



# City of Jonesboro

900 West Monroe  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Thursday, January 22, 2009

4:00 PM

Huntington Building

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### 1. Call To Order

*Mayor Perrin was also in attendance.*

**Present** 4 - Darrel Dover; John Street; Ann Williams and Jim Hargis

### 2. Approval of minutes

**MIN-08:246** Minutes for the Finance Committee meeting on December 18, 2008.

**Attachments:** [Minutes](#)

**A motion was made by Councilman Jim Hargis, seconded by Councilman Darrel Dover, that this Minutes be Passed. The motion CARRIED by the following vote:**

**Aye:** 3 - Darrel Dover; John Street and Jim Hargis

**MIN-09:005** Minutes for the special called Finance Committee meeting on January 12, 2009.

**Attachments:** [Minutes](#)

**A motion was made by Councilman Jim Hargis, seconded by Councilman Darrel Dover, that this Minutes be Passed. The motion CARRIED by the following vote:**

**Aye:** 3 - Darrel Dover; John Street and Jim Hargis

### 3. New Business

*Resolutions To Be Introduced*

**RES-09:005** A RESOLUTION TO ENTER INTO CONTRACT WITH HARRY HARDWICK FOR ACQUISITION OF PROPERTY RIGHTS AND RIGHT OF WAYS FOR STREET IMPROVEMENTS AND CONSTRUCTION

**Sponsors:** Engineering

**Attachments:** [harry 2](#)

*City Engineer Craig Light explained Mr. Harry Hardwick's contract expired on December 31, 2008. He added the contract renewal is for 1 year with the same terms as the previous two contracts.*

A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this matter be Recommended to Council . The motion PASSED by the following vote:

Aye: 3 - Darrel Dover; John Street and Jim Hargis

**4. Pending Items**

**5. Other Business**

COM-09:003 Disaster Recovery Plan Bid

**Sponsors:** Mayor's Office

**Attachments:** [Disaster Recovery Plan Bid](#)

*Mayor Harold Perrin explained this item has been classified as a deficiency in previous audit findings.*

*Mayor Perrin stated some of the cities they contacted, such as Conway, do not have disaster recovery plan, yet Jonesboro keeps getting written up in audits for not having a plan. He asked for authorization to take bids. Discussion was held concerning the plan. Mayor Perrin noted some of the responsibilities can be handled by the City.*

*Councilman John Street motioned, seconded by Councilman Darrel Dover, that Request for Proposals for the Disaster Recovery Plan be taken. All aye.*

**This item was Read.**

Discussion concerning financial findings of JETS

*JETS Director Steve Ewart explained there are certain things they were not charged for in previous years such as insurance for fleets and workman's comp. He added certain items are being charged out now, which will require JETS to pay out an additional \$60,000 to \$70,000 next year. He stated JETS has received the money from the City for this year but the additional \$60,000 to \$70,000 expenses will reduce the effectiveness of the City's contribution. He added there are no emergency items that need to be addressed as of now.*

*Councilman Darrel Dover questioned how the City would adjust for the fund accounting charged to JETS. Finance Director Jim Barksdale answered they would do a proposed amendment to the budget and the Council would vote on that item. Councilman John Street questioned if the funds are used to receive federal matching funds. Mr. Ewart answered yes. Councilman Dover requested Mr. Barksdale provide more information at the next meeting concerning how switching to fund accounting will affect the \$130,000 and what the JETS shortfall will be.*

*Discussion was held concerning draw down of the FTA lease reimbursement account and subleasing space to other City departments.*

*Mr. Barksdale stated they are currently required to do accounting on just the cash basis. He added the City would be losing out on additional revenues if the City costed items out.*

*Further discussion was held concerning the JETS lease. Mr. Ewart stated they would*

*put together a report regarding the lease for the Committee.*

**COM-09:004**      REQUIRED RESERVES FOR 2009

**Attachments:**      [2009 required reserves sheet](#)

*Mr. Barksdale explained the City has an ordinance that states the City shall have at least 30% of the annual expenditures for the O&M funds and 15% in other funds in reserves. He added the total amount to be held in reserves should be \$13,893,835.*

*Councilman Hargis questioned if the amount in reserves is required. Mr. Barksdale answered the amount in the reserves is the minimum required by the City for emergencies. He added the total in reserves is \$32 million and the amount will fluctuate daily with the balance.*

*Chairwoman Ann Williams questioned if the City requires a higher amount to be in the reserves than the State requires. Mayor Perrin answered yes. He added the City currently has capital improvement projects that cost approximately \$10 million. He also added the high priority projects cost approximately \$2.4 million and completing those projects will depend on the amount of revenue brought in by the City.*

*Mayor Perrin stated due to the state of the economy the City needs be conservative until the economy levels out. Councilman Dover asked if the City needs to slow down on the projects. Mayor Perrin asked yes, but there are a few projects such as the fire stations that need to be completed.*

**This item was Read.**

**COM-09:005**      SCHEDULE OF INTEREST EARNED FROM JANUARY 2008 THROUGH  
DECEMBER 2008

**Attachments:**      [Schedule of Interest earned](#)

*Mr. Barksdale explained the City brought in approximately \$1,247,408 in interest earned income for 2008. He added the interest rate the City is receiving on its accounts for 2009 is 1.26%, down from 4.1% in 2008.*

*Mayor Perrin stated the City will lose approximately \$800,000 in interest income due to the interest rate drop*

**This item was Read.**

**COM-09:006**      FINANCE DEPARTMENT GOALS FOR 2009

**Attachments:**      [Goals for the Finance Department](#)

*Mr. Barksdale discussed the goals he would like the Finance Department to achieve in 2009. He noted they are meeting with Thompson & Associates, a CPA firm from Tennessee, on the chart of accounts.*

*Mr. Barksdale stated they have closed out the 2006 and 2007 books. He added they will release the standard classification definitions for expenditures in the next few weeks.*

*Councilman Hargis suggested letting the Council know what the reserves, incomes and expenses are by department every month. Mayor Perrin stated the Council will*

*receive the information on what has been spent and budgeted when Springbrook is corrected.*

*Discussion was held concerning the building of fire stations.*

*Mayor Perrin explained the building for the Street and Sanitation Departments is going slower due to reviewing the cost and size of the building. He added he has instructed the architects not to draw the building plans until the City can find the proper location to build the facility. He also added once the water, sewer and elevation is included then the plans will move quickly.*

*He noted they are also compiling a book of City owned property and he will hand out copies to Council members once they are completed.*

**This item was Read.**

Discussion concerning the Defined Benefit Plan

*Councilman Dover asked for an update on the Defined Benefit Pension plan. Mr. Barksdale explained the City paid their contribution of \$604,000, but the City had already paid \$14,000. He added a representative from Principal Financial Group stated the City could submit the payment early and it would be applied to the balance. Mr. Barksdale added it should not be an issue unless the stock market tumbles again. Mayor Perrin stated Principal Financial Group should be emailing the Council members monthly concerning the account.*

**COM-09:007**      BANK RECONCILIATION SUMMARY FOR DECEMBER, 2008

**Attachments:**      [Bank Reconciliation Summary for December, 2008](#)

**This item was Read.**

**COM-09:008**      CASH STATEMENT REPORT FOR DECEMBER, 2008

**Attachments:**      [Cash Statement report for December, 2008](#)

**This item was Read.**

**6.      Public Comments**

**7.      Adjournment**

**A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this meeting be Adjourned. The motion CARRIED by the following vote:**

**Aye:**    3 -    Darrel Dover; John Street and Jim Hargis