the 2010 budget. He added it should not be a problem because the City needs to be clear and transparent with the entire Council.

Councilman Dover inquired how the salaries were determined. Mayor Perrin answered the Johanson Group compared the City's salaries to other municipalities and also to the local economy. He added 10-15 City employees are below the minimum and he would like to have them brought up at least to the minimum pay range in 2009. Ms. Roark stated she would email the PowerPoint presentation to Councilman Dover.

Councilman Hargis stated not every department is listed on the handout. Ms. Roark explained the handout is just strictly job titles to show what grade they are and the City's server has the software with all the employees job titles on it. Councilman Hargis noted some of the job titles are not listed on the handout such as the Engineer's job title. She added Mr. Johanson recommended removing the Engineer's job title from the plan due to the pay being so high.

Councilman Dover asked how the City would determine the Engineer's salary. Ms. Roark answered the salary would be a negotiation process or the City could look at adding the salary back into the plan.

Councilman Fears inquired if any of the employees pay would be lowered. Ms. Roark answered no, but there are some employees who are above the maximum and their salary will be frozen until the market catches up to them.

Councilman Dover questioned if the City is doing away with step increases and years of experience raises and giving just a cost of living raise. Mayor Perrin answered that could be done or merit raises could be given. Ms. Roark stated if a merit raise is given there will be a procedure that will have been done.

Mayor Perrin explained he will speak with Mr. Johanson concerning when they could come back and give a presentation on the salary plan.

Councilman Dover asked if the plan is more flexible than the old plan. Mayor Perrin answered yes.

This Resolution was Tabled.

ORD-09:109

AN ORDINANCE TO APPROPRIATE MONIES NECESSARY FOR
IMPLEMENTATION OF THE SALARY AND ADMINISTRATION POLICY

Sponsors: Finance and Human Resources

Attachments: [Salary Plan Implementation Costs](#)

This ordinance was Tabled.

RES-09:204

A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH SPRINGBROOK SOFTWARE, INC. FOR THE PURCHASE OF V.7 NET MIGRATION

Sponsors: Information Systems and Mayor's Office

Attachments: [City of Jonesboro AR- Springbrook NET Migration Proposal with 0% Financi](#)

Operations Director Gary Harpole explained Version 7 will enhance the project management capacity and includes upgrades to the modules the City is currently using. He added no appropriation is needed because the software cost is already included in the 2010 budget. He noted the migration will take place in April of 2010.

Mayor Perrin stated the City will pay for the software in steps and the total cost of the conversion is \$48,100, but \$3,600 is for the migration to Springbrook only. He added Financial Systems Analyst Jack Turner and IT Director Erick Woodruff will have a scope of work report showing how the City will proceed with the migration that will be presented to Council every month.

Mr. Harpole explained the City did not want to be the first to use the migration, but wanted to do it as early as possible so the City could take advantage of it due to the Finance Department changing the chart of accounts.

Councilman Hargis stated the contract says the customer who chooses to migrate with the Springbrook software will be provided the software at no charge. Mr. Crego explained Springbrook had an interim version and if someone bought that version and upgraded before Version 7 was released they would be provided an upgrade at no charge. He noted the City did not purchase the interim version.

Mayor Perrin noted Version 7 will make it easier to work with the chart of accounts.

Councilman Hargis stated he believes the City received better information before they started with Springbrook than what they receive working with them. He added he is soured on Springbrook due to the experience the City has had with them and also the information that has been provided to the City through the Council. He added the City was much stronger on the old software and Springbrook is a long ways off. He noted he thought this money was going to be used for training. Mayor Perrin stated part of the money will be used for training.

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: 3 - Jim Hargis;Darrel Dover and Mikel Fears

Absent: 1 - John Street

RES-09:203

A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH SPRINGBROOK SOFTWARE, INC. FOR THE PURCHASE OF DISASTER RECOVERY SERVICES.

Sponsors: Information Systems and Mayor's Office

Attachments: [Disaster Recovery Services Contract - City of Jonesboro 3](#)
[Disaster Recovery Services - Order Form - Jonesboro 4](#)

Mr. Harpole stated Mr. Woodruff was able to come up with this backup plan. He added the City wanted to have access to the information on the servers, especially to Springbrook due to all the financial information stored on Springbrook. He also added grant management project information will also be stored in Springbrook. He stated the data will be backed up at 3 different sites across the country and will also be backed up at Springbrook. He noted in case of a disaster, the City will be able to connect to the Springbrook server using a WIFI connection and the cost for the files to be backed up will be \$466 a month.

Mayor Perrin stated the Disaster Recovery Plan is a part of the Business Continuity Plan. He added this is just simply backing up the technology part, which has always been an exception in the audits.

Discussion was held concerning the financial data for sidewalks. City Engineer Craig Light stated the City has \$250,000 in the 2010 budget for sidewalks.

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: 3 - Jim Hargis; Darrel Dover and Mikel Fears

Absent: 1 - John Street

RES-09:202 A RESOLUTION TO ADOPT A BUSINESS CONTINUITY PLAN

Sponsors: Finance and Mayor's Office

Mayor Perrin explained he does not sign anything unless Mr. Crego has reviewed and approved it. He stated the Disaster Recovery and Business Continuity Plans will be followed by the City. He added the plan did not have to go before Council, but he wanted it to because they appropriate the funds, which could be up to \$36,000 for this plan. He stated a copy of the plan was sent to the legislative auditors and they liked it. He added this resolution is just for the policy and DD&F will be here December 15, 2009, to train all City employees on the Disaster Recovery Plan.

Mr. Woodruff noted the cost to backup the servers will be \$5,800 per year.

Councilman Hargis stated the contract says the City will be charged \$4,800 a week in case of a disaster. Mayor Perrin stated the City is receiving just the backup of the system and he will get Councilman Hargis an answer to the question.

Chairwoman William explained this plan does not need to go to Council, but Mr. Crego suggested it would not hurt to adopt the plan by legislation. Councilman Hargis stated the City should understand the plan before adopting it.

Mr. Harpole explained DD&F is a written document that requires no licensing fee and the plan is specific for each City building, which shows how to evacuate the building and who is in charge of each department. He stated the City will update the plan on a yearly basis and test certain modules on a quarterly basis once they figure out how the plan works. He added due to the subsequent write ups in the audits, the City wanted to adopt this plan to show a true by-end on the City's behalf. He noted this

will force the City to bring any updates or changes to Council to be adopted, which will involve the Council every time a change is made.

Chairwoman Williams asked if the plan delineates the responsibilities for the department heads. Mr. Harpole answered yes and it shows the 3 levels of who is responsible in case something happens to the other person in charge.

Mayor Perrin stated DD&F meet with every department concerning how things are handled in their department. He noted the Council is welcome to attend the training on the plan.

Mr. Harpole explained a DD&F representative will provide training during the day and then give a presentation to Council on December 15.

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

Aye: 3 - Jim Hargis; Darrel Dover and Mikel Fears

Absent: 1 - John Street

RES-09:200

A RESOLUTION TO AMEND THE NON-UNIFORM PENSION PLAN TO COMPLY WITH THE PENSION PROTECTION ACT OF 2006

Sponsors: Finance and Mayor's Office

Attachments: [12082009 Pension Plan Amendments](#)

Assistant Finance Director Jim Eagan explained the Worker, Retiree and Employer Recovery Act of 2008 amended several provisions of the protection act. He added in order for the City to keep the Non-Uniform Defined Benefit Plan in compliance this resolution needs to be passed because the technical corrections have to be in compliance.

Councilman Hargis asked if this has anything to do with the transfer of funds or the purchase of annuities. Mr. Eagan answered this has nothing to do with any of those. He added this resolution is just amending our pension plan document, which will be carried forward to Stephens's Inc.

Mr. Eagan explained the City did their due diligence by interviewing Stephens, Inc. after reviewing the contract. He added he had some concerns after reviewing the contract, which were addressed. He noted the Mayor has reviewed and signed the contract.

Councilman Hargis questioned if the funds have been transferred to Stephens, Inc. Mr. Eagan answered no, because the contract had to be reviewed and signed. He added he received the contract from the Mayor yesterday, which has been forwarded to Stephens, Inc.

Councilman Hargis asked how long the transfer of funds will take. Mr. Eagan answered the goal is to transfer them all by the end of the year and have them under Stephens' oversight.

Councilman Hargis inquired if Stephens, Inc. has a full accounting report showing the value of the account. Mr. Eagan answered yes. Mayor Perrin stated as soon as Stephens, Inc. has executed the contract they will immediately notify Principal Group

and then they will start the transfer of the assets. He added Stephens, Inc. will book the assets and he hopes to have Stephens, Inc. make a presentation to full Council by the end of January.

Councilman Hargis asked if it has been over 30 days since the City received a report showing the status of their account. Mr. Eagan answered a copy of the report is in the handout.

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: 3 - Jim Hargis;Darrel Dover and Mikel Fears

Absent: 1 - John Street

Internal and External Audits

Chairwoman Williams explained Freeman and Company has completed the external audit of the grants. She added the privilege license audit has been done and the legislative auditors have held the pre-exit interview.

Mayor Perrin stated he sent Legislative Audit information requesting Chairwoman Williams be allowed to attend the exit interview and hopes to know something by the end of the month.

Finance Director Jim Barksdale commended the Collections Department for their work on the privilege license audit. He added an additional \$6,500 is being brought in due to the audit.

Mayor Perrin stated the Collections Department found some businesses that don't have a privilege license and the amount collected from those businesses was \$7,800. He noted there will be additional audits done throughout the year and the Finance Committee will be provided a report on those audits, which will include the ABC, Privilege License and A&P audits.

ORD-09:108

AN ORDINANCE TO APPROPRIATE MONIES RELATED TO THE CANCELLATION OF THE HIGHWAY 463 & 351 SIGNALIZATION PROJECT

Sponsors: Finance and Mayor's Office

Attachments: [11242009 Letter from AHTD](#)

Mayor Perrin explained he received a letter from the Arkansas State Highway Transportation Department concerning the \$20,000 owed to them. He added the Council previously voted not to put a traffic signal at the intersection of Highway 351 and Highway 463. He stated the City has taken care of the federal portion, but the City still owes the State of Arkansas \$20,000 for the engineering work the State provided for the intersection.

He noted he is trying to get everything paid in 2009 so the City can start 2010 on a clean slate.

A motion was made by Councilman Mikel Fears, seconded by Councilman Jim Hargis, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 3 - Jim Hargis;Darrel Dover and Mikel Fears

Absent: 1 - John Street

ORD-09:111 AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2009 BUDGET APPROPRIATING ADDITIONAL MONEY TO JETS IN LIEU OF REIMBURSEMENT BY JETS TO THE GENERAL FUND AND FOR OTHER PURPOSES.

Sponsors: Finance and Mayor's Office

Attachments: [Nov-09 Analysis of Actual JETS Cost](#)

Mayor Perrin stated JETS is unable to pay the \$100,000 loan back to the City. He added they will need a forbearance for the loan.

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

Aye: 3 - Jim Hargis;Darrel Dover and Mikel Fears

Absent: 1 - John Street

ORD-09:110 AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2009 BUDGET APPROPRIATING ADDITIONAL MONEY TO JETS FOR REIMBURSEMENT OF GRANT MONEY TO THE U.S. DEPARTMENT OF TRANSPORTATION AND FOR OTHER PURPOSES

Sponsors: Finance

Attachments: [2008 Grants Audit - FINAL DRAFT](#)

Mayor Perrin explained JETS did not have documentation to support the drawdowns in the 2007 or 2008 Federal Grants audit so the City is required to reimburse the Department of Transportation. He added one drawdown was in the amount of \$155,000 and another drawdown was in the amount of \$9,000 for a total of \$164,000, in which the City is required to payback. He noted the City will have to notify the Department of Transportation they are sending a check.

He stated he has shown the Council what the City has contributed to JETS either in cash or an in-kind since the conception of JETS. He added the \$130,000 the City gives JETS a year is closer to \$300,000 to \$360,000 a year. He noted JETS Director Steve Ewart is looking at reducing some routes and several other things.

Councilman Fears explained he attended the Chamber of Commerce meeting and during the meeting it was brought up that the City and Chamber of Commerce could start looking at ways to help JETS with different business.

Mayor Perrin noted he has spoke with the Transportation Committee.

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

Aye: 3 - Jim Hargis;Darrel Dover and Mikel Fears

Absent: 1 - John Street

4. Pending Items

5. Other Business

Request to address the Finance Committee regarding the 2010 budget for the Retired Firefighters Actuary and an across the board increase

Mr. Dan Melton, Chairman of the Retired Firefighters Association, explained they would like the City to increase the retired firefighters pension across the board \$150.00 per month for each retired firefighter or surviving spouse.

Mayor Perrin stated the City will take that into consideration. He added the City will need to get the Actuary Survey Plan from LOPFI and if the money is available then it will need to be brought back to the Finance Committee.

Chairwoman Williams stated it was 2 years ago the Finance Committee took action and raised the amount \$150.00 a month.

Mr. Barksdale stated since he is familiar with this he will contact LOPFI.

Mayor Perrin stated he believes the Actuary Survey Plan is done every year.

6. Public Comments

Discussion concerning concerning walk-ons by Mr. Harold Carter

Mr. Harold Carter explained he has a problem with the public not being notified of the extra items being walked on during meetings. He added there is no way someone can understand what is going on when business is being conducted the way it has been.

He asked if he could have a copy of the salary survey. Mayor Perrin answered yes.

He noted he was concerned about the compliance officer position and he sees no problem with the position. He added the meetings are useless to the public when the public is not properly notified.

He requested the items be put in Legistar before a meeting.

Special called City Council meeting

Councilman Dover asked if the intent of the special called City Council on Thursday, December 10, 2009, at 3:00 p.m. is to pass the 2010 Budget. Mayor Perrin answered it is a working session and a PowerPoint presentation will be given concerning the 2010 budget. He noted he hopes to pass the budget on December 15, 2009, which will be put in Legistar and on the agenda.

Councilman Dover asked if the salary survey plan will need to be discussed at the special called City Council due to it being connected to the budget. Mayor Perrin answered he does not believe he will be able to have the Johanson Group at that meeting. He added the City can make an addendum to the 2010 budget if needed, but the City has until February to pass the budget.

7. Adjournment

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

Aye: 3 - Jim Hargis; Darrel Dover and Mikel Fears

Absent: 1 - John Street