



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, October 31, 2017

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance. Councilmember L.J. Bryant arrived at the Finance meeting at 4:02 p.m. before RES-17:170 was read and discussed.

Present 4 - Ann Williams; John Street; Joe Hafner and David McClain

Absent 2 - Charles Coleman and LJ Bryant

3. Approval of minutes

[MIN-17:117](#)

Minutes for the Finance & Administration Committee Meeting on October 10, 2017

Attachments: [Finance Minutes 101017.pdf](#)

A motion was made by Councilman John Street, seconded by Councilman David McClain, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Joe Hafner and David McClain

Absent: 2 - Charles Coleman and LJ Bryant

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-17:169](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO LEVY A 2 MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE PUBLIC LIBRARY TAX

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

Aye: 4 - Ann Williams; John Street; Joe Hafner and David McClain

Absent: 2 - Charles Coleman and LJ Bryant

[RES-17:170](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS

TO LEVY A ONE-HALF (.5) MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE JONESBORO POLICE PENSION PLANS

A motion was made by Councilman John Street, seconded by Councilwoman 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-17:171

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO LEVY A ONE-HALF (.5) MILL TAX ON ALL REAL AND PERSONAL PROPERTY FOR THE LOCAL FIREMENS PENSION PLANS

A motion was made by Councilman John Street, seconded by Councilwoman 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-17:173

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING A SETTLEMENT ON THE LEE LLOYD VS. CITY OF JONESBORO LAWSUIT AND ACCEPT DONATION OF PROPERTY FROM MARY LEE MARCOM

Attachments: [Special Warranty Deed from May Lee Marcom to City of Jonesboro.pdf](#)
[Acknowledgement.pdf](#)
[Mutual Release.pdf](#)
[Special Warranty Deed from Lee Lloyd to Mary Lee Marcom.pdf](#)
[Marcom Tax Affidavit.pdf](#)

Councilmember David McClain asked if we were purchasing this home or if we were purchasing this home through the FEMA program. Mayor Harold Perrin said no. For those of you all who were not there, this occurred probably a year or so back. Mr. Lee bought the home on Rains and the house was flooding so they called the City. We've been out. Our engineering department has been out. I know Councilman Street has been out there. We did two or three things. We built up the curbs. We did several things and he continued to say that it was a flooding issue. We were back and forth with each other. I said I don't know what else we can do. We have a detention pond above and we have one below. Mrs. Mary Lee Marcom, who actually sold the house and served as the broker or agent, came in and said that she would buy the house to help Mr. Lee. She said she would give the City the house and the property and that is what she is doing. It's a win, win situation. She wanted to help him so he could get another place. I think Mr. Lee was on television last night. I had visited with him and I know Councilmember Street had visited with him. It is a good deal. The only cost we will have is demolition. Then, we will have that land that we can put in the land bank if you all choose to do the land bank. If not, then we'll just simply sell the lot. Our cost is nothing involved in the deal. Councilmember McClain said okay. Mayor Perrin said there was some litigation on that and our attorney said it's better to go ahead and just settle with this. Then, Mrs. Marcom stepped up and said she would buy the house and deed it to the City. We said ok because we were doing everything we could do to make sure that it wasn't flooding. I can understand Mr. Lee's situation too. I mean I don't want a house that floods either. These houses are probably thirty years old or older. Councilmember Street said when that area of Rains was built, it was built on low

ground. When you build upstream you have more runoff. We had the detention pond just right up behind it and had done some ditch improvement.

A motion was made by Councilman John Street, seconded by Councilwoman 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

6. Other Business

ORD-17:084

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE A CONTRACT WITH DELTA DENTAL TO PROVIDE INSURANCE COVERAGE FOR CITY EMPLOYEES FOR 2018

Attachments: [Delta Dental 2018.pdf](#)

Chairmember Joe Hafner motioned, seconded by Councilmember John Street, to suspend the rules and walk-on ORD-17:084. All voted aye.

Councilmember David McClain asked if we are we looking to push this through pretty quick because of the timeline as far as new enrollment. Mayor Harold Perrin said yes sir. They will be here. This is effective January 1st, but again we need to go ahead and get that approved. They are going to come on November 22nd to start enrolling our employees. This one and the one coming up on Blue Cross takes a lot of time. Any changes that need to be made will have to be done during open enrollment. It will take them November and December to get that ready before that first billing goes out in January. Councilman McClain said okay. Chair member Joe Hafner said I think what Councilman McClain wanted to know is if this needs an emergency clause for any reason. Mayor Perrin said no. It doesn't need one. I'm sorry if I misunderstood. Tomorrow is November 1st and they will just be doing the work. It is effective as of January 1st. I apologize for not understanding. Councilman McClain said that's fine. I should have asked it differently.

A motion was made by Councilman John Street, seconded by Councilwoman 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

ORD-17:085

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE A CONTRACT WITH ARKANSAS BLUE CROSS BLUE SHIELD TO PROVIDE INSURANCE COVERAGE FOR CITY EMPLOYEES FOR 2018

Attachments: [BCBS COJ Insurance Applications.pdf](#)
[BCBS Jonesboro Craighead Library.pdf](#)
[BCBS JURHA.pdf](#)
[BCBS Jonesboro Municipal Airport.pdf](#)

Chairmember Joe Hafner motioned, seconded by Councilmember John Street, to suspend the rules and walk-on ORD-17:084. All voted aye.

Councilman John Street said Mayor you might want to address this. That is a big, big deal from where it started out. That is a lot of money difference. Mayor Perrin said at first, they came in with a 17.4% increase. They came down to a 10.5% increase. We said no. Then, it was negotiated down to a 4.5% increase and we said no. They came back and said they would do it at the same cost. Now, we've been with Blue Cross Blue Shield way over twenty years. I can't tell you the exact number, but I know about two years or three years ago, Gloria Roark and I were on the front cover of some kind of deal they had at Blue Cross and Blue Shield. An account this size for 580 employees and you double that, this is a 1,300 or 1,400 account. JURHA and the library are on the same policy with us. This is a big account for them so they wanted to keep that. Councilman Street said, but you know, you negotiated down a pretty big savings. I can't remember what the figure was, but it was pretty steep. Mayor Perrin said well a 17.4% increase on \$4,000,000 is quite a bit of money. Even a 10% increase would have been \$400,000. We were trying to get it tight.

Councilmember Ann Williams asked what the status is on having that outside company, as far as a consultant. Mayor Perrin said I'm glad you asked that. We were in the middle of that process when both of these companies came back and they heard about it, which I think may have helped in our negotiations. We had a CFO change during that time and some others. Starting some time in February or March, I want to get Chief Financial Officer Bill Reznicek and Councilmember Bobby Long involved in working with our Human Resources Director Dewayne Douglas to start looking at various options, whether it's to be fully insured, self-insured or maybe another proposal or whatever. That will give us plenty of time to think about this and go through it. I'm glad you asked that question.

Chair member Hafner said I think it's important that when we start doing that and start trying to switch our insurance plan around that we don't make it so hard that our employees can't understand it and they can't follow what insurance they have. I always caution when you try to go self-insured because some years could be great and some years you could really take a dive. Mayor Perrin said well, that's true. I've been in the business before, way back many years ago, and I would never consider this city going to a self-insured plan until you had at least six months to a year of all your claims, which that means you'd probably need 4 million dollars, at least, in reserves. Also, you are right, you're going to have years where the claims are not very high, but then if you have one or two catastrophic cases, it can wipe out your reserves very quickly. When that happens, you will have to go back to the employees and increase that premium dramatically. You don't have a choice. It's not like negotiating for the fully insured. You have to pay the price.

Councilmember Williams asked if Arkansas State University has been self-insured. Mayor Perrin said they have been. With their terms, it has gone up, up and down, and they've had to reduce benefits to the employees just to get the premium right. Because all you are doing is taking the risk up to your stop loss. With the balance of that, you are going out in the market and buying Lords of London or somebody else to say, okay, what are you willing to take that risk for and they tell you. That's really what it is. The other thing is that one of the ways we were looking at going is really complicated in the fact that you have Blue Cross to a certain point with a high deductible and then you got another one. You will have two cards and you have to know who is filing the claims and who processes the claims. I am telling you, if I can't explain it to you and to the employees, when they go and try to explain it to their families, they won't be able to do

that. I understand that. Chair member Hafner said you will have a bunch of unhappy employees. Mayor Perrin said yes. I have been in the business and I know. If I can't explain it then, I can't imagine someone else going home and telling their spouse how this works. It's a difficult situation.

A motion was made by Councilman John Street, seconded by Councilwoman 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

7. Public Comments

8. Adjournment

A motion was made by Councilman John Street, seconded by Councilman LJ Bryant, 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