



# City of Jonesboro

900 West Monroe  
Jonesboro, AR 72401

## Meeting Minutes - Draft Finance & Administration Council Committee

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Tuesday, April 13, 2010

4:00 PM

Huntington Building

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### 1. Call To Order

*Mayor Perrin was also in attendance.*

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

### 2. Approval of minutes

**MIN-10:023** Minutes for the Finance Committee meeting on March 9, 2010.

Attachments: [Minutes](#)

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

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

**MIN-10:026** Minutes for the special called Finance Committee meeting on March 16, 2010.

Attachments: [Minutes](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman Jim Hargis, that this matter be Passed . The motion PASSED by a unanimous vote**

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

**MIN-10:031** Minutes for the special called Finance Committee meeting on March 4, 2010.

Attachments: [Minutes](#)

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

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

### 3. New Business

*Ordinances To Be Introduced*

**ORD-10:021** AN ORDINANCE TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

**Sponsors:** Engineering and Finance

*City Treasurer Jim Eagan explained this will replace the original half million dollar contractual obligation the City has with ADEQ. He further explained Liberty Bank has agreed to issue the letter of credit due to the amount of deposit the City has with Liberty. He stated it will be easier to have a letter of credit and would be less of an obligation to show on the City's books. He noted the letter of credit would be for \$22,000. Councilman Dover asked for clarification that the money is being held in case the City didn't fulfill an obligation. Mr. Eagan answered yes, it is for the post-closure cost for the landfill. He added the cost is estimated to be \$110,000 and the City is required to have to a financial bond of 20%.*

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

**ORD-10:022** AN ORDINANCE TO AMEND THE 2010 BUDGET TO REVISE DEPARTMENTAL BUDGETS FOR CITY COMMUNITY INITIATIVE AND DEPARTMENT OF COMMUNITY DEVELOPMENT

**Sponsors:** Community Development and Finance

**Attachments:** [Revised CDBG 2010 Expenses](#)  
[Revised CCI 2010 Expenses](#)

*Mayor Perrin explained this is something that was left out of the CDBG budget for 2010. He added the ordinance is just amending the budget to include this.*

**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

**ORD-10:024** AN ORDINANCE TO APPROPRIATE MONIES AND ESTABLISH A RESERVE FUND FOR ABATEMENTS

**Sponsors:** City Attorney's Office and Finance

*Mr. Eagan stated this ordinance is at the request of City Attorney Phillip Crego. He explained due to the numerous abatements they are wanting to earmark the funds made from those abatements so the money is used to perform future abatements.*

**A motion was made by Councilman Mikel Fears, seconded by Councilman John Street, 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

*Resolutions To Be Introduced*

**RES-10:039** A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO CONTRACT WITH LITTLE & ASSOCIATES ARCHITECTS FOR A FEASIBILITY STUDY,

PROGRAMMING AND SPACE PLANNING FOR THE CITY FACILITIES AT 314 &  
316 WEST WASHINGTON

**Sponsors:** Mayor's Office

**Attachments:** [Little & Assoc. Proposal](#)  
[Original building plans](#)

Mayor Perrin stated they are working on centralizing City departments. He explained some existing city-owned property could be used. He further explained they are going to look at the building to see if it is structurally sound. Councilman Vance discussed the project and what they are proposing for the building. He stated they are looking at moving the departments currently in the Huntington Building to the old fire station, which would include Engineering, Planning, Inspections and Code Enforcement. He also stated they would like to put Council Chambers in that building as well as having common conference rooms. He noted if the building is not feasible to use, then they need to work towards tearing the building down. Councilman Dover questioned the flooding problem in that area. Councilman Vance stated they would raise the floor level in the building, which would solve the flooding problem. Councilman Hargis questioned whether the Council Chambers would be big enough to hold the public. Councilman Vance answered the Chambers would not be as big as what they have now, but it would be bigger than when they used the court room in the past. He further stated they after seating is properly installed, then the Chambers would be close to what the Council has now. He noted they are looking at stripping the building and put in all new heating/cooling systems. He added the basic structure is the only thing that would be re-utilized. Councilman Fears questioned the parking in that area. Councilman Vance answered there would be plenty of parking. He noted some of the parking will be across the street, but long-term they are looking at changing the way the Police Departments operates and not having all the police vehicles parked in that area. Councilman Hargis then questioned whether the architect will also look at the way the City uses the Huntington Building in case improvements can be made and compare those results to the feasibility of re-utilizing the old fire station. Councilman Vance stated he doesn't think the administration or the majority of the Council members want to continue functioning in the Huntington Building. He added City services need to be centralized in one building or create a campus with a centralized location in order to make the City more customer-friendly. He explained the resolution is for \$13,310, but only \$1,500 is going to be used to look at the feasibility of the building. He continued if it is not feasible to use the building, then the rest of the money will not be spent. Councilman Hargis asked what the rest of the money is going to be used for. Councilman Vance answered the remainder will be used to look at adding functions to the building that would enable the departments to function there. He noted they did use proper state procedures in order to choose the architects. Further discussion was held concerning what the architects will do.

**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

**COM-10:041** 2009 PRB report by Freeman & Company

**Sponsors:** Finance

**Attachments:** [2009 PRB report by Freeman & Company](#)

Mr. Eagan stated the report is for the old police pension fund, which includes 37

officers. He explained the report shows a book value basis loss of \$505,000 for 2009, however, the investments increased on a market value basis.

This item was Read.

**COM-10:040** 2010 February Financial Results Executive Summary

**Sponsors:** Finance

**Attachments:** [2010 February financial results](#)

This item was Read.

#### **4. Pending Items**

#### **5. Other Business**

Mr. Eagan stated they have discussed how to present information in a more timely manner. He explained they want to provide more accurate information on a cash basis, which is what they're looking to provide the committee at the Finance Committee meeting in two weeks. He further explained that will give a more accurate view of where the City stands on required reserves.

**COM-10:039** Financial reports for review

**Sponsors:** Finance

**Attachments:** [Statement of Receipts, Disbursements & Changes thru March 31, 2010](#)  
[Tax Collections 1/31/09-1/31/10](#)  
[Lottery Sales in Arkansas](#)  
[022010 February Period Revenue Analysis](#)  
[022010 February YTD Revenue Analysis](#)  
[2010 Franchise Fees Report](#)  
[022010 February 2010 YTD O&M Expense Summary](#)  
[022010 Alcoholic Beverage Tax Report](#)  
[February 2010 Period Expense](#)  
[022010 February Daily Cash Balances](#)  
[February Fixed Asset Report](#)  
[022010 Deposit Collateralization Report](#)  
[022010 February Review of Interest Earnings](#)  
[022010 Non-Uniform Pension Funds - Changes in Position](#)  
[022010 Police Pension Funds - Changes in Position](#)  
[2010 Motel Tax Spreadsheet](#)  
[March 2010 City Sales Tax Report](#)  
[March 2010 County Sales Tax Report](#)  
[March 2010 Combined Sales Tax Report](#)  
[2010 Personnel Costs Review](#)  
[2010 State Turnback](#)

Councilman Hargis noted the Statement of Receipts report has a March 31 date. He

*questioned whether the report is year-to-date thru March 31. Mr. Eagan answered yes. Discussion was held concerning the report. Mayor Perrin noted thru March 31, receipts minus disbursements show a negative amount of \$692,832. He stated disbursements are being handled, but they cannot control receipts which is based primarily on sales tax. Discussion was then held regarding the tax collections review report that shows collections from January 21, 2009, thru January 31, 2010. Mayor Perrin noted rebates were higher January, 2010, as compared to January, 2009. But, he added, net tax collections are down from January, 2009, but almost \$400,000. He stated he doesn't see the tax collections increasing any time soon. He further stated he is going to be adjusting the 2010 budget to decrease the sales tax revenue projections because they are lower than expected. Mayor Perrin stated they need to look for additional ways to find revenue, but there will also be further reductions.*

*Mayor Perrin noted all the bank accounts are collateralized in all the banks and a report showing bank account balances is in Legistar. He also stated they've noticed some of the banks have higher interest rates than others. He explained tomorrow they will be contacting the banks with the lower rates to see if they will raise their rates or else they will be moving the money around.*

*Further discussion was held concerning the tax collections review report. Mayor Perrin stated 57.2% of the City's revenue is tied to sales tax. He noted the department heads have been working with him to cut expenses, but the City needs to address the problem with declining sales tax.*

**This item was Read.**

Discussion concerning Principal Group and the non-uniform pension plan

*Mr. Eagan stated they are currently working with Foster & Foster to get some legal information from two cities in Florida. He explained Principal indicated there is no record of any city requesting to be relieved or filed a lawsuit, but they are working on gathering information. He added they are working with City Attorney Crego to gather the information. Councilman Hargis questioned why Principal won't release the City's funds. Councilman Dover stated it is probably due to the City's contract with Principal. He then questioned how the City is doing on the payments. Mr. Eagan answered they have not released the funds, but are recording that as a payable on the books each month.*

**6. Public Comments**

**7. Adjournment**