



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, June 22, 2010

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Present 3 - Ann Williams; John Street and Darrel Dover

Absent 2 - Jim Hargis and Mikel Fears

2. Approval of minutes

MIN-10:056

Minutes for the Finance Committee meeting on June 8, 2010.

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

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Jim Hargis and Mikel Fears

3. New Business

Ordinances To Be Introduced

ORD-10:051

AN ORDINANCE TO AMEND ORDINANCE NUMBER O-EN-026-2010 (FILE NUMBER ORD-10:041) FOR THE PURPOSE OF CHANGING THE ACCOUNT NUMBER AND THE IDENTIFICATION OF FUND AND FOR THE ADOPTION OF THE EMERGENCY CLAUSE

Sponsors: Information Systems

Mayor Perrin explained similar ordinances have already been passed by Council, but they needed to be amended to change which account the purchases are charged to. He discussed the job training projects and noted some of the money will be given to ASU. He added the City has already spent approximately \$42,000 of the grant money.

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

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Jim Hargis and Mikel Fears

ORD-10:052

AN ORDINANCE TO AMEND ORDINANCE NUMBER O-EN-027-2010 (FILE NUMBER ORD-10:042) FOR THE PURPOSE OF CHANGING THE ACCOUNT NUMBER AND THE IDENTIFICATION OF FUND AND FOR THE ADOPTION OF THE EMERGENCY CLAUSE

Sponsors: Information Systems

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

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Jim Hargis and Mikel Fears

ORD-10:053

AN ORDINANCE TO AN ORDINANCE TO AMEND ORDINANCE NUMBER O-EN-028-2010 (FILE NUMBER ORD-10:043) FOR THE PURPOSE OF CHANGING THE ACCOUNT NUMBER AND THE IDENTIFICATION OF FUND AND FOR THE ADOPTION OF THE EMERGENCY CLAUSE

Sponsors: Information Systems

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

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Jim Hargis and Mikel Fears

Resolutions To Be Introduced

RES-10:072

A 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

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: 2 - John Street and Darrel Dover

Absent: 2 - Jim Hargis and Mikel Fears

4. Pending Items

5. Other Business

COM-10:063

Results of bidding for the Justice Complex ATM

Sponsors: Finance and Mayor's Office

City Treasurer Jim Eagan stated they received only one written response and that was from First Security Bank. He added Heritage Bank requested further information regarding the service. He explained in the end First Security Bank responded with a "no bid" which resulted in no responses from the banks to provide the ATM service. He further explained some banks were concerned with the cost of the armored car service, which would not make it feasible to add the service. He read the committee First Security's response. Further discussion was held regarding the lack of bids.

This item was Read.

COM-10:064

Report of the status of Non-Uniform Pension Plan transfer and meeting with plan retirees

Sponsors: Finance, Human Resources and Mayor's Office

Discussion was held regarding the recent meeting to discuss the switch to Stephens with the current retirees. Human Resources Director Gloria Roark stated eight people turned in waivers, which brings the total to 25 out of 44. Mayor Perrin stated there is one person who has indicated they are going to stay with Principal, but they are going to have to set a deadline for the remainder of the waivers. Further discussion was held concerning the retirement for that one retiree. Mayor Perrin stated City Attorney Phillip Crego is leaving soon for vacation, so he is hoping they will be able to get Mr. Crego to prepare a certified letter before he leaves asking Principal to start the transfer of funds. Councilman Dover questioned whether the City has any right to purchase annuities with another company in order to relieve Principal of any obligations. Mayor Perrin answered no, it is his understanding that the contract obligates the City to buy the annuity from Principal. Ms. Roark noted there is no guarantee that Principal will even give the City the pension money for the retirees who authorize the transfer. She added they are just following what other cities have done to transfer their funds, but there has been no commitment by Principal that they will give the City the money. Councilman Dover then stated that realistically this could be in litigation for a while. Mayor Perrin agreed, but he doesn't think it will get to that point. Councilman Street asked what concerns have been expressed by those who have indicated they will not sign the waiver. Ms. Roark stated the one person she talked to have some concerns about going a month or two without receiving a check. Councilman Street then questioned whether anyone would go without a check. Mayor Perrin answered no.

Councilman Dover motioned, seconded by Councilman Street, to instruct the administration to meet with Mr. Crego and write a letter to Principal indicating the City's interest in changing plans and that the City will soon forward to Principal a list of employees who wish to stay with Principal. All voted aye.

This item was Read.

COM-10:065

Financial reports as given to the Finance Committee by City Treasurer Jim Eagan at the meeting on June 22, 2010.

Mayor Perrin stated the City is in extremely good shape concerning the budget, even though the City is down about \$800,000 in revenues. He stated they are looking into why some of the revenues, such as franchise fees, are down. He discussed the General Fund and stated they are going to start putting less sales tax money into Sanitation, Parking and E-911 Funds and leave the money in the General Fund. He also noted the City will not be using all of the grant funding, so he will be meeting with Grants Coordinator Tony Thomas to figure out why the City is receiving money so slowly. He added he thinks the City will be under budget at the end of the year. Further discussion was held concerning the budget and grants.

This item was Read.

Attorney General opinion regarding the jail bill with Craighead County

Mayor Perrin explained they received the AG's opinion regarding payment of a portion of the bill out of the Capital Improvement Fund because a portion is spent on the facility itself. He further explained the Attorney General agreed that a portion of the bill could be paid with Capital Improvement monies.

Legislative Audit

Mayor Perrin stated they should be meeting soon regarding the legislative audit. He added he received authorization for Chairwoman Williams to be able to attend the exit interview. He explained they are doing some work with Public Works concerning real property fixed assets. He further explained the list from our general ledger was off, so they are working to correct it. He added whenever property is acquired the list will be changed.

Mayor Perrin then stated that earlier today they discovered, with the help of City Clerk Donna Jackson, that some of the contracts that had been recently passed by Council did not have performance bonds with them. He noted the performance bond forms were not even filled out. Ms. Jackson added once a contract is authorized by the Council, her and the Mayor sign the documents assuming everything is in order. She stated sometimes they find out that documents are missing or something has changed. Mayor Perrin explained he is going to look into whether the bids have to be redone if the Council authorizes a contract that does not have a performance bond with it. Discussion was held concerning bonds with the contracts.

Mr. Eagan referred to the previous comments about real estate and added they should make a defined set of guidelines concerning purchase of real estate. Mayor Perrin stated they are going through a title company now to purchase properties. Ms. Jackson noted her office is working on a real property book that will accompany the book prepared by the Engineering Department that will list what documents her office has and doesn't have.

Further discussion concerning financial reports, COM-10:065

Mr. Eagan discussed the Alcohol Tax report and stated because one club has such a high variance from last year they will be auditing that club soon. He also noted the May hotel/motel tax payments are in the mail now and if a check isn't received by the 25th they will contact the hotel/motel instead of the payments becoming delinquent. Discussion was then held regarding the non-uniform pension plan investment returns report.

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 a Voice Vote.

Aye: 2 - John Street and Darrel Dover

Absent: 2 - Jim Hargis and Mikel Fears