



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Friday, July 13, 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-18:065](#)

Minutes for the Finance & Administration Committee meeting on June 26, 2018

Attachments: [Minutes](#)

Chairmember Joe Hafner said I would like to thank Councilmember David McClain for running that meeting for me in my absence.

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

Absent: 1 - Charles Coleman

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-18:100](#)

RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH DATA MANAGEMENT, INC FOR USE OF TIMECLOCK PLUS ONDEMAND TIME AND ATTENDANCE MANAGEMENT SYSTEM

Attachments: [Timeclock Plus Quote - No Hardware.PDF](#)
[Navitas - Jonesboro Agreement](#)
[Navitas - Jonesboro Agreement ADDENDUM](#)
[Data Management - Timeclock Plus Agreement \(2\).pdf](#)

Chairmember Joe Hafner said there are a couple things I would like to say about this one. I spoke with Chief Financial Officer Bill Reznicek a little bit about it yesterday. You all may recall that Paychex was the first time clock management system we used

and it wasn't working correctly. They did refund us all the money that we had spent with them, up to date. This is not an additional cost. We got all that money back.

Mr. Reznicek said yes. The original implementation charge from Paychex was \$3,500. We had paid \$1,520 of that and they refunded that full amount. I, basically, worked out an arrangement with them for us to exit the relationship on an amiable basis because of the issues we had, including shortcomings in the product in terms of its functionality and how it related, initially, to the capability of the system. We had some other issues where it simply was not going to work relative to things like Springbook interface, our comp time processing and particularly, the Fire Department over time. Their system just really didn't have the flexibility and back office capability to manage those things. We would have essentially been doing a number of things manually, that we were currently doing manually. So, at that point, I said this doesn't really make sense because the whole idea was to automate the process. We exited that relationship. TimeClock Plus had been one of the three vendors we looked at previously. Although there were reasons we selected Paychex at the time, number one was cost, because they were slightly less expensive. Number two, they told us they would interface with Human Resources Director Dewayne Douglas' applicant tracking software. We also had the capability of eventually incorporating into a full payroll service. Had we decided at some point in the future that we wanted to outsource the payroll processing, Paychex would have been the logical step and we thought having a time and attendance system gave us better capability to do that in the future. So, there were some specific reasons we chose Paychex, but in the end, it worked out that they weren't the best solution for time and attendance for us, so we made the decision to pull the plug. TimeClock Plus was basically the number two choice. They are slightly more expensive annualized for next year, but I have some numbers that I can do a comparison for the balance of this year. The difference with TimeClock Plus, and we noted this before, is that they do have a substantial amount of municipality experience, and they also are a Springbook recommended partner. The issues we had with Paychex was they said on the front end they would be capable of resolving or meeting the requirements we had, but they weren't able to do so. We are comfortable TimeClock Plus will. We also had them do an additional demonstration to us specific to the issues we had with Paychex, and we did that about six weeks ago. They went through their system with us and the examples of things where Paychex had shortcomings in their system and they demonstrated the capabilities. So, we're comfortable with the functionality and capability of their product.

Chairmember Hafner said the other thing Mr. Reznicek and I talked about was the financing of the time clock hardware, and it's actually a lease, but there were advantages to leasing it instead of buying it outright. Mr. Reznicek said yes. Finance Manager Trever Harvey and I talked about this again today and it's a bit of a flip of a coin. The reason why, in this case, I recommend we lease the time clocks, and there are a couple reasons, is number one, it's technology and the obsolescence factor with technology, and the other reason with TimeClock Plus is that they don't have an in-house monthly time clock rent feature in their program. So, you either have to buy their time clocks outright. We found from the Paychex implementation that we actually needed six time clocks, where initially we had received four from Paychex and were going to have buy additional. Six time clocks from TimeClock Plus would have been roughly \$14,000 initial outlay, which is about the equivalent of what we are going to pay under two years of the terms of this lease. Although we won't own them at the end of this lease, with the obsolescence of this type of equipment, we will either be in a position where we will probably want new time clocks or, at the end of two years, we will have evaluated whether or not we want to continue the relationship with TimeClock Plus, and we won't own the clocks. We can simply turn them back in and the two

years of the lease with Navitas mirrors the link of term with TimeClock Plus. With TimeClock Plus, there's also a monthly charge for the maintenance of the clocks, including firmware updates. So, for the period of time we are with them and leasing the clocks, we will have no exposure in terms of maintenance on the clocks, as well as firmware updates, which essentially would eliminate any short-term obsolescence on those clocks. It was a bit of a flip of the coin on the decision of whether to the lease or buy the clocks outright, but it also tracked better for our budgeted dollars for the balance of the year. If you recall, and I believe it was January 8, 2018, when we originally got approval with this committee for Paychex Plus, the budget ordinance amendment was about \$22,300. For us to come in below the budgeted amount that we had for the balance of this year so we don't have to do any additional budget ordinance, it made sense also to lease the time clocks on a monthly basis rather than an outlay of about \$14,000.

Chairmember Hafner said I guess you'll make note of this, but it says in this lease agreement that it will automatically renew for another 12 months under the same terms unless we notify them in writing in at least 90 days, but no sooner than 180 days. So, make sure we do that because I have seen that bite people in the behind some times because they notify them too late. Mr. Reznicek said right. Understood.

Councilmember David McClain asked how many actual time clocks are we going to have. Chairmember Hafner said it's six. Mr. Reznicek said we would have six time clocks with this arrangement. That was something we found out when we worked with Paychex on the implementation. We originally had set their agreement up with four and we found that that was going to be insufficient for the locations where we were going to want to have them around the city. The other thing we discovered with Paychex was, although they had a phone capability, they did not actually have an app. TimeClock Plus has an actual designed app for Android and IOS. So, their capability is better because we did have some issues on how people were actually going to log in with Paychex that we're not going to have with TimeClock Plus. Councilmember McClain said Arkansas State University uses something to where you have to log in online, so I didn't know if we could look at something like that going forward. I think there are still areas where we use a time clock, but looking at maybe switching to something to where it's online for everybody. I know iPads and phones can be tricky because somebody may clock in from home when they are not at the office, but maybe when they have to wait until they get to office.

Mr. Reznicek said absolutely. That capability exists and to people who report to work, for example, in the Municipal Center, the people for the most part in this building, will clock in from their computer when they get to the office. The systems are sophisticated enough to report to us that that person actually clocked in from their computer based upon web addresses, and it is also sophisticated enough for us to geofence people. In other words, and this might apply to people working out in the field, such as streets, sanitation, Jonesboro Police Department and Jonesboro Fire Department, if you're clocking in from a cellphone, we can actually geofence you. There are two ways. Number one, we can know where you were GPS wise when you clocked in and number two, we can actually restrict you to a 50-foot circumference, or something thereabouts, where you have to be in that zone when you clock-in, or the system will not accept your clock-in. It gives us a lot of flexibility and capability. It also, and we went through a lot of this before with Paychex, but it gives the employees visibility into their time and attendance. It also gives us the capability of doing all of our time off requests online, as well as giving employees a portal access so they can see how much vacation they have taken, how much sick time and when they took it. They can do a request and forward it to their supervisor online. It's substantially a level of sophistication above what we are doing today. I have that as part of my

presentation. I won't spend as much time since we've talked about it now, but what the inherent cost-saving should be as the result of moving to this type of system. Chairmember Hafner said thank you.

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-18:103](#)

A RESOLUTION TO CONTRACT WITH ST. BERNARD'S FOR SPONSORSHIP OF ONE FIELD SIGN AT THE JOE MACK CAMPBELL PARK

Attachments: [JOE MACK ST BERNARD](#)

Chairmember Joe Hafner said before I read this, I just want to clarify that the contract is actually for five years, but in the body of the resolution it says three years. So, if we can update that. City Clerk Donna Jackson said you will have to just make a motion to amend it. Chairmember Hafner asked, so, I need to read it first and then amend it? Councilmember David McClain said yes. Chairmember Hafner said if I could get a motion from someone to amend, but I know about three sections down it says Joe Mack Campbell Parl instead of Park. I think that needs to be amended to Park and then the period needs to be five years. Councilmember John Street said I move to amend Resolution-18:103 to read Park where it says Parl and to amend it to a five-year contract, seconded by Councilmember L.J. Bryant. All voted aye.

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

[RES-18:105](#)

RESOLUTION AUTHORIZING THE MAYOR AND CITY ATTORNEY TO CERTIFY FOR THE CITY OF JONESBORO FOR THE 2018 ANNUAL FEDERAL TRANSIT ADMINISTRATION (FTA) CERTIFICATIONS AND ASSURANCES FOR THE JONESBORO ECONOMICAL TRANSPORTATION SYSTEM (JET)

Attachments: [2018 Certs & Assurances.pdf](#)
[2018 C & A Signature.pdf](#)

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

[RES-18:106](#)

A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT BETWEEN THE CITY OF JONESBORO THROUGH THE CITIZENS FAIR HOUSING ADVISORY BOARD AND THE ARKANSAS FAIR HOUSING COMMISSION TO COLLABORATE ON AFFIRMATIVELY FURTHERING FAIR HOUSING .

Attachments: [MOU](#)

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-18:107](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 457 (b) RETIREMENT SAVINGS PLAN AND TRUST

Attachments: [Amendment Two to COJ 457\(b\) Plan](#)

Chairmember Joe Hafner said Chief Financial Officer Bill Reznicek notified me this afternoon that he would like to have RES-18:107, RES-18:108 and RES-18:109 temporarily postponed pending further discussion. Councilmember David McClain motioned to temporarily postpone RES-18:107, RES-18:108 and RES-18:109, seconded by Councilmember John Street. All voted aye.

Councilmember David McClain motioned, seconded by Councilmember John Street, to pull RES-18:107 from the agenda. All voted aye.

A motion was made by Councilperson David McClain, seconded by Councilperson John Street, that this matter be Returned Without Recommendation . The motion PASSED with the following vote.

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

Absent: 1 - Charles Coleman

[RES-18:108](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 457 (b) RETIREMENT SAVINGS PLAN AND TRUST

Attachments: [Amendment Three to COJ 457\(b\) Plan](#)
 [Loan Policy](#)

Councilmember David McClain motioned, seconded by Councilmember John Street, to pull RES-18:108 from the agenda. All voted aye.

A motion was made by Councilperson David McClain, seconded by Councilperson John Street, that this matter be Returned Without Recommendation . The motion PASSED with the following vote.

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

Absent: 1 - Charles Coleman

[RES-18:109](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO AMEND THE CONTRACT WITH 1ST SECURITY BANK, INTRUST, N.A. AND NESTEGG CONSULTING INC, TO PROVIDE SERVICES FOR THE CITY OF JONESBORO NON UNIFORMED EMPLOYEES 401 (a) DEFINED CONTRIBUTION PLAN

Attachments: [Amendment Two to 401\(a\)](#)

Councilmember David McClain motioned, seconded by Councilmember John Street, to pull RES-18:109 from the agenda. All voted aye.

A motion was made by Councilperson David McClain, seconded by Councilperson John Street, that this matter be Returned Without Recommendation . 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

[COM-18:037](#)

Presentation on cost savings and projects by Chief Financial Officer Bill Reznicek

Chief Financial Officer Bill Reznicek said I put together a few slides that I am going to talk about what we have done in terms of cost savings projects or some that are in process, and a couple slides recapping other projects that we are working on. It's a bit of a general update on the finance and administration, human resources and information systems area. To start with, I have listed out some of the specific projects that we've been working on. Information Systems Director Jason Ratliff and I have been working on these primarily. The first one is AT&T/Verizon. This relates to mobile data management, primarily phones, mobile communication and data for the police and fire departments. What we are doing is two-fold. We are looking at our spend on cellphones and mobile data devices, and we're also looking at a possible move to FirstNet with AT&T. FirstNet is the network that AT&T has developed under a grant from the federal government and guidance from the federal government that is dedicated to first responders. What we are hoping to do here is possibly transition some of our mobile data management to the FirstNet network. That will do two things. One, it will give our first responders pre-emption and priority in that network. It will also give us a cost savings. We've looked at a cost savings today just simply by moving the service from Verizon to AT&T. We're still evaluating the capabilities that AT&T has to make sure they have the coverage in our area. We are not completely finished with this project. The savings are going to be well-above \$10,000, probably more than that. I don't want to give an exact number today, but it's going to at least be that much in savings on an annual basis, but also give us better response for our first responders. In either case, Verizon also has some pre-emption and priority capabilities that they can give us as well, and through this process Verizon has come back with some improved pricing, and that is who we have our service with today. We have put them in a competitive situation and the end result, regardless of which direction we go, we'll end up with some fairly decent savings as a result of this process. The next one involves AT&T again. This is looking at our overall network and metro connections, along with our Internet connection, which primarily is part of the metro. This is again a two-fold or multi-prong approach where we're looking at not only a savings in terms of what we're spending today. Our system today is with Ritter Communications and we've already discovered that there are some inherent cost savings by moving to AT&T. We feel we'll probably have the same opportunity to go back to Ritter and ask them to look at their pricing. The savings here will be substantial. They'll be substantially more than what I quoted on the first line item. Again, I don't want to give an exact target

number, but it will be quite a bit of savings here, but it will also give us an additional capability with the AT&T network design. Because we found a couple of months ago, when we had the power line drop downtown and it brought the 9-1-1 center down, when our generator did not kick in, we had no communications for the city, in other words, for the Municipal Center, police department, fire department and all the other locations. The 9-1-1 center is the host of the communications for the Municipal Center. There are two problems with that. If we lose power there, we have no communications. The fire department and police departments were literally on their radios that day. The other problem is we have no way today to reroute that demarcation point. So, the AT&T network design that they're working on gives us the ability to reroute that demarcation instantly, and the plan would be to reroute it to Fire Station No. 1. So, in the event we lost power again, and the generator went down at 9-1-1, we would still have communications for all the city employees. It's an important project and process not just from an economic standpoint, but also from a disaster recovery standpoint. The next meeting we have with AT&T, I think in a couple of weeks, is to finalize their network plans. So, this is one that we'll have resolved and have a plan probably sometime late September. I can come back, report to you with the final result and savings, and give you a more detailed report on that.

Chairmember Hafner said Mr. Reznicek, sorry to interrupt you, but on that one, and I'm not going to put you on the spot for an exact number, but do you think it's five digits or do you think it's like high five digits or mid-five digits. Mr. Reznicek said it's going to be less than \$100,000, but it's going to be in the \$50,000 to \$100,000 range, of what our estimate is today. When you add the savings on this, the savings on the top line, and the savings on the third line, which I'm about to talk about, it gets into a substantial amount of money. It gets into well over \$100,000 at that point.

Mr. Reznicek said the next bullet point is the VoIP System. Although it's voice over Internet today, I consider it a legacy system because it's a very old VoIP System. The altigen software is no longer supported, the handsets are no longer supported for the employees or the desk sets, and the servers that that system runs on are no longer supported. So, from that perspective it's really a legacy system. This is the phone system we have in the Municipal Center on everybody's desk. We have 255 desk sets throughout the city that ride on this system. We've had a number of problems with this in the past year, at least since I have been here, and since it's a system that is no longer supported from an architectural standpoint, in other words, the desk sets and servers, then it's time for us to upgrade. In looking at this process, we've found some vendors that can supply cloud-based phone systems and complete change out of our equipment and save again somewhere in the \$75,000 to \$125,000 per year range of savings that we're going to realize. It's a pretty substantial savings here and it also gives us upgraded and improved technology. The systems today, although the one we have today is fairly decent, the ones that are online now are a lot more robust and have a lot more reporting features in them.

Mr. Reznicek said the last bullet point here is not one that you can really derive a specific dollar cost savings, but it's a tremendous cost avoidance. I'll explain that after I explain what we did. We did what's called an IT Pen Test. It's a penetration test. We hired a consulting company and they did a few things. One, they have expert hackers who work for them and they tried to hack our system. They came in unannounced into our system. The Pen Test, I should point out, was on a need to know basis and as far as I know there were only three of us that were aware that this was happening. Mr. Ratliff, Information Systems Engineer Dennis Trinidad and myself are the only people in the city, that we're aware of, that knew that this entire Pen Test was taking place. This company tried to hack our system. They were not capable of hacking it, which

was a good thing. In the second phase, we opened up access to them to see, had they been able to hack our system, what vulnerabilities we had, assuming that maybe someone even more sophisticated than their people could hack it. We at least wanted to find out if they did, where we were vulnerable. They did find some vulnerabilities, primarily, in terms of passwords. We found some people were using their last name as their passwords and things of that nature. The user ID and the password were intuitive. Somebody could have figured that out. Also, they used the dictionary method, which uses a combination of words in the dictionary as passwords, and that's a no-no because algorithms that hackers run can run an entire dictionary sorted every way you can imagine in just a matter of seconds, today. So, what we have done is we've shored up our password requirements in our system and made them a lot more sophisticated and notified, obviously, the people who had weak passwords. The next thing we did, and this is probably the most interesting part of it, we actually did drops. We dropped thumb drives throughout the buildings. They were dropped on the floor. They would be sitting in the breakroom on a table to see if somebody would pick it up and put it in their computer. When they put the drive in the computer, it phoned home and it told the company that somebody had put it in their computer, if they opened the file and if they clicked on the macro in the file that said click here for more, or whatever. We did have some people who went all the way through clicking the macro. Those people were notified of what happened and that they fell vulnerable to our test. The next part of it was vishing, which is voice contact where people get you to divulge information so they have people pose as Ritter Communications employees who called down and said for example, so and so, whatever the employee's name is, it's been reported there's a problem with the Internet. Your Internet is slow. There's some network issues. Will you help me identify where it's at? Let's get you to log into this website. We're going to do a speed test. We had people fall for that. So, we sent out communications on how to react to external calls, contacts for information related to system-type of issues, which we do periodically, as well, send out hacking avoidance e-mails. The next part was a phishing test. That first was a vishing test, and the other was a phishing test, where they send e-mails camouflaged that would be hard to identify otherwise. They looked like FedEx and UPS communications saying the City of Jonesboro has a package scheduled for delivery tomorrow. Please click this link for a tracking number and information. We had several people that followed that link and had it been an actual attack would have subjected our network to infiltration.

Mr. Reznicek said the point of this test is two-fold. One, obviously, it's to train our employees, which we will do because part of this process and part of what we paid that company for is to give us training modules. This all finished up fairly recently so we're going to send that out to the employees and give them additional training on how to avoid these types of situations. The whole gist of this is to avoid the issue of ransomware. That's how ransomware happens is through vishing and phishing primarily, or the drop with the thumb drives where something like that maliciously infiltrates our system. Most of you have probably read about this ransomware storage where people have to pay a substantial amount to get their data back. I won't get into that in a lot of detail, but the whole point is that we need to devise a ransomware plan. We don't really have one today of how we would respond if that were to happen. Those are some things we did, and the last one it's hard to put a dollar savings on that, but it's a substantial cost avoidance. I think we learned a lot from going through that process.

Mr. Reznicek said the next slide I have talks about some more projects we're working on. The first one is discounts from vendors. What we're already doing is looking at vendors to see if they have discount terms. I have asked Purchasing Agent Steve Kent as he talks to vendors, issues purchase orders and engages them to ask them if they offer discounts. Typically, you see like a 210 net 30, 215 net 45 type of terms

from vendors and, with the cost of money today, it's to our benefit to take discounts whenever we can. In the past, we haven't done this on a proactive basis. We haven't tracked it certainly. So, I've asked Finance Manager Trever Harvey and Accounts Payable Specialist Teresa Shaver also to begin when they do invoicing and process invoices for payments to load discount terms into Springbook and make sure we are capturing that and we can report on that at the end of the year, or periodically through the year we can report on how much we've captured in early paid discounts.

Mr. Reznicek said the next slide is contracts review and this is something we've been doing for several months now. This is literally taking every contract that the city has active today and putting it on a spreadsheet. It goes back a little bit to what Chairmember Hafner was talking about earlier on the notification to Navitas with the lease we are going to have on the TimeClock Plus system. It has the expiration date of the contract on the spreadsheet so we can sort that and look at contracts that are going to expire in the next 30 or 90 days and be proactive on that. The other thing that it has done is given us a repository for all the contracts, although they are on Legistar, we have actually created a binder with all the contracts that is indexed to that spreadsheet. It gives you an easy way that if you're looking through the spreadsheet you can take the three-ring binder and flip through and find that contract right there. Through the process of that, some things have come out, for example, the lease was up on June 30, 2017, for the people on the third floor. They had been paying rent every month but they hadn't paid the escalated amount. Under the terms of the contract, their rent escalated 150% on July 1, 2017, but nobody ever caught that. So, we caught that in reviewing the contract and they said sure, you're right, it does say that and they sent us a check for \$4,200. Within 30 days, we had the check. In the course of that, we talked to them about how much longer they intended to stay since their lease was technically up. They said they wanted to stay a little longer. I asked them if they would be interested in moving because we have a space in the basement that is equivalent to the space size they are in now and the office they are in on the third floor is a much more attractive use for the city than the space in the basement. It's prime real estate, really. They agreed to move to the basement at the same escalated lease rate they are paying today. So, not only did we collect the escalated lease amount, we also have gotten them to agree to move to the basement space and give us back that third floor office space, which is, like I said, prime real estate for our people in planning and inspections.

Mr. Reznicek said some other things we found, for example, was there were a lot of people buying Adobe license through the city where we can get that under one umbrella-type of license and we'll save some money on next year's renewals as we go through that process. GIS software is the same thing. We were buying license for GIS software in two locations in the city. We talked to GIS folks and they said yes, you are right. You are doing that. They couldn't do anything this year because we'd already renewed the license, but next year, it's not a huge savings, but it's about \$600 we'll save by consolidating that. As little things add up, I suspect there will be more of that that flushes out as time goes on as we continue that process.

Mr. Reznicek said the next item on there is a PEG channel solution under Ritter Communications. Under the Ritter Franchise Agreement, one of the items in there was there requirement to provide funding in lieu of a PEG channel, the Public Education Government Access Channel that we currently have with Suddenlink. So, that had never been paid or resolved going back 10 years. When we met with them initially, the conversation was basically one of well, we can't make the determination because of the language in the franchise agreement that talks about it's based upon Ritter's viewership, in relation to Suddenlink's viewership, and nobody knows what those

numbers are. They staved off any conversation about it using the idea that it wasn't a calculable number and they also said it wasn't a significant number in their mind. So, we did some work. This is where Deanna Hornback had come in and done some work and was involved in the final resolution of this just last week, as well, but we did get some statistics on Suddenlink, the best we could on Suddenlink's subscribership. Ritter gave us their subscribership, and we came up with a computation based upon what a general cost of an access channel would be. We came up with a number over the 10 years that they owed us of about \$30,000. They came in initially in the meeting and said they thought they owed us about \$3,000. Through the course of that, looking at their calculation, it really didn't follow the language of the agreement, so we ended back up at our number and they agreed to that. As a result, they brought in a long list of philanthropic things they had done over the years and we gave them credit for the police dog that they bought the city about 18 months ago. We said yes, we recognize that you did provide that so we'll give you credit for that. They're going to be funding us about \$20,000 as a resolution of that and we'll be collecting that either in a payment of approximately \$3,000 per year going forward or in-kind services for Communication Director Bill Campbell's department and helping them upgrade their production equipment to hopefully high-definition. So, that is one of the things we are working on with them.

Mr. Reznicek said the next slide I have is of some other projects we're working on. We are working on a pay portal. This will give literally everyone who does business with the Collections Department the ability to pay through our website and online portal. For example, most of us today have gone places and made payments online where it says you can pay by e-check or credit card and then they will tell you there is a convenience fee. That is typically what you find when you pay the government, such as when you go to the Secretary of State Mark Martin's website and you're paying some type of licensing LLC fee or whatever. There will be a convenience charge. So, there won't be any cost to the city, but what it will do is give people the ability to pay online where today they have to come to the window, mail a check, come with cash or call with a credit card number. This will be much more efficient for the department and we should, in theory, get our money a lot faster. When people can do this, they tend to pay more promptly. Chairmember Hafner said it's better customer service, too.

Mr. Reznicek said the next one is the time clock system. We talked about that one so I won't go into any more detail on that unless you have any more questions. We are also looking into the budgeting process for next year. One of the things that we are going to do is bifurcate the parks budget so that we can get better reporting by individual unit. For example, we're going to have Joe Mack Campbell Park as a subsection of the budget. We're going to have Southside as a subsection. We're going to have urban parks as one segment. We're going to have the pool as a segment. That way we can look at revenues. We can look at expenses and essentially do a little P&L on each area of the parks. We can look at how much we are making out of camping. What is our cost in the camping area at Craighead Forest Park? So, I think it will give us better reporting, better visibility and better ability to analyze what is going on. We are also going to pull Communications out of the Mayor's department where it is lumped in today. It's hard to get visibility into who is spending what in that department. I think that will give them better tools for budgeting and probably better cost control at the same time. We recently did a project of streamlining cash operations with the parks. They had a number of issues. I won't get into a lot of detail on it. It was primarily focused on employee safety, because of the amounts of cash that they are handling, as well as more efficient operation of getting the cash in the bank and getting it reported to Collections. In the past, that was all coming to Collections in a dropbox outside of the Collections office and then, literally, if you go down there on a

Monday morning sometimes, they would have baggies full of cash sitting on their desk trying to count all that cash. That made no sense. We now have the employees from the Parks Department and the pool doing drops at the bank directly with bank bags. The bank counts it in the morning and generally before the Collections people even get to work, they already have the count from the bank and the report, the z-out report from the cash register. It's just a lot more efficient and a lot safer for our employees.

Mr. Reznicek said we're looking at a sales tax module for Springbook for next year's budget. It is fairly inexpensive. It's about \$2,700 for the module. This will give us reporting in Springbook for our alcohol beverage control (ABC) tax and our hotel/motel tax. One of the things Ms. Hornback's work uncovered was a couple errors in the ABC tax. We had one business that had not reported. It was a little over \$7,000. They have since paid. They had never reported since they opened. We had another business that underpaid us by about \$1,500. This will eliminate that and it will also give us substantially better reporting on our ABC and our hotel/motel tax, and both of those areas are growing in numbers of people who are reporting. We have between 55 and 60 private club licenses reporting and we have between 20 and 25 hotel/motel reporting for A&P tax today. So, that's continuing to grow. It's becoming unmanageable on an Excel spreadsheet or a notepad. We need something to automate it and again this module, I believe, is \$2,700 in Springbook. It's really totally inexpensive. We're going to put that in next year's budget as a line item. I'm looking, probably fourth quarter, at having a reverse audit done on sales tax. This firm will come in and look at what we have paid in sales tax as a city on purchases. They generally can find cost savings, recovery with sales tax. They'll file an amendment with the state as a contingency basis, and typically take one-third of your recovery as their fee once it goes through audit and you actually recover the money. It's hard to quantify how much savings we will see out of that. I have done this in other places and there has always been savings.

Mr. Reznicek said the last one is just a note on the 5G ordinance. We have been working on small cell technology with AT&T and Verizon. This is a technology that is going to allow them to broadcast 5G in the city, which is the next generation, which the "G" stands for the next generation of cell transmission. It's part of the LTE, long-term evolution, of cellular communication. This will give about a seven- to 10-fold increase in speed and capability for people on their cell phone and data transmission. We were working on that independently based primarily on looking at what other cities have done, but we did recently join the AML. They have a group that is working on this collectively, so we're going to become part of that AML group. Councilmember McClain said you're saying we won't work with them directly, AT&T. We won't work with them directly? We will just go through AML? Mr. Reznicek said well, we're going to work with AML, but we're all going to try to come up with a common framework. Councilmember McClain said okay. Mr. Reznicek said we would then be working with AT&T in the final resolution. We're cooperating with everyone, but we want to make sure we do what is in the best interest of the city.

Mr. Reznicek said I thought I would touch on a couple things with Human Resources. We are going to make some changes to the NestEgg program. We did pull those resolutions today. There were some things we wanted to modify. Kind of a last minute decision, but we will bring those back on. We're going to offer some amendments to when you can enroll and when you can make changes in the amount that you're contributing. We also are going to offer a long provision in the plan. That's primarily one that we wanted to modify some of the language that we had in the resolution that you saw today. We actually have a meeting with First Security Bank on Tuesday. We're going to go through some of those changes, get that sured-up and then we'll bring that back into the next committee meeting. Human Resources Director Dewayne

Douglas and I are already working on the renewal health insurance. We've talked to Blue Cross Blue Shield. We've talked to other companies, as well. So, we're going to get competitive quotes on that again this year. We should have the first half of the year's loss ratio probably sometime by the end of this month, and that will give us a pretty good barometer of what we will likely see in terms of any potential increases. We are also looking at some additional employee supplemental insurance. This is an effort to bring additional offerings to the employees. One thing that we did and I don't know if it was ever reported to any of the committees or the council, but we had Hospital Wing and AirEvac come in and we offered the employees an opportunity to buy those services at a very discounted rate so that employees could sign up for that. It was like \$40 or \$60 per year, but then you would be covered under an evacuation by helicopter, where insurance typically wouldn't pay for that. It's about a \$30,000 to \$35,000 helicopter ride if you don't have insurance coverage, which most people do not. By buying into the membership, you're automatically covered and they take whatever your insurance will pay. That was a pretty substantial benefit for the employees and we did allow the employees to do that via payroll deduction, as well. We're also looking at some revisions to the employee handbook. We should have those done probably by the end of August, primarily in the area of some of our sick benefits and some other revisions. We're going to add in some templates on vacation and sick accrual times. So, you should see that revision coming out sometime shortly.

Mr. Reznicek said the last slide I have talks about the budget process for 2019. I have talked a little bit about that. We've put out a schedule. My plan for the budgeting process this year is to schedule meetings with each of the departments individually. I have asked them to do as formal as possible, preferably PowerPoint presentations, to the group as they each come in individually and present to us their plan for their department, as well as their budget for the following year. Once we go through those initial meetings by department, we will then consolidate that, we'll review it and then we'll go back to the departments and give them targeted changes that we would like to see in their budget, but give them the opportunity to choose where they would like to make those changes. We would give them the discretion of how they want to, if needed, adjust their budget. We would have them come back again, present their revised budget and we would then come back to them with feedback, and give them about a five-day rebuttal period. Then at that point, we will consolidate the budget, do another review, and, based upon the timeline that I have set up, that will put us about the end of October. At this time, we'll be in the process of preparing the final submission for the Finance Committee to eventually go to Council, and hopefully to be approved by the end of November.

Mr. Reznicek said the next thing I want to talk about is staff and take the opportunity to recognize and thank my staff, which includes Grants, Collections, Human Resources, Information Systems, the Land Bank Commission, Finance and Purchasing. So, I have quite a few people working for me and they're all doing an outstanding job. The one thing I will say and would like to point out is that when you look at the things that we are doing, the things we're working on and the things we have accomplished, we are very lean in a lot of these areas. We're operating in Finance with one payroll person, one payables person, one purchasing person, an accountant, a finance manager, and a budget manager. In the private sector for somebody with a \$65 million budget and 600 employees and two people in HR, they would look at that and say, that's pretty lean. That's pretty efficient. So, I just want to recognize them for their work. The Grants Department is the same way. They are very lean. They put out a lot of work, do a lot of great things. Human Resources has two people for 600 employees. They are doing an excellent job for the things they are working on and things they are doing with the staff that they got.

Mr. Reznicek said the last point on here, I have talked to Mayor Harold Perrin about this and I've talked to Legislative Audit about this. Because of the growth in the city, the size we are at, the complexity of our budget and the size of our budget, we think it warrants looking at having an internal auditor for the city. This position is something I'm going to propose in the budget for next year. The position would report conceivably either to the Council or to the Finance Committee. The chairmember of the Finance Committee would probably be the appropriate reporting structure with a dotted line to the Chief Financial Officer because we would be working in collaboration with either the Finance Committee or the Council with this individual. They would be independent of the Mayor and myself to the extent possible. They also would be someone under the direction of Legislative Audit to the extent that they wanted to give them guidance and training and a structure of what to do. In some cases, Legislative Audit should be able to rely on work that they do in areas such as an internal control review, but they'll also be able to do a lot of operational efficiency work for us. The Finance Committee, the council or myself can give them guidance such as we want you to go look at operational efficiency in this area and they'll come back and report to the Finance Committee and the Council. It's something again that there has been some discussion of and because of the size, the scope of our budget and the nature of the things that we're doing, it just makes a lot of sense for us to seriously consider adding this position. It could conceivably be a contracted position, at least the first year, possibly not a full-time employee. We will just have to make the determination if everybody is in agreement in doing it, how much dollars we want to budget the first year until we get a feel for how much work there will be, and whether or not we want to turn this into a full-time position maybe in the following year's budget.

Chairmember Hafner said Mr. Reznicek, I really appreciate you doing this, and I think it's very important that the Council knows what all you all are working on, and, also, that we show the public that we are not always adding to the budget even though sometimes it looks like that. I could understand why people would think that, but there's a lot going on and you've been real instrumental in pushing for all these cost savings and leaving no stone unturned. I just think it's important. Obviously, Mayor Perrin has mentioned that we will have some challenges coming up. We have to make sure we're taking care of every dollar and being responsible and stretching it as far as we can to still do the things that we need to do for Jonesboro to not only keep it where it is, but make it better. I appreciate all this work a lot. I have been harping on it and people are probably getting tired of hearing me say it, but we have to have a plan and we have to stick to that plan and make sure everything we're doing helps that plan be successful. Things like this are very important in that. I think it's also showing and helped illustrate to us that we're getting a return on things, such as hiring Ms. Hornback. I'm not sure what all she has found on the Suddenlink stuff she's looking at, but \$20,000 here, \$5,000 there, that's a good return on the amount of money we're spending on her. Without her, we probably wouldn't have some of these savings. So, I appreciate that.

Mr. Harold Carter, 902 Tony Drive, Jonesboro, said on this 9-1-1 system going down, maybe I didn't pay much attention to that or I don't know how it was reported, but it didn't sink in too deeply, but I just have one question. How did this affect the public's ability to call the city? Mr. Reznicek said I can address that. I should have covered that earlier. I did mention that the police and fire departments were utilizing handheld radios. Although, our 9-1-1 system does have another redundancy when it goes down those calls roll over. I can't and I don't think anybody else in here knows which county, but one of the other counties takes those calls and then they still are able to contact us via radio. There wasn't any loss of communication in terms of the public calling in.

They were still able to call in and they do still have a couple of analog lines. They lost communication that affected their ability to communicate the network out, but they didn't lose communication completely with the public. I should have clarified that earlier. It did not put anybody in any imminent risk that they would not be able to respond to a police or fire call. Chairmember Hafner said thank you very much everybody.

Read

7. Public Comments

8. Adjournment

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