



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Tuesday, August 9, 2011

4:00 PM

2212 Brazos, Fire Station #3

NOTE: This meeting will be held in Fire Station #3 located at 2212 Brazos Street.

1. Call To Order

Mayor Perrin was also in attendance.

Present 5 - Ann Williams; John Street; Darrel Dover; Mikel Fears and Charles Coleman

2. Approval of minutes

MIN-11:063 Minutes for the special called Finance Committee meeting on August 2, 2011.

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 4 - John Street; Darrel Dover; Mikel Fears and Charles Coleman

MIN-11:065 Minutes for the Finance Committee meeting on July 26, 2011

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 4 - John Street; Darrel Dover; Mikel Fears and Charles Coleman

3. New Business

Ordinances To Be Introduced

ORD-11:060 ORDINANCE AUTHORIZING A MEMBER OF THE JONESBORO CITY COUNCIL TO DO BUSINESS WITH THE CITY OF JONESBORO, ARKANSAS AND DECLARING AN EMERGENCY

Sponsors: Finance and Mayor's Office

Chairwoman Williams explained this ordinance was prompted by the auditors during the audit process and is regarding the Mayor's position on the Delta Dental Board of

Directors.

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

Aye: 4 - John Street;Darrel Dover;Mikel Fears and Charles Coleman

ORD-11:061

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF FIBER OPTIC LINES TO CITY TOWER FOR THE FIRE DEPARTMENT.

Sponsors: Finance, E911, Fire Department and Information Systems

Attachments: [Fiber quote Tall Birch](#)
[Ritter Tall Birch T1 charges 07-25-2011](#)

Councilman Fears expressed concern over the ordinance being added to the agenda with only 20 hours notice without checking with all of the other companies and getting prices. He questioned what the monthly fee is associated with this purchase. Information Systems Director Erick Woodruff explained the City currently has three T1 lines at the tower at \$600 a month, but the monthly price for this service would be \$350. Councilman Coleman then questioned how long it would take Suddenlink to get information together to compare prices with Ritter. Councilman Fears answered three or four days. He stated he doesn't know if Suddenlink or AT&T would be cheaper than Ritter or if they would even bid on the project. He explained his concern was not giving other companies the chance to bid. Councilman Coleman then questioned why the ordinance can't wait two weeks in order to get bids from other companies. E-911 Director Jeff Presley explained the current lines are failing the public safety officers in that they have experienced outages with the T1 lines, which affects the City's ability to respond to emergencies. Councilman Coleman stated the City has to be able to respond to incidents, but better care needs to be exercised in the future regarding waiving bidding.

City Clerk Donna Jackson noted there have been questions raised as to whether this is a new contract or a change order to the existing contract. She added City Attorney Phillip Crego would need to answer that question. Mr. Woodruff explained the City will be upgrading service from what is covered in the current Ritter contract and that the fiber optic lines will be used for the next ten years. Councilman Coleman stated he would like to see items that concern money be more itemized so the committee members have a better understanding of what the Council will be approving.

Further discussion was held concerning the fiber optic lines.

A motion was made by Councilman Charles Coleman, seconded by Councilman John Street, that this matter be Recommended to Council contingent upon receiving an opinion from the City Attorney as to whether this is a new contract or change order. The motion PASSED by a unanimous vote.

Aye: 3 - John Street;Darrel Dover and Charles Coleman

Nay: 1 - Mikel Fears

4. Pending Items

Discussion concerning non-uniform pension plan

Mayor Perrin stated RFPs were sent out, with seven responses, for investment advisors. He, along with Mr. Mike Burroughs, Chief Financial Officer Ben Barylske and Human Resources Director Gloria Roark reviewed the information received from the RFP and came up with two companies. They recommended bringing in the companies in to answer more questions from the committee and the employees. He stated two major factors concerning the pension plan will be return on investment and how they work with the City.

Mr. Barylske stated they can discuss all of the seven companies that responded to the bids, but the two companies they chose are by far the best of the seven. They recommended the combination of Stephens and Hartford or First Security Bank and Intrust. Employee Representative Committee Chair Larry Jackson questioned which plan would be cheapest for the employees. Mr. Barylske explained that would depend on basis points and the returns, combined with how much is being contributed towards the plans. Mr. Jackson asked which plan is best for the employees. Mr. Barylske stated the employees and committee would need to decide that. Mayor Perrin stated they have limited the options down to two and would like the committee's input as to which to go with. He explained the defined contribution plan will allow the City to contribute a percentage of pay towards the employee's pension, but with the additional benefit of employees being able to contribute. He added the plan will also allow employee to pick their investments if they choose. Discussion was held concerning the defined contribution plan. Mr. Barylske noted it is too early in the year to say how much the City will be contributing towards the plan; rather, that will be one of the last decisions made.

Discussion was then held regarding the economy. Mayor Perrin noted economists are saying it will be 2018 before the economy is back to normal. He explained due to the state of the economy they are trying to be selective with the investments. Mr. Jackson questioned if the City will save money due to Stephens having actuaries to perform the actuarial study. Mr. Barylske answered no because the City already has a good actuary and will not be using the actuary with Stephens. Mr. Jackson noted Stephens has a local office and is bigger. Mr. Barylske stated they would like to wait to have that type of conversation until after everyone has a chance to discuss the plan with the companies. He added both companies are good and have smart people. Mr. Jackson expressed interest in going with a company, like Stephens, that has a local office so the employees have someone they can speak with if needed. Mr. Barylske explained both companies have indicated they will answer all the questions the employees ask to ensure the employees are educated about their plan. Further discussion was held regarding investing money.

Mayor Perrin suggested having the next Finance meeting at 3 p.m. in order to meet with one of the companies. Mr. Barylske suggested meeting with the other company the next day. Mr. Jackson explained the Employee Representative Committee will meet on Thursday to discuss any questions the employees may have regarding the plan in order to prepare for meeting with the companies.

Mr. Jackson asked for a brief explanation as to how the contribution plan will work. Mr. Barylske stated at this time they cannot say what percentage of pay the City will be contributing. Ms. Roark added the employees will also be able to put money into a 457 account, which will go towards their retirement. Mr. Jackson then questioned what will happen with the employees who have worked for the City less than five years and are not yet vested with the Principal retirement plan. Mr. Barylske answered those employees won't lose anything and will still have those years of service. Ms. Roark stated the employees will not lose their years of service and they will be sure to write that into the contract with whichever company is chosen. Mayor Perrin added the employees will get summaries that show how much was put into

their plans and how much is in there now, which will allow the employees to change their plans if they choose to. He then thanked Ms. Roark, Mr. Barylske and Mr. Burroughs for their hard work sorting through the RFPs.

Mr. Jackson questioned what happens if an employee chooses not to contribute. Chairwoman Williams answered each employee will have the option to opt out of the plan if they want. Mr. Jackson explained he has heard concerns from employees about contributing to their pension whenever there have been no raises in two years and their whole paychecks are being used. Mayor Perrin stated it has not been decided as to whether the contribution will be mandatory or voluntary. Discussion was then held regarding the 2012 budget.

Chairwoman Williams announced the Finance meeting on August 23 will be at the fire station on Brazos. She added Mr. Jackson will be forwarding questions from the employees to the Finance Department so the companies will get the questions ahead of time.

5. Other Business

6. Public Comments

7. Adjournment

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

Aye: 4 - John Street;Darrel Dover;Mikel Fears and Charles Coleman