



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, April 30, 2019

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

Present 6 - Charles Coleman; Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

3. Approval of minutes

[MIN-19:035](#)

Minutes for the Finance Committee meeting on April 9, 2019

Attachments: [Finance Minutes 04092019.pdf](#)

A motion was made by Councilperson John Street, seconded by Councilperson Charles Coleman, that this matter be Passed . The motion PASSED with the following vote.

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-19:019](#)

AN ORDINANCE TO AMEND CHAPTER 62-40 AND 62-41 OF THE JONESBORO CODE OF ORDINANCES FOR THE PURPOSE OF MODIFYING THE DEFINITIONS TO INCLUDE AND SHORT TERM RESIDENTIAL BUSINESS RENTALS AND LEVYING A TAX UPON SAID RENTALS

Chairman Joe Hafner said, basically all this is doing is making it where we can collect the 3% A&P tax on short-term rentals. Councilmember David McClain said, I know it is tied to the same ordinance, but the next resolution RES-19:037, it gives you a breakdown per price for apartments, duplexes, things of that nature. Are we charging different prices if it is online, based on if it is an apartment or based on if it is a single-family house? This is going to be something totally different? City Attorney Carol Duncan said, one is the tax and one is the privilege license. Councilmember McClain asked, so, the privilege license is going to be for? Ms. Duncan said, it will be per door. Councilmember McClain asked, but it is still for short-term? Ok, I was a little confused because it said duplex, single-family, apartments. Ms. Duncan said, some people will rent those through Airbnb. They will rent an apartment or they will rent a

townhouse. So, it just gives different prices. Chairman Hafner said, the tax is based upon what they are paying. Ms. Duncan said, yes, the tax is based upon the income whereas that is based upon the door, like the number of units. Mayor Perrin said, it is based on per unit. Councilmember McClain said, yes, I see where it is like \$50 per apartment or per unit. Ms. Duncan said, per apartment unit. Mayor Perrin said, if you had 20 apartments, it would be 20 times the \$50. Chairman Hafner said, we can talk about that here in a second. Councilmember McClain said, that is fine. I was trying to make sure that I was correct. Chairman Hafner said, if they pay \$100 a night, they pay 3% of \$100. Councilmember LJ Bryant said, I would just say that this is just standard. I have an Airbnb in Cherokee Village and I pay 2-3% a month to Cherokee Village A&P. So, I think this is a good move and everybody else does too. Chairman Hafner said, I think originally what the A&P wanted done, we had to work through all of the other stuff to get to this point. Ms. Duncan said, it got sidetracked and that is correct.

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: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

RESOLUTIONS TO BE INTRODUCED

[RES-19:037](#)

A RESOLUTION FOR THE ADOPTION OF PRIVILEGE LICENSE FEE SCHEDULE FOR SHORT TERM RESIDENTIAL RENTAL PROPERTIES IN THE CITY OF JONESBORO

Chairman Joe Hafner said, I have a few comments on this before I yield the floor. Obviously, a privilege license is exactly what it means, a license for people to do business in the city. So, I can see why we would want this privilege license on the short-term rentals. My biggest question is, at what point do we include for lack of a better term, long-term rentals for privilege licenses because to me, I really see no difference between them doing business in the city and a short-term rental doing business in the city. To me, apartment owners have one of the best setups in Jonesboro of anybody because they don't pay privilege licenses, they don't pay sanitation fees, they don't pay recycling fees. I am going to put together a schedule. I had Sanitation Director Donny Gibson and Sanitation Supervisor Cindy Schweitzer send me a listing of each apartment complex and the number of containers they have, the size of container, the frequency of service and I am going to go through and kind of come up with basically how much "free services" that they are getting. And, I understand they are getting the service because of the way the ordinance was setup back in 2000 when the sales tax was passed. So, it is not their fault that they are getting free service. But, I just want people to have an idea of how much that service is saving them compared to a lot of other cities in Arkansas. Before we take action on this, I would like to have some discussion about at what point do we do it in pieces or do we talk about some sort of long-term rental privilege license. Councilmember David McClain said, I think we should. I definitely think we should have some type of fee or whatever associated with apartments or any type of rental. Absolutely. Chairman Hafner said, I don't really have an issue of doing it in pieces, but I think it is something that we definitely have to look at as we move forward and look at for the rest of this year and going into next year's budget. Councilmember McClain said, absolutely. What kind of breakdown are you looking for? One from duplex to triplex to four-plex or on up or something similar? Chairman Hafner said, it should be a breakdown along these same guidelines.

City Attorney Carol Duncan said, I would say that you could probably use this. I don't

know if you would want to change the amounts a little bit, maybe not. I think you could use a resolution similar to this if that is what you are looking for to charge a privilege license. I think that the Finance Department actually kind of anticipated that it could be coming at some point and that is why it was put together in this way. I do think there is a little confusion after you and I had talked today. Where it says apartment complex and then above it, it says per unit/structure, you don't really know if that \$50 means per structure or per unit. I mean I know they intended it to mean per door which is per unit. But, we may want to put \$50 per unit, accessory apartments, \$50 per unit on each one of those lines instead of us just having it at the top. That might be less confusing. Assuming that you all send this on to council, if you all don't mind, we may make that edit. Chairman Hafner asked, do we have an idea, speaking on this resolution specifically, how many short-term rental like apartment complexes are out there? Councilmember McClain asked, they are going to have to self identify, right? Ms. Duncan said, short-term, I would say not that many. When we were doing the research on how much tax revenue it would bring in, it really wasn't an astronomical amount. Chairman Hafner said, if you are talking about like the Links and I know they are not short-term rentals, but are you talking about \$50 per door for the Links, that is a lot of money. Is that a reasonable amount of money? If we are meaning per door, if it is the desire of this committee to forward this on to council, I think we have got to make that specific and really clear. Ms. Duncan said, I do believe that was the intent because I think our Finance was assuming when they drafted this that an apartment complex could not have every apartment in it as a short-term residential rental. It might have one. So, I think they were anticipating that would be per unit, per door. But, again, I can see why clarification is necessary there.

Mayor Perrin said, each year, we have looked at this on our revenue enhancement committee and that is inside of the administration. We have pulled that and City Collector Becky Sharp has looked at that several times and tried to pick out the number of apartments you are talking about and the per door and running the figures. So, we have got some of that data that we will share with you on that. And, then you can take it from there. We have just never brought it before the council to enact that in order to charge per door for apartments. Now that you have got the rentals in that Airbnb type taking away from the A&P tax, we are trying to get that back even. This may be a good time to look at all of the rentals is what I am saying. Chairman Hafner said, I don't know why we wouldn't because they are businesses. Mayor Perrin said, that is what Ms. Duncan is saying. Chairman Hafner said, they are businesses like any other business in the city. If you are an accountant or a landlord, you are still doing it to make money. So, why not have to be registered like everyone else. Ms. Duncan said, I am sure the Finance Department can run those numbers for you and have them. I don't know if you want to wait on this or if you still want to forward this to full council. That is your decision. If you want to do it all in one or in two separate, it can be done either way. Chairman Hafner asked, would you like for it to be separate? Mayor Perrin said, I think it needs to be separate because we need to do a lot of studying on this. She has got a lot of that data. She had asked me about that the other day, Becky had. Ms. Duncan said, I would say that if we could get somebody to clarify which ones were per unit and which ones were per structure and make sure that the committee knows. Mayor Perrin said, it should be per door. Ms. Duncan asked, on apartment complex, does that mean \$50 per door? Was that the anticipation and the same on accessory apartments and loft apartments? Obviously, a house is per structure. On a townhouse is that per door? And then, on a duplex, is that per structure or per door? So, \$100 for each side of the duplex? Ok. And then, a back townhouse, per door? Ok. So, the only one that is per structure is the house? Mayor Perrin said, that is correct. Ms. Duncan said, maybe we just say per unit and leave off structure if that makes sense. Councilmember McClain said, with a duplex

you have two units. Ms. Duncan said, each one is a separate. I think there would be less confusion if you want to make that edit. I am just trying to make it less confusing before it gets to council. Chairman Hafner asked if anyone would like to make that motion. Ms. Duncan said, to leave off structure will make it a lot less confusing. Chairman Hafner asked, my other comment would be per year? Mayor Perrin said, yes. All privilege licenses are on an annual basis.

Councilmember John Street motioned, seconded by Councilmember Ann Williams, to amend RES-19:037 to replace the wording to reflect per unit instead of per unit/per structure. All voted aye.

Patti Lack, 4108 Forrest Hill Road, said, I just want to know who is the department in the city that is going to monitor this. Chairman Hafner said, Collections. Mayor Perrin said, it would be the City Collector. Ms. Lack asked, how do you know if I have a guest house and I do it for one day? Chairman Hafner said one day wouldn't count. Councilmember Street said, that wouldn't count. Mayor Perrin said, that wouldn't qualify. Chairman Hafner said, it has to meet the criteria that was listed in ordinance ORD-19:019. Councilmember Street said, I believe it is at least 30 days a year. Ms. Duncan said, it has to be over 30 days in a calendar year. Ms. Lack asked, if it is under 30 days, you don't have to worry about a privilege license and the Collections Department is in charge of monitoring all of this? Chairman Hafner said, right.

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: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-19:047](#)

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH FORREST OFFICE MACHINES TO SERVICE AND PROVIDE TONER FOR THE CITY'S COPIERS AND PRINTERS

Attachments: [Forrest Scan_20190417_144642.pdf](#)
[City of Jonesboro Maintenance.pdf](#)
[CITY OF JONESBORO LETTER.doc](#)
[Jonesboro.docx](#)

Mayor Harold Perrin said, the council approved a resolution RES-19:032 with AAA Business Systems on March 19, 2019. I did not sign that. Again, that was just giving me the authorization to sign that. When I looked at that, I thought we possibly could do better. So, therefore, I did not sign it. I pulled it out and I gave it to Interim Chief of Staff Roy Ockert in which we rebid this. I am glad we did because we picked up \$5,000 a year less expense and also getting the copier that we weren't getting in the other one. And, they are local where the other one had a four hour turnaround time because they are in Fayetteville. I think we did a good job on this and Forrest Office Machines was by far the lowest. So, I just wanted to share that with you. Chairman Joe Hafner said, thank you. Thanks for checking into that further. Councilmember David McClain said, in the past, have we always used refurbished equipment or is that a new deal? Mayor Perrin said, no, we have always purchased or leased new copiers. Now, with toners, we take those and recycle those. But, that is refurbished on that. Councilmember McClain asked, but, not the copier itself? Mayor Perrin said, right, not the copier itself, just the toner. Chairman Hafner said, I think the Mayor mentioned that when we were talking earlier that the copier in the Mayor's office is ten years old. Mayor Perrin said, that is correct. It is doing good. Chairman Hafner said, I know in other jobs we have used refurbished copiers. They are usually a pretty good deal.

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: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-19:048](#)

A RESOLUTION TO CONTRACT WITH JONESBORO JETS, INC.

Attachments: [2019 JETS SWIM](#)

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-19:049](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO A new AGREEMENT WITH THE ARKANSAS DEPARTMENT OF TRANSPORTATION(ARDOT) for THE FY 2017 TRANSPORTATION ALTERNATIVES PROGRAM (TAP) grant to modify the original agreement to increase funds FOR the ASTATE Link trail.

Attachments: [Letter to Harold Perrin Jonesboro Job 100971 Combined with TAP funds for](#)

Councilmember David McClain said, looking at our map of the Master Bike Plan and it says ASU link, part of it is out there off of Aggie Road going towards University Heights and then also the downtown section, which section is this for? Is this for entire section that we are merging? Parks Director Danny Kapales said, this first piece is actually connecting downtown to ASU. The one that you are talking about with University Heights, that is the one that we are applying for. Councilmember McClain said, ok.

Councilmember Dr. Charles Coleman asked, is this going to be incorporated with the new plan? Mr. Kapales said, it is. It is in the new plan, yes sir. Mayor Perrin said, this is the phase from ASTATE to downtown. Estimated cost in that is about \$6.4 million. If you all will remember, Engineering has started working on that. I will tell you and give you a head's up that we met with Union Pacific last week in Little Rock. The plan shows where the bike trail would go under the railroad on one and go over the other one on the bridge. The odds of us getting permission to go under the railroad is slim to none. In fact, Little Rock has tried it three times and has not been able to get that. So, we have notified the engineering firm that is doing that to make sure to let them know that it is almost going to be out of the question to do that.

The other thing that I want to bring up on what you just passed is that if you all will remember, we got the original \$500,000 and then we got an additional \$500,000 that we asked to be transferred over which we got a letter to do that which you can see in your documents today that we got close to \$1 million. Coming out of Craighead Forest or Phase III will take that down to the apartment complex since we are not taking it all the way down to Highway 1. We could not put it on Highway 1. Mr. Kapales said, it is Phase III. Mayor Perrin said, so, I anticipate having at least \$100,000 of that grant that we will be asking to transfer over to this as well. The reason for that is that it will give us \$1.1-\$1.2 million that would be in this plan and that would help us when we go to some foundation such as the Walton Foundation that we have at least 1/3 of that money ourselves that we are putting in to it so we are asking them to help us finish out

the trail. I am scheduling a trip to Bentonville and to Fayetteville, in that area, probably in the next 2-3 weeks and taking 6 people there to look at some of the projects that they have done up there.

Councilmember LJ Bryant asked, Mayor or Danny, if you could clarify. So Craighead Forest is going to come down and stop at Savannah Hills or it will go on down and hit Harrisburg? Mr. Kapales said, no. We are going to stop it at the apartments. That way we won't end up going in front of those houses that are really close to the road currently. That way the people in the apartments still have access to the park. Mayor Perrin said, right. There is no need to take it all the way down because you can't hit Highway 1 because they said they didn't want a sidewalk or just a bike trail on Highway 1. We felt like it would be best. One of the best ways is to take it straight out of that area and go straight down Forrest Hill and take Forrest Hill all the way down. It is where that bike trail should have went. It is as straight as it could be. You are going to end up at Central Baptist Church right there. If, in fact, there is a stop light right there, which again, it shows a four hours a day stoplight could be there. And, then take it on down. But, again, you have got all kinds of options. It is just what is feasible. When I say feasible, I say what is safety as well as price. It would be both of them that you would have to look at.

Councilmember Ann Williams asked, the link to downtown, that goes under the Marion Berry bridge? Is that what it goes under? Mr. Kapales said, currently, the link as it is planned would go under the railroad tracks and then over the tracks. At this point, with us not being able to go under the tracks, we are going to have to evaluate that section through the design and make sure that we might possibly go down to Marion Berry to go over or find an earlier place to go across the tracks. Councilmember Williams said, ok.

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: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

[RES-19:050](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A CONTRACT WITH CRAIGHEAD COUNTY JONESBORO PUBLIC LIBRARY FOR PUBLIC SERVICE

Attachments: [Public Service Contract COJ and Public Library.pdf](#)

Chairman Joe Hafner said, none of the property tax that we collect that goes into the general fund, right. I mean it is all allocated. It's a pass through. Mayor Perrin said, it is strictly a pass through. We do a millage for the library. We do a millage for the LOPFI which is the retirement for police and fire. Chairman Hafner said, it is all just pass through, none of it goes into the general fund. Mayor Perrin said, it comes in and goes right back out.

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: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

5. Pending Items

6. Other Business

[RES-19:054](#)

A RESOLUTION EXPRESSING THE WILLINGNESS OF THE CITY OF JONESBORO TO UTILIZE STATE AID STREET MONIES FOR THE FOLLOWING CITY PROJECT: JONESBORO C.W. POST ROAD OVERLAY

Attachments: [ArDOT Job C16008 - CW Post Road Overlay.pdf](#)

Councilmember John Street motioned, seconded by Councilmember Dr. Charles Coleman, to suspend the rules and walk on RES-19:054. All voted aye.

Councilmember David McClain asked, are we walking this on simply because we just got this information yesterday? Mayor Perrin said, yes sir. What this is is street state aid. It is where they are actually going to do the overlay. This is the \$250,000 that we can get from the state which is 90/10. Our part would be \$25,000 and their part is up to \$250,000. This is the overlay. It will take it all the way from Commerce, all the way to Nestle Way.

Chairman Joe Hafner said, I noticed that it said in here, right-of-way and utilities are completely our responsibility. Does the \$25,000 cover that or is there any money that needs to be allocated? Mayor Perrin said, the right-of-way should already be acquired. This is just an overlay. With the utilities, there won't be any to be moved. If there are, we always have a good partnership with City, Water and Light and they normally move our utilities for any overlay that we do. Chairman Hafner said, I guess since it is an overlay, we should be good. I just want to make sure that we are not missing anything. Mayor Perrin said, it is in there for a reason. I am on the committee. There are a lot of these cities, 500 in Arkansas, some of them, their main street is gravel and they don't even have the right-of-way which they have to acquire. They have utilities where you have got CenterPoint and some of these others that they require the city to pay for it. We are lucky enough to have CWL which will help us do that. There is a reason it is in there.

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: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant

Councilmember Dr. Charles Coleman said, I don't know if this question is for Danny Kapales or for the Engineering Department. Have we had any study at all on doing a multi-level parking garage with all of this that we are trying to do with this ASTATE to Downtown? Is there going to be any study for that? I mean we are getting all of this traffic and you can't hardly even park downtown. Should we be doing any kind of study for that? Mayor Perrin said, I can tell you that to answer your question, we have not done a study. We have had a lot of discussion and the reason for that is that the people that we have worked with, that I will be meeting again with next week on the Citizens Bank building as well as another project downtown, both would be coming back to the city and asking us to try to help them and assist them on a multi-level parking garage which we desperately need in the downtown area. Even though we have over 500 parking spaces in downtown, they are scattered. Councilmember Coleman said, that is my point. They are scattered. You can't hardly find a place. At lunch time,

I don't know if there are 500 people downtown, but I know you can't find a parking spot. Mayor Perrin said, that proved that point. If you remember, we just dedicated the Rotary Centennial Plaza which is incredible for this city. We are also spending money on the Forum next door, but if you take the Forum and you come back this way, the closest parking lot is either going to be Iberia Bank parking or it is going to be the city parking next to this building or you would have to go over one block on Main or two blocks on Monroe and Union to do that. Yes, there has been discussion, but that would probably require a parking garage. Multi-level parking garages are not cheap and that would be something that we would have to look at a bond issue or something of that nature. Councilmember Coleman said, I just think it would pay for itself.

7. Public Comments

8. Adjournment

A motion was made by Councilperson David McClain, seconded by Councilperson LJ Bryant, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;David McClain and LJ Bryant