



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, May 29, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Present 5 - Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

Absent 1 - Charles Coleman

3. Approval of minutes

[MIN-18:049](#) Minutes for the Finance Committee meeting on May 8, 2018

Attachments: [Minutes](#)

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; David McClain and LJ Bryant

Absent: 1 - Charles Coleman

[MIN-18:050](#) Minutes for the Finance Committee Special Called Meeting on May 15, 2018

Attachments: [Minutes](#)

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; David McClain and LJ Bryant

Absent: 1 - Charles Coleman

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-18:041](#) AN ORDINANCE TO AMEND THE 2018 BUDGET FOR ADDITIONAL PROFESSIONAL SERVICES IN THE MAYOR'S OFFICE DEPARTMENT

Mayor Harold Perrin said excuse me. I'm sorry for running late. We only budgeted \$30,800 in our professional services. When Mr. Ed Tanner left as our Chief Operations Officer, Interim Chief Operations Officer Roy Ockert was being paid through our professional services and I kept paying him on that per hour. Of course, he went to forty hours per week and has been here now for about two months or so or more, and that was one of the reasons it went over in professional services. It's not over yet, but it will be as projected in the future. The second thing is legal services. We have depositions that we've covered and what we've paid for on those, which we've paid for them, but again that could also put us over. We think, right now, that the \$50,000 would carry us all the way through the end of the year.

Chairmember Joe Hafner said so, part of it would be Mr. Ockert's compensation, which should be under salaries. Mayor Perrin said it should be under salaries, O&M. O&M is now in professional services. That's what it's being paid out of. Chairmember Hafner said so our entire budget is not going up \$50,000. Mayor Perrin said the money is being transferred. That is correct.

Councilmember David McClain said so it's Mr. Ockert's compensation and legal fees. Mayor Perrin said it's under professional services and Mr. Ockert was under that, and even when I get a COO, I would still want to retain Mr. Ockert and he would just work a certain amount of hours per month. He has advised us on several things and he has done a good job. Councilmember McClain asked, do you want the \$50,000 to be a permit move? Mayor Perrin said no. We are just asking for it now, for this year, to increase it up there through the end of the year. It probably won't take all the \$50,000, but again, I just want to be safe because when we do get a COO, at some point in time, then that money will be going into that and, if I see there is any excess, then we won't be spending that anyway. That's what I am saying.

Councilmember McClain said we had on the agenda that it was an emergency. Do you feel like it's definitely needed? Chairmember Hafner asked, where does it say it's an emergency? I must have overlooked that. Councilmember McClain said on Legistar it had this was an emergency, unless I read it wrong. Chairmember Hafner said I printed this off this morning. Councilmember John Street said I did too and I don't see an emergency. Mayor Perrin said I don't have it on mine. Councilmember McClain said okay. I thought I read that on there. Mayor Perrin said there was not an emergency clause in there.

Chairmember Hafner said one more thing before we vote on this, Mayor Perrin, and we can talk about this outside of the meeting, there is one thing I would like more information on since I'm not sure what all is involved. Arkansas Municipal League has their legal department and we don't really utilize it. I would kind of like to sit down and see what they provide and then the current attorneys we use and see what the whole picture is there. Mayor Perrin said let me just tell you real quick and then we can go into depth later on. Okay? Chairmember Hafner said okay. Mayor Perrin said the Arkansas Public Entities Risk Management Association (APERMA) we have covers our cars, our buildings and legal services, and that's where we have Mr. Burt Newell and one other attorney, who is now a judge in Hot Springs, Arkansas. If we went with the Municipal League on legal services, we would be paying twice as much on legal services than we are now. It's all based on population. The last time I looked, which was last year or the year before, it would have been over \$75,000 on top of the \$300,000 or \$400,000 we are paying APERMA now. The other thing with the Municipal League, and they have great lawyers so don't get me wrong, but every case you have you pay so much up front. Every time you call them, they start a case. Then, of course, they represent you and so on. I know Councilmember Street and I have been

talking about this because they are sharp and they know what they are doing. That's all they handle is the Municipal League. Something we're going to be talking about at budget time is do we want to add that on there as an extra layer or not.

Councilmember Street said we've talked about this before because I'm a big proponent of the Municipal League. They live and breathe our stuff. How much outside of our APERMA attorneys are we spending? Mayor Perrin said normally it would be very little, but some years it would be more. It just depends on what year you're in, what cases come up and things of that nature. I asked APERMA if they could cut that out and they won't do it because it's a pooled account. So, every city that is with APERMA is covering the cars and we're the largest one, by the way, in the pool. So, if we every pull out of APERMA, it's going to put a dent in them pretty hard. Again, they have better coverage on some of the cars because with the Municipal League if the police wreck a car, we, basically, get it, salvage it and go get another one, but with the Municipal League, you don't do that. You have to go through the whole process. You have to meet with the board in Little Rock and then they determine how much they are going to give you. I'll give you an example of that real quick. Mountain Home had a fire in their sanitation shed. It burned up every truck they had in the shed. I was there that day on a committee meeting when the mayor was there trying to present his case on what he paid for the cars, the title, the years and all that. They didn't pay him enough to go buy one truck, much less the four to six he lost in the fire. So, that's something you just have to weigh out. Chairmember Hafner that's why I wanted to get more information.

Councilmember Street said on the vehicles, too, they wouldn't cover if you drove off in water and ruined the engine or something. They wouldn't cover hail damage. Mayor Perrin said we'll get into it later on. I would be glad to sit down with you because I've been looking at it the 10 years I've been here. Councilmember Street said we have had Mark Hayes, general counsel with the Municipal League, up here several times to talk to us. If there is a way to afford it, I would love to see it even if we had to have it as an additional policy to cover us. There may be a time it would be well worth the money to do it. Mayor Perrin said I'm sorry to give you so much detail. Chairmember Hafner said no. That's fine.

A motion was made by Councilperson John Street, seconded by Councilperson LJ Bryant, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

RESOLUTIONS TO BE INTRODUCED

[RES-18:081](#)

A RESOLUTION TO CONTRACT WITH FIRST NATIONAL BANK FOR SPONSORSHIP OF PAVILION NUMBER 1 AT JOE MACK CAMPBELL SPORTS COMPLEX

Attachments: [FIRST NATIONAL BANK AGREEMENT.pdf](#)

Mayor Harold Perrin said this is the pavilion at Joe Mack Campbell Park. It's the covered area where people go in to sit down and eat. We have two large ones there, and we have sold this one to First National Bank and I think Parks and Recreation Director Danny Kapales has the other one sold for the same thing, which is \$12,500.

A motion was made by Councilperson John Street, seconded by Councilperson

Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

[RES-18:084](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS ACTING ON BEHALF OF THE UNIVERSITY OF ARKANSAS COOPERATIVE EXTENSION SERVICE FOR THE INSTALLATION OF HYDRATION STATIONS THROUGHOUT CITY PARKS

Chairmember Joe Hafner said one point of clarification, and I don't know if this needs to be changed is that we are not buying water bottles. It will have water bottle filling stations. Director of Community Development Tiffny Calloway said the original order does come with 500 water bottles, 200 or 500. It's all in the agreement that's attached to the resolution, but it does come with some water bottles up front, but after those are equitably distributed, then we're not buying anymore. Chairmember Hafner said I wondered how they were doing water bottles out there. I saw in the paper where it talked about having water bottle filling stations set up.

Ms. Calloway said this is very similar to the bike racks we received from My Healthy Jonesboro. Mr. Tyler Brown has done a phenomenal job and there are a lot of people throughout the city who serve on this committee and have identified this as a need. There will be two at Craighead Forest Park, two at Joe Mack Campbell Park and one at Allen Park. They will be working with Engineering Director Craig Light on the installation process. Mr. Light will figure out the best locations to put the hydration stations. Two of them will actually include doggie pedestals. Chairmember Hafner said so we will still have some parks that don't have them. Right? Ms. Calloway said yes. Chairmember Hafner said hopefully we'll come up with a plan.

Mayor Harold Perrin said right. We're looking for grants now. This is through the University of Arkansas and it's kind of ironic how you have to go through U of A through the Department of Agriculture and all that, but, again, that's fine. To answer your question, yes, we are going to be looking for those. Ms. Calloway said if you all could walk this on to City Council then that would be great so Mayor Perrin and City Clerk Donna Jackson are able to sign this. Chairmember Hafner said it doesn't have to be walked on because our meeting is next week. Ms. Calloway asked, does this automatically goes to council? Okay. When you all have a special meeting, it throws me off. Chairmember Hafner said this isn't a special meeting. Ms. Jackson said this isn't a special meeting. Ms. Calloway said the special meeting before it. You threw me off schedule.

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

5. Pending Items

[RES-18:075](#)

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO APPROVE

CHANGE ORDER NO. 1 FOR THE JMCP SHOP BUILDING

Attachments: [Change Order #1](#)

Mayor Harold Perrin said the reason this is on pending items, if you all remember, is because we tabled it. I had met with Engineering Director Craig Light and he gave me some figures on two or three things, so I wanted to go back and get some clarity on it. On this issue, the contract was for \$1.1 million and even with this change of \$124,000, we're still only going to be at \$850,000. We'll still be under on this, but we're probably going to need to be under for the increase in some of the concession stands we're building at Joe Mack Campbell Park and at the Southside Softball Complex. We still have almost \$150,000 left in this project.

Chairmember Joe Hafner said so, it looks like it's \$6,600 for a temporary road and then the road, curb, gutters, sidewalks, etc. is \$117,519. Mayor Perrin asked Mr. Light to come up and explain this. Mayor Perrin said, but that is the road going in. That is correct. Mr. Light said when we originally bid this project out, we had a simple entrance driveway serving the concession stand building. Now that we have a complete concept plan for the new purchase of the 73 acres, the actual roadway is going to go right in front of the shop. So, we'd like to go ahead and get that roadway built so we're not building a temporary driveway that's going to be ripped out in the future.

Councilmember David McClain asked if this was leading into the area or coming off the main road. Mr. Light said this will come off City, Water and Light Drive, so it's inside the park. Councilmember McClain said okay. That's what I was wondering. Mr. Light said in the current contract, they were supposed to build just a simple driveway into the facility and it would just be a driveway. We're asking to change it to go ahead and build the roadway across the frontage of the new shop so that when we develop the rest of the park, we don't have to come back and tear that section out. We can do all the construction right in front of the shop building. Mayor Perrin said that's on the Lacy property. Now, they are going in through Joe Mack Campbell Park to get to work. Mr. Light said the original contract did not have curb and gutters. It was basically an asphalt driveway to serve the building. We want to change it into a full-fledged roadway that will serve that future park area.

Councilmember McClain asked if the city anticipated the price going up anymore. You said there was about \$150,000 left. Do you anticipate any more changes? Mayor Perrin said I think, for the two concession stands at Southside Softball Complex and at Joe Mack Campbell Park, we will probably burn up the balance we have in here and probably need more, but I don't know at this time how much more. Chairmember Hafner said but nothing else on this project. Councilmember McClain said that's what I'm asking on this project. Mayor Perrin said not on this project at all. I must have misunderstood you. I'm sorry. Councilmember McClain said that's what I was asking on this project.

Mr. Light said there is \$354,000 still remaining in the budget on this project and we'll take this \$124,000 out of it. Mayor Perrin said and that's where I was getting the \$250,000 or whatever we still have left over. We will not need any more on this project. Councilmember McClain said okay.

A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman

6. Other Business

Chairmember Joe Hafner said I guess the only thing I would like to mention real quick, and Mayor Harold Perrin brought this up at the last City Council meeting, with sales tax revenue being really close to down to budget, even though it did recover a little bit on the last report we got. I know there is going to be a lot of work done to make sure we are looking at each department and where we stand, and really being good stewards of the money we have coming in. It does not mean we won't invest where needed or where it makes it smart, but we have to make sure we're pinching pennies where we can.

Mayor Perrin said last month was good in the fact that it got us up as to budget, only \$14,000 under on budget, but as far as this year compared to last year, it's still at \$105,000 instead of \$165,000. So, I want to give it another month. Chief Financial Officer Bill Reznicek and I talked about that today in a meeting. We are going the right way on some of these. I had Mr. Reznicek pull a list that I was going to share with you all on Tuesday night with all the cities and where they are at in the top about 25,000 above in population. You're going to find that some cities are 6% up and some are 8% to 9% down. I still say that it goes back to the internet sales. That is absolutely killing us, and it's going to continue. It's not going to ease up at all. I will say this. We had one industry on that one month that hit us for about \$200,000 or more, about \$229,000 I believe, on their tax back. Well, that's good, because they created jobs five to seven years ago. The problem is, and I wish the legislation had said as you spend it per year. We got 2015, 2016, 2017 and 2018, all those years at one time. Councilmember John Street asked if that was Frito Lay. Mayor Perrin said yes, and you're gonna have more because, obviously, that's incentives and you're going to be able to do that with industry. I understand. It creates jobs and that's fine. We try to budget a little bit for tax back. So, what Mr. Reznicek and I talked about is that next year we need to pull our contracts with the Jonesboro Chamber of Commerce and Jonesboro Unlimited, or whoever has those contracts, to see which one of those has that within their contract on this cash back and then we'll go back and forward it and push it out. We'll just go ahead and budget a pretty good amount of money just to make sure we have it.

Mr. Reznicek said last month was slightly improved and we also had a rebate last month of \$49,000, so they claimed. Mayor Perrin said you never know. Chairmember Hafner said, with my background in corporate accounting, I just know we have to tie some revenues tight. Mayor Perrin said yes, we do. Chairmember Hafner said we have to be on top of it and plan accordingly.

Councilmember Ann Williams asked if there was any further plan as far as looking at impact fees. This has been brought up in the past. Mayor Perrin said we have not got any further than we had before on impact fees. We just wanted to make sure to see how this went or at least the first six months of this year. We have a lot of the cities on their impact fees and how they charge, and it's the way in which they charge. I wanted to wait and that will be August before we get the first six months. Once we get that, then I want to sit down with Mr. Reznicek. We do have that information, but we haven't discussed it anymore in detail until we see how this plays out on the sales tax, but that's a good question. I know that was brought up in an editorial not too long ago in the paper about impact fees.

Councilmember L.J. Bryant asked where the city was at with the franchise tax consultant. Mr. Reznicek said Ms. Deanna Hornbeck has been working about three days a week for most weeks. She was actually off quite a bit the last couple of weeks for vacation. What she has been primarily focusing on, of course, is the franchise

fees. She went through, researched, accumulated all of our agreements and made sure everybody was compliant. She didn't find any deviations on that except for one with Ritter Communications, where we are supposed to be provided the equivalent of a peg channel cost in the agreement. We're still working with Ritter on determining what the value of that is and how we're going to reconcile what would be owed us for the number of years that's prevailed in the agreement. So, we're still working through that one. The other thing I have had her working on is in the past the city was supposed to do audits on Alcoholic Beverage Control tax or hotel/motel tax, they really weren't done or done to the level that I would have expected. So, I did have her focus quite a bit on that this spring. We did uncover a few discrepancies. One business had not even paid or filed for ABC tax since they went into operation last year. They owe us roughly \$7,500 of arrears. She caught that. She also caught another one that failed to report properly. So, that's a couple examples of the money she found and the work on the ABC side. On the hotel side, everybody was in compliance, but they're now reporting on a different format where they're providing copies of their state returns, as well, which they should have been doing it in the past, but they weren't. In addition to finding some money, we've also fine-tuned the process and how we're doing that. My hope is that at the end of her service she can hand that off to the people in the Collections Department, and give them some kind of a format and have the people doing the remittances, the establishments and a pattern providing information timely and correctly. So, that's really been the focus of her work. She has benefited us in some other areas, as well. I can get into more detail if you want. I've also had her involved in the 5G ordinance drafting, where we're gonna need to come up with an ordinance to allow companies like AT&T and Verizon to come in and put the microcell small G cells in the city so they can provide 5G service to the city. She has been very valuable in this process because of her background working with Suddenlink. It's a business that she understands so, she has really provided a lot of service and value there. I also had her looking at all of our telephony and she has been working with Information Systems Director Jason Ratliff and we have uncovered what we think is probably some fairly decent savings on our phone bills and also on our internet service. We've had her working on those projects, as well. We started out strictly in the franchise area, but because of her background and expertise, it just made sense to kind of push her over into some of these areas and let her look, as well. So, I think at the end of the day, there is some fairly good fruit that this has yielded for us in dollars that we recovered on the audit side, as well as her consulting expertise in the areas that we can utilize that benefit going down the road.

Chairmember Hafner asked Mr. Reznicek if he could give an update on the audit of the equipment. Mr. Reznicek said we did an audit of the vehicles in the city. We did a 100% audit of all the vehicles. We took pictures of all the cars. We took pictures of the vehicle identification number (VIN), side shots of the cars and had people indicate the condition of the car. We gave them a coding system and now we have all this loaded into Springbook, our financial software. You can go in and pull up every vehicle belonging to the city. You can see a picture of the vehicle, a side shot, a picture of the VIN, the date of the last hands-on physical audit completed on that vehicle, as well as a description marker, whether it was in good, poor or excellent condition. It was a pretty extensive undertaking, but through it, we found a number of vehicles that were no longer in service, had been scrapped or were sitting on the parking lot, for example, at the police department, that we were able to take off our insurance policy. So, there's a benefit there, as well as having an accounting of all the vehicles, because, obviously, that's one of the major investments the city has in capital equipment. Councilmember L.J. Bryant asked if we had a better system going forward when we get a new vehicle or a vehicle goes out of service. Mr. Reznicek said yes. That's part of the process now when we get new equipment. We do that inventory, take the pictures and this gives us

the ability to easily identify when vehicles go out of service. We have hands-on inventory now, so we have a starting point, where before you were uncertain whether you had a good starting point. Today, going forward, we do have that. We have, what I would call, a pristine accounting of the vehicle inventory. Mayor Perrin said when you get ready to go to budget this year, it's going to be a whole lot easier. We can pull it up by department. So, when they request a certain number of vehicles and the condition they're in, we're going to be able to pull it up and look at it - the mileage, the year and the whole thing.

Chairmember Hafner said I know Springbrook is the accounting system, but was that list also used by the police department and fire department to make sure their lists were clean too, as far as ways to keep up with maintenance and stuff. Mr. Reznicek said that's a good idea. Mayor Perrin said it's a different list. Chairmember Hafner said I know it's a different list, but you don't want to have Springbook be right and the police maintenance program be off. Mayor Perrin said the police have a different software entirely on all of their inventory, as well as when it tells when to pull in for maintenance, etc. Chairmember Hafner said I just want to make sure that is up to date too based on this information. Mayor Perrin said that is up to date and also, we have one at the shop that if any of our cars go to the shop for oil change, etc., it's entered in there, too. Chairmember Hafner said I know they're different systems. I just want to make sure they're in sync. Mayor Perrin said the maintenance has been on there, but we just didn't take the full inventory. On what Mr. Reznicek is talking about is where the vehicle is actually at.

Councilmember David McClain said the inventory you're talking about is just on different department vehicles, not police, not fire. Mayor Perrin said every vehicle. Mr. Reznicek said every vehicle, everything that moves that's owned by the city, everything on wheels, trucks, sanitation, JETS buses, and everything. Councilmember McClain said okay. Mr. Reznicek said they could conceivably use the Springbook list now. They could pull that report and compare it to what they are showing on their maintenance software. Chairmember Hafner said that's one of the things I have harped on before. My background is making sure we have a good PM system and that we're not missing the different PMs on all this equipment. When you start missing PMs, that's when your equipment starts breaking down and costing you a lot more than if you just changed the oil.

Mayor Perrin said one thing I want to bring up is that we have been selling our police cars for about \$1,500 each, if I'm not mistaken, to cities in Craighead County, which was more than we have been getting on the auctions, which is \$1,200 to \$1,400. I'm probably going to be getting a letter from Black River Technical College (BRTC), where we train our people, and they would like to have one or two of those cars. I don't have a problem making a donation and we can do that, but it will have to be approved through the City Council. Also, Camden, Arkansas, probably wants one or two of our cars, as well. That is Jamie Cook, who is over all that. Governor Asa Hutchinson put her over all the training and enforcement of the police officers. I have talked to Chief Rick Elliott about this and, when we get those vehicles ready to do that, then we'll come to the City Council and ask for permission to make a contribution. Sometimes we send people to Camden, but most of our people go to BRTC. It would be a good donation for us to do that, but that's after we check with our people within the county. I had one and Egypt called, and then they decided they didn't want the vehicle and that's fine.

7. Public Comments

8. Adjournment

A motion was made by Councilperson David McClain, seconded by Councilperson Ann Williams, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;David McClain and LJ Bryant

Absent: 1 - Charles Coleman