



# City of Jonesboro

900 West Monroe  
Jonesboro, AR 72401

## Meeting Minutes - Final Finance & Administration Council Committee

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Tuesday, December 2, 2008

4:00 PM

Huntington Building

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### Special Called Meeting

#### 1. Call To Order

*Mayor Formon and Mr. Tony Thomas from the Mayor's Office were also in attendance.*

**Present** 5 - Darrel Dover; John Street; Harold Perrin; Ann Williams and Jim Hargis

**Absent** 1 - Judy Furr

#### 2. Approval of minutes

**MIN-08:227** Minutes for the Finance Committee meeting on October 16, 2008.

Attachments: [Minutes](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman Harold Perrin, that this Minutes be Passed. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

**MIN-08:228** Minutes for the special called Finance Committee meeting on October 14, 2008.

Attachments: [Minutes](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman Harold Perrin, that this Minutes be Passed. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

**MIN-08:232** Minutes for the special called Finance Committee meeting on November 6, 2008.

Attachments: [Minutes](#)

**A motion was made by Councilman Darrel Dover, seconded by Councilman Harold Perrin, that this Minutes be Passed. The motion CARRIED by a Voice**

**Vote.**

**Aye:** 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

**3. New Business**

*Ordinances To Be Introduced*

**ORD-08:101** AN ORDINANCE TO AMEND THE 2008 BUDGET TO APPROPRIATE ADDITIONAL MONEY FOR PURCHASES OF REPLACEMENT VEHICLES FOR JETS

**Sponsors:** JETS

*JETS Interim Director Steve Ewart explained this ordinance is for the appropriation of money to replace a bus that was totaled in a wreck in April, 2008. He further explained he has worked with Finance Director Jim Barksdale and AHTD to adjust the difference of the cost in the money they received from the insurance company and what AHTD requires from an FTA ordinance on straight line appreciation. Mr. Ewart added the amount needed for appropriation is \$9,798 and they have the money in their account to cover the cost, but it was not budgeted.*

**A motion was made by Councilman Jim Hargis, seconded by Councilman Darrel Dover, that this Ordinance be Recommended to Council. The motion CARRIED by a Voice Vote.**

**Aye:** 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

*Resolutions To Be Introduced*

**RES-08:211** A RESOLUTION TO ACCEPT INSURANCE PROPOSALS FROM BLUE CROSS BLUE SHIELD AND DELTA DENTAL TO PROVIDE INSURANCE COVERAGE FOR CITY EMPLOYEES

**Sponsors:** Human Resources

*Human Resource Director Gloria Roark explained this ordinance is for the 2009 health and dental insurance. She added they were able to negotiate another decrease in the increase Blue Cross Blue Shield and Delta Dental are requiring. Ms. Roark stated this resolution will need to be brought up at tonight's City Council meeting due to the premiums being paid a month in advance.*

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

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

**Absent:** 1 - Judy Furr

**Abstain:** 1 - Harold Perrin

**RES-08:214** RESOLUTION TO RENEW THE CONTRACT WITH USABLE TO PROVIDE LIFE

INSURANCE POLICIES TO THE CITY OF JONESBORO EMPLOYEES

**Sponsors:** Human Resources

*Ms. Roark noted the new policy will go into effect January 1, 2009. Ms. Roark explained this resolution will need to be brought up at tonight's City Council meeting due to the premiums being paid a month in advance.*

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

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

**Absent:** 1 - Judy Furr

**Abstain:** 1 - Harold Perrin

**RES-08:216**

A RESOLUTION AUTHORIZING THE JONESBORO POLICE LOCAL PENSION BOARD TO TRANSFER PENSION FUNDS AND USE THE "ALTERNATE CASH FLOW PROJECTION VALUATION" METHOD, AS DESCRIBED IN RULE #4 OF THE ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD

**Attachments:** [Exhibit A](#)

*Craighead County Sheriff Jack McCann explained the old pension plan is financially sound but not actuarially sound because the Pension Review Board in Little Rock changed how they figure the actuarial plan. He added that affects widows and the only way they can provide for the widow is to change to an Alternate Cash Flow account. He explained Simmons Bank currently handles the account, but Simmons Bank does not meet the state requirements to handle an Alternate Cash Flow account. He added they need to transfer approximately \$11 million dollars to the Stephens Group in Little Rock. He also added Stephens Group meets all the state requirements.*

*Mr. Alex Jordan with Stephens Incorporated explained there are certain firms in Arkansas that are approved by the Pension Review Board that will mandate a change to the Alternate Cash Flow Study. He added the Alternate Cash Flow Study was put into place so all resources from all revenues could be used for a possible benefit increase. He stated a benefit increase includes paying a widow who remarries. Councilman Darrel Dover asked if Mr. Jordan is asking for the committee to approve the change of the firm who oversees the fund from Simmons Bank to Stephens Incorporated. Mr. Jordan answered the committee is being asked to sign off on a benefit increase because it has to be defined as such. He added the City is responsible for approving the benefit increase due to the widow exemption or a normal increase. He stated Simmons Bank is not an approved Investment Manager to apply for an Alternate Cash Flow Study.*

**A motion was made by Councilman John Street, seconded by Councilman Harold Perrin, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

**RES-08:198**

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 and Northeast Arkansas Industrial Development Commission

*Mr. Tony Thomas explained the Farr Corporation is doing expansion at their facility which will require Capital outlay and bring additional jobs to the area.*

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

**Aye:** 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

**RES-08:212**

A RESOLUTION TO ACCEPT A QUICK ACTION CLOSING FUND GRANT FROM THE ARKANSAS ECONOMIC DEVELOPMENT COMMISSION TO UNDERTAKE ECONOMIC DEVELOPMENT PROJECTS WHICH SUPPORT PRIVATE SECTOR JOB CREATION OPPORTUNITIES

**Attachments:** [Quick Action Closing Fund Grant Agreement](#)

*Mr. Thomas requested this resolution be taken to the City Council meeting tonight. He added he would like for the Committee to approve the right to enter into the agreement tonight but the funding of the agreement will be handled in the upcoming budget.*

**A motion was made by Councilman Harold Perrin, seconded by Councilman Jim Hargis, that this matter be Recommended to Council . The motion PASSED by an unanimous vote**

**Aye:** 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

**RES-08:224**

A RESOLUTION TO ACCEPT AN ECONOMIC DEVELOPMENT ADMINISTRATION PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES ASSISTANCE GRANT TO SUPPORT CONSTRUCTION OF A RAIL SPUR AND ROAD IMPROVEMENTS TO EXPAND THE CRAIGHEAD TECHNOLOGY INDUSTRIAL PARK

**Sponsors:** Northeast Arkansas Industrial Development Commission and Mayor's Office

**Attachments:** [EDA Grant Forms](#)

*Mr. Thomas explained this resolution is for improvements in the Industrial Park on Cook Road. He added the improvements will open up approximately 200 additional acres for future development.*

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

**Aye:** 4 - Darrel Dover;John Street;Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr

#### **4. Pending Items**

## **5. Other Business**

### Discussion by Police Chief Michael Yates concerning the jail bill

*Police Chief Michael Yates explained they had budgeted \$1.120 million for 2008 for the jail bills. He added they did not receive the jail bills for the 2007 months of October, November and December until the first quarter of 2008. He noted they have \$14,000 left in the jail bill fund. He explained the August, 2008, jail bill is \$132,000. He asked for direction from the Committee on whether to appropriate enough money to fund the jail bills for September through December or appropriate money for just the August bill. He recommended appropriating enough money to pay only the August, 2008, bill.*

*Councilman Dover asked if Legislative Audit has any suggestions on the bills being carried over into the next year's budget. Finance Director Jim Barksdale answered the accounts will reflect the charges in the 2008 budget. He said the only problem is there is not enough money in the budget to pay the bill.*

*Discussion was held concerning the jail bill payments.*

*Chairwoman Ann Williams questioned if the Municipal League has any advice on this matter. Chief Yates answered he does not know, but he will find out.*

*Councilman Dover asked how difficult it would be to give a comparison of how many days of incarceration this year verses how many days of incarceration from last year. Chief Yates answered he can get the data for a few months, but there is no way to find out who was released on bond, went to rehab, etc.*

*Chief Yates suggested looking into using levelized billing. Councilman Perrin suggested meeting with the County Judge by the end of the year to discuss levelized billing.*

*Councilman Darrel Dover motioned, seconded by Councilman Jim Hargis, to appropriate money to cover the August jail bill. All voted aye.*

### **COM-08:135**

Financial updates

**Sponsors:** Finance

**Attachments:** [Statement of Revenues dated October 31, 2008](#)  
[Fuel Projection October](#)  
[Budget Report by Dept OCT-HJ- 11-5-08](#)

*Mr. Barksdale explained the City has approximately 24% of its available budget remaining for 2008. He added there are some Capital Improvement projects that need to be appropriated for in the 2009 budget. Councilman Perrin asked if the City budgeted \$52 million for expenditures. Mr. Barksdale answered it is the amended budget amount.*

*Councilman Hargis asked if this report is through October. Mr. Barksdale answered yes.*

*Chairwoman Williams questioned the status of the 2009 budget. Mr. Barksdale explained they have a draft of the 2009 budget. He further explained and due to the*

*Mayor runoff election ending before the Thanksgiving holiday, Mayor-elect Perrin has not been able to go over the budget. He suggested adding the forecast of revenues to the 2009 budget.*

*Discussion was held concerning privilege license fees. Chairwoman Williams suggested looking at the fee schedule for possible revisions.*

*Councilman Perrin explained he spoke with Mr. Barksdale concerning having an executive summary with the budget so the Council and public could compare the revenues forecasted and expenses compared to the overall budget. He added the budget will be a balanced. Chairwoman Williams stated the committee appreciates Mr. Perrin's efforts to have the budget where the City will have no appropriation ordinances.*

*Councilman John Street motioned, seconded by Councilman Darrel Dover, recommend to Council adding Councilman Harold Perrin to the payroll by labor contract contingent upon approval by City Attorney Phillip Crego. All voted aye, except Councilman Perrin who abstained. Councilman Street motioned, seconded by Councilman Dover to amended his motion to add Councilman Perrin to payroll retroactive to December 1.*

*City Clerk Donna Jackson questioned the legality of paying the Mayor's salary to two individuals. Councilman Perrin recommended paying his company instead of himself personally. Councilman Street stated they paid two people when Mayor Formon was elected. Mayor Formon disagreed, saying the salary was offered to him but he did not accept it due to the factor of being on the Police Department's payroll. Councilman Perrin asked for an opinion from Mr. Crego. Councilman Dover suggested Councilman Perrin and Mr. Crego come up with a contract and bring it to the next City Council meeting.*

**COM-08:164** Post Clean-up Ordinance Budget Summary

**Attachments:** [post-cleanupbudget12208](#)

**This item was Read.**

Finance Director Jim Barksdale

*Mr. Barksdale explained the non-uniform pension plan closed \$14,000 below the index on December 1, 2008. He added they had to cut a check to cover the difference. He stated Principal Financial Group suggested using 20% of the benefit index cost. He noted using that method would make the cost approximately \$605,000 and the amount would go toward next year's deposit. He added that would cause the City to lose approximately \$2,100 in interest income. He suggested paying only the \$14,000, which is all that is legally required. Mayor Formon questioned whether the \$14,000 would be refunded to the City if the stock market raises the balance to the minimum required amount. Councilman Perrin stated Principal Financial Group will credit the amount to the City's minimum required contribution level next year.*

*Councilman Perrin asked if Mr. Barksdale wants the Committee to look into paying the fees monthly instead of in one lump sum. Mr. Barksdale answered yes.*

## **6. Public Comments**

**7. Adjournment**

A motion was made by Councilman Darrel Dover, seconded by Councilman Harold Perrin, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

**Aye:** 4 - Darrel Dover; John Street; Harold Perrin and Jim Hargis

**Absent:** 1 - Judy Furr