



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, March 18, 2025

4:30 PM

Municipal Center, 300 S. Church

SPECIAL CALLED MEETING

1. CALL TO ORDER

2. ROLL CALL (ELECTRONIC ATTENDANCE) CONFIRMED BY CITY CLERK APRIL LEGGETT

Present 7 - Joe Hafner; Charles Coleman; Ann Williams; John Street; David McClain; Brian Emison and Anthony Coleman

3. NEW BUSINESS

RESOLUTIONS TO BE INTRODUCED

[RES-25:028](#)

A RESOLUTION AUTHORIZING THE ENTRY INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF JONESBORO, ARKANSAS ADVERTISING AND PROMOTION COMMISSION AND ACKNOWLEDGING THE CITY'S SUPPORT FOR AND CONSENT TO THE DEVELOPMENT OF A SPORTS COMPLEX

Sponsors: Mayor's Office and Finance

Attachments: [Accounting MOU - Jonesboro and AP Commission \(2025\).pdf](#)

Councilmember John Street motioned, seconded by Councilmember Brian Emison, to Recommend to Council and walk onto tonight's City Council agenda, RES-25:028. All voted aye.

Chairman Joe Hafner said, before I open the floor up to the committee for questions. We have representatives of the A&P and legal and bond council here. So, if y'all would like to come up and speak you're more than welcome too.

Mitchell Williams Law Firm Attorney Michele Allgood approached the podium and said, I'll just start first of all, I apologize that we didn't get this to you sooner. But we wanted to make sure that everybody on both sides of the transaction had the opportunity to review it and to comment on it. We have not made any significant changes to what we talked about at the previous meeting. But there's a lot of lawyers involved and so they wanted to make sure, all of us wanted to make sure, all of our words were in it. The big thing to take away is that as noted through the whereas' in your resolution; the city has been providing these services to the A&P Commission since you created it in 1973. The city in 2021, asked the A&P, they said we're going to levy this tax, we want you to go create this facility. Figure out a way to make this happen for the citizens of Jonesboro. So, as part of that process we have found a way to finance it. There have

been a lot of people that have been involved in this process, and we've been very fortunate. And then, we have a very sophisticated lender, Capital One, who has come forward and they said, we love this project so much we want to finance the whole thing. So, imagine if one of us went down to the car dealership and said I'm going to buy this car, and the dealer was like great. And then you say, but my cousin controls my checkbook. My cousin deposits my paycheck. My cousin makes sure all my bills get paid on time. The car dealer is probably going to say that's great. Why do they do that? Well, they're just great. My cousin, she's a great person and she's good with numbers and she's got the ability to do this. You'd probably hesitate a little bit if you were that car dealer. And so, that's the situation we find ourselves in with Capital One. They are great. They are happy that everything has been rocking along. But they're going to loan the Facilities Board \$65,000,000, and they want to make sure that nothing is disrupted as part of this process. And so, the best way to do that is to make sure that the city believes that it's being treated fairly. And that they're being compensated for the work that they're doing. So, that is the real purpose of the Memorandum of Understanding. I'm happy to answer legal questions, but I think Jerry's prepared to talk about some of the non-legal stuff.

Chairman Joe Hafner said, Mr. Morgan. A&P Commission Chairman Jerry Morgan approached the podium and said, she mentioned most of this arrangement and the reason for this. Again, the city has been providing this service for the A&P Commission for going back 20 years for the last seven years that I've been on it. You know when I started out, we were just collecting for the hotel tax from probably 15 to 20 hotels, issuing about 30 checks a year, and then it evolved into different projects. We started collecting from the restaurants also, a lot more checks there. We've been on a volunteer basis, the commission, we had our first hire of our full-time person, Craig Rickert, our Executive Director. So, our goal is to continue to put as much of the funds back into the community as possible. This arrangement, Steve's office, Steve Purtee, their office, has provided this service. They've done an unbelievable job. Anytime we need any help, they've offered it, financials, collections. And so, this again formalizes this. While the lender is requesting this now, Steve and I've talked about this arrangement for the last two or three years, because it's additional work for his staff and he's probably had to add staff over the last couple of years just for the A&P Commission. So, from a cost accounting standpoint, it only makes sense that we provide some compensation to his department for doing this. I did pull some of the other, Craig pulled some of the other A&P Commissions from around the state. And I really don't even want to quote these numbers because Steve might go up on his price. But a lot of them have their own internal accounting departments. North Little Rock has two full-time in-house people that just do the accounting side. Fayetteville, they pay a 2% collection to the city and one full-time and one part-time. Bentonville, two full-time. Fort Smith pays a percentage and a one full-time person. And so, you can see the benefit that the city is providing here is significant to the A&P Commission, so we're just formalizing that. Also, a huge part of that is, from the commission standpoint, it's a very efficient process, it's very cost effective. It allows us, again, to put more money back in the community which we continue to do. And also, you know, there's a significant amount of dual control here. We're not touching the money. Craig doesn't touch the money. We don't write checks. We don't collect any funds. When we need a check issued, we send it to the city via e-mail and they issue the check. So, they oversee that. I think that's one of the functions we probably overlook significantly, but the dual control is huge when we're dealing with these kinds of funds. Steve also, their department, helps us handle the annual audit and we also have reviews by legislative audit through the city's functions, which go pretty smooth. So again, this is a great arrangement. We're very fortunate to have this. And again, it's good for the city and it's a very efficient process. So, I'll take any questions that you may have. Again,

we're just formalizing, really, something that we've been doing for the last 20 years and putting it in a formal format to make sure going forward that we continue this process.

Councilmember Dr. Anthony Coleman said, thanks Jerry and thank you Steve for a good job. So, while this is a great thing, what if it becomes huge to where Steve says, okay, we're going to have to hire somebody new and all of that kind of stuff? I mean, what would be the process in that regard? Jerry Morgan said, and that's a very valid point. It's one that, basically, Steve will come to us and say, okay, we need to change this arrangement. Because I can see him going into his budget process next year and say, I need to hire another full-time person just to help offset the cost of the A&P. When that happens, he can come to us and we'll work out an arrangement. I think this format and this agreement allows us that process. Is that correct? Mitchell Williams Law Firm Attorney Michele Allgood approached the podium and said, it is correct. If you look at paragraph number four, where it talks about the consideration. So, it anticipates that Jerry and Steve, the A&P Commission, the city, are going to revisit this over time. We don't restrict when they can revisit this. The payments are made, anticipated to be made, on a quarterly basis. But it also anticipates that the city could say, if Steve says, I've got to buy a new computer server to do this, then that would be a direct expense that could be billed to the A&P. So, we've tried to anticipate and permit, certainly, the ability to make modifications, so that the city isn't taking on too much. Jerry Morgan said, that's a very good question.

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

Aye: 6 - Charles Coleman;Ann Williams;John Street;David McClain;Brian Emison and Anthony Coleman

4. ADJOURNMENT

A motion was made by Brian Emison, seconded by John Street, that this meeting be Adjourned. The motion PASSED with the following vote.

Aye: 6 - Charles Coleman;Ann Williams;John Street;David McClain;Brian Emison and Anthony Coleman