



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, April 25, 2017

4:00 PM

Municipal Center

1. Call To Order

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2. Roll Call by City Clerk Donna Jackson

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Present 5 - Ann Williams; John Street; Darrel Dover; Joe Hafner and David McClain

Absent 1 - Charles Coleman

3. Approval of minutes

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MIN-17:042

Minutes for the Finance Committee meeting on April 11, 2017

[play video](#)

Attachments: [Minutes](#)

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

Aye: 4 - Ann Williams; John Street; Darrel Dover and David McClain

Absent: 1 - Charles Coleman

MIN-17:047

Minutes for the special called Finance Committee meeting on April 18, 2017

[play video](#)

Attachments: [Minutes](#)

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

Aye: 4 - Ann Williams; John Street; Darrel Dover and David McClain

Absent: 1 - Charles Coleman

4. New Business

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Resolutions To Be Introduced

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RES-17:040

A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE FIRST BAPTIST CHURCH-MAIN STREET TO COLLABORATE IN HOMELESS ACTIVITIES FOR THE NEWLY ESTABLISHED HUB (HELPING UNDERSERVED BELONG)

[play video](#)

Attachments: [Memorandum of Understanding with First Baptist](#)

Grants Administrator Kimberly Marshall explained City Attorney Carol Duncan requested the MOU with First Baptist Church be done so the city's responsibilities are identified. They are helping us with a lot of things. They are still paying for the phone and internet services, but that will change over to us. We are trying to get our money together for those items they are going to try to address.

Chairman Hafner clarified the agreement indicates our responsibilities will be to carry insurance on the space, pay for phone and internet services, to fund all services performed in the space, and daily cleaning. He questioned whether that would be paid for with grant funds. Ms. Marshall answered CDBG can pay for it when they get to the 2017 budget year, but at this time we're not there yet so her department is handling that. The phone bill is about \$20 per month. The copier is \$5 a month. Volunteers are cleaning up the area. A lot of it is donated services. Chairman Hafner noted it also states the city will pay for fees associated with client services, including birth certificates, driver's licenses, bus passes and bus tickets. Ms. Marshall explained JET has been providing bus passes to help them out. Her department is paying for birth certificates until they get donations. It's \$12 per certificate. They haven't had but one or two requests so far. They don't expect many. The task force is starting a donation drive, so hopefully money will come for that.

Councilman Street asked if the bus passes count as countable rides. Mayor Perrin stated he doesn't think they do. Councilman Street noted when the city first got into JETS they were giving out a bunch of rides and ended up having federal funding withheld. It wouldn't have been so bad if those hadn't been counted as rides. If they're counted as rides, they expect payment. Chairman Hafner asked JET Director Michael Black to check into that.

Chairman Hafner questioned who makes up the Homeless Task Force. Ms. Marshall stated the mayor appointed the task force about two years ago. It is made up of Dana Moore, Catherine Richardson, Marty with Mid-South, Michael Sullivan from Habitat from Humanity, someone from JURHA, someone from CRDC and several others. Mayor Perrin added every member of the task force works in some time of agency or corporation that works with people who are related to these services in some form or fashion. The task force still in existence by ordinance. Now that they have the HUB they may need to change that in the future, but right now he'd like to leave it as a task

force to work with Ms. Marshall to get the \$96,000 or \$94,000 from HUD to help pay rent for people who qualify, electricity, etc. He hopes for more money from HUD and will be applying for more money, which is why this contract is only good for one year starting April 4th. He thanked the church for allowing the city to use it.

Councilman Dover asked where the actual facility is located. Ms. Marshall answered it is in the annexation building. Mayor Perrin added it is across the street. Councilman Dover then asked what the city is insuring. Ms. Marshall explained there's a lobby area, then two small rooms all inside a bigger room. Mayor Perrin stated he thinks it's just liability insurance for falls, etc. They aren't insuring the facility itself because the church has that itself. The cost shouldn't be very much. Ms. Marshall further explained they would like to get a more permanent building for HUB that is more centralized to the homeless population. They are hoping that by next year the task force will become a non-profit, which will help even more.

Chairman Hafner stated this is a good service the city is providing and it sounds like it won't cost much. Hopefully they can track the expenses so next year it can be budgeted for accordingly whether it be for grant money or other money as needed. Mayor Perrin noted they are going to put this as a separate line item, so they'll be able to provide information at the year's end. He reiterated that when the 2017 grant year starts, then some of the grant money can be used for expenses. He thinks it's less than \$100 per month expense.

Harold Carter, 902 Tony Drive, referred to the agreement that included the city responsibility for bus passes, bus tickets, etc. He foresees there being questions asked about what "etc." means. He doesn't think there's a way to make a list, but there should be a way to be more specific than just saying "etc." Councilman Street answered he thinks it would be hard to write out every little expense because they can't think of them all. She's convinced him it's not a large amount of money and at the end of the year they will know what those etc.'s are.

Chairman Hafner asked for a six-month update at the end of September since this is something new. That way they'll see where they are regarding expenses and what they've been paying for, as well as the screening process the clients go through.

Councilman Dover noted it might be helpful to clarify the client services being performed. Ms. Marshall explained the HUB is a one-stop shop that is designed to point people to the resources they need. If they need food stamps or housing, until the grant is up and running they will be able to provide that. They will have funding for the case manager assist them and get the paperwork together. They also have therapists, doctors and dentists who are all donating their time to the program.

A motion was made by Councilman Darrel Dover, 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; Darrel Dover and David McClain

Absent: 1 - Charles Coleman

[RES-17:048](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE LOW BID AND ENTER INTO A CONTRACT WITH BAILEY CONTRACTORS, INC. FOR THE HVAC REPLACEMENT AT CENTRAL FIRE STATION

[play video](#)

Attachments: [Bid Documents](#)
 [Fire Dept HVAC contract](#)

Mayor Perrin explained they have been looking at it for a long time and just putting band aids on it. The system is 18 years old. While the work is being done, the employees still have to live in the building.

Maintenance Director Ronnie Shaver stated when they started out they budgeted \$515,000. They did some negotiations and got it down a little bit, but the contingencies made it come out higher than what was budgeted. He overlooked contingencies in his figures and ended up being about \$28,000 shy. They are at \$543,794. The actual bid was \$539,593. They negotiated it down to \$501,193. That's doing some duct work in the attic. They're doing some piping. They will not do away with the hard copper. They are going to go with PVC on certain piping to condensate lines. When he added contingencies based on the \$515,000, it brought him up about \$28,000 shy.

Councilman Dover questioned whether or not the committee needed to vote on the item. He explained the item is budgeted for, even though he went over the budgeted line. He asked if the extra money could just be taken out of another account. Mayor Perrin answered yes, the committee needed to vote on it since the amount is over \$20,000. They had a third party with no interest in it look at the system to make sure they are getting the right unit with the right tonnage.

Councilman McClain asked what the total amount is. Mr. Shaver answered the total is \$543,794 including contingencies and all. Chairman Hafner clarified the contingencies were about \$42,000. Mr. Shaver answered yes. Mayor Perrin added he hopes they won't have to spend those contingencies, but they don't know. He would rather get the approval and actually spend less.

Councilman Street questioned if they got the bid and then raised it with the contingencies. Mr. Shaver explained the actual number was the \$515,000. The engineer they hired dealt with the bid process. He tried to get the amount down to cover the 15% contingencies, but they couldn't get it down that far.

Councilman McClain asked if these were the only two bids. Mr. Shaver answered yes, they put it out to bid and those were the only two bids received. There's only one mechanical company in Jonesboro and bid it through the two contractors, which was Control Mechanical. They worked with RGB to fix the system they have, but they didn't put in a bid because they have more work than they can do right now. Because the firefighters live in the building all day long, they will have to do the system in parts. They will suffer some this summer since the project won't be done yet.

Councilman McClain reiterated that the system is 18 years old. Fire Chief Kevin Miller stated they started construction on the building in 1999 and the system was put in in 2000.

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

Aye: 4 - Ann Williams;John Street;Darrel Dover and David McClain

Absent: 1 - Charles Coleman

5. Pending Items

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6. Other Business

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Chairman Hafner stated at the last regularly scheduled meeting he asked Finance and the Human Resources Departments to do a presentation regarding the Employee Handbook updates. They are still working on a few revisions. They are going to push that back to the next meeting.

Chairman Hafner announced Communications Director William Campbell sent out an email this afternoon with updated sales tax figures. Compared to 2016, the city is up about 2.82%. Compared to the budget, which is based on a trend, the city is up about \$449,000. Sales tax is trending in the right direction. Even though the city had a strong January and February, sales tax was down in March and we keep a positive trend.

Mayor Perrin added the trend state-wide showed every city sales tax down last month. He noted the county's sales tax has gone up higher than the city's. That goes back to the legislation passed a few sessions ago whereas if someone buys something in Jonesboro, then has it delivered in Brookland, Brookland gets the sales tax. It is based on point of delivery now. He is really watching the trend and the overall sales tax ratio. That's why they've been negotiating with the banks and moving money around. They started the year at .55% and is now at .95% in just the checking account. Some money was moved to CDs at 1.5%. That will be reflected in higher interest income.

Chairman Hafner stated at the first Revenue Enhancement meeting Councilman Long asked what the city is doing regarding reductions on a day to day basis. At the businesses he's worked at in the past, they've had cost saving goals each year and they would be tracked. Maybe that's something that could be done as part of the budget each year. That would show the citizens they're not just raising fees, the city is also trying to cut expenses. Mayor Perrin explained open positions have to come before him, the chief financial officer and the human resources director. They look, along with the department head, to determine if the position needs to be filled or if it can be moved to someone else. They are running the departments real thin.

Mayor Perrin added he spoke with Chief Financial Officer Suzanne Allen this morning about what is required reserves. They had a deep discussion about it this morning. If something happens, salaries go on. During the last ice storm, the city spent more diesel, more gas, more overtime, etc. It depends on what happens. It takes 18 months to get that money back from FEMA and the Department of Emergency Services. They are working on the required reserves to bring back to the committee.

7. Public Comments

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Mr. Carter asked the mayor in terms of the sales tax on out of state purchases, if they were able to accomplish anything. Mayor Perrin explained the City Council passed a proclamation and sent it to the United States senators. But, the legislation did not pass on the state level. None of the House members voted on the tax. He doesn't know why. He thinks it's tax evasion that the tax isn't taken. Further discussion was held about collecting tax in the city. He noted he will be bringing an ordinance before

the City Council that says you cannot purchase your business license unless your property taxes have been paid. The reason is you cannot pay your real estate taxes unless you've paid the liens with the liens. The city has collected \$290,000 worth of liens that the city couldn't collect before. He added it's only fair that they pass one on this level saying in order to get a privilege license you have to have your real estate taxes paid.

Mayor Perrin stated if the law had been passed the city probably would've picked up anywhere from \$4 million to \$5 million with the state getting \$100 million to \$125 million. But, Amazon decided to go ahead and take the tax. Each year he gets a list from the DF&A showing everyone who submits sales tax. Then, they compare that list to people who have a business license. They find several prospects who haven't paid for a license. Chairman Hafner noted he was at the Arkansas Municipal League last week. They are still hopeful about getting that measure passed. It's not a dead issue.

8. Adjournment

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A motion was made by Councilman David McClain, seconded by Councilman Darrel Dover, that this meeting be Adjourned. The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Darrel Dover and David McClain

Absent: 1 - Charles Coleman