



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, April 27, 2010

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Present 5 - Ann Williams; Jim Hargis; John Street; Darrel Dover and Mikel Fears

2. Approval of minutes

MIN-10:039

Minutes for the Finance Committee meeting on April 13, 2010.

A motion was made by Councilman Jim Hargis, seconded by Councilman Mikel Fears, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

3. New Business

Ordinances To Be Introduced

ORD-10:020

AN ORDINANCE TO ESTABLISH POLICIES FOR THE ADMINISTRATION OF CEMETERY REVENUES

Sponsors: Finance and Parks & Recreation

City Treasurer Jim Eagan explained this ordinance clarifies some issues concerning the lot sales. He further explained a portion of the lots sales and fees will go towards the operation of cemeteries, while the remainder will go into the Cemetery Fund/Perpetual Care Fund. He also stated the ordinance states the interest made on the Perpetual Care Fund can be used for the operation and maintenance of the cemeteries. Councilman Hargis questioned how much money is in the Perpetual Care Fund. Chairwoman Williams answered there is approximately \$1.2 million. Councilman Hargis then questioned how much interest the fund accumulates every year. Mr. Eagan stated the account bears about \$18,000 in interest per year. Councilman Hargis asked how much the sales are per year. Mr. Eagan explained the City averages about 55 lots per year in sales. He also noted the ordinance will allow them to look at the cost of cemeteries.

A motion was made by Councilman Mikel Fears, seconded by Councilman Darrel Dover, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 4 - Jim Hargis; John Street; Darrel Dover and Mikel Fears

ORD-10:027

AN ORDINANCE TO AMEND THE 2010 BUDGET TO PROVIDE FOR TRANSFER OF MONIES PAID TO THE FEDERAL TRANSIT ADMINISTRATION BY JONESBORO ECONOMICAL TRANSIT SYSTEM

Sponsors: Finance

Mr. Eagan explained in December the City approved funds to be paid to the FTA, but at there were some concerns expressed by the FTA concerning the payback. He stated the FTA has indicated they do not want a lump sum payment from the City; rather, they want to take the amount owed out of future loans. He added the ordinance states the City can transfer the funds now since the funds could not be transferred last year. He noted the was some money that was to be paid through the Metropolitan Planning Organization (MPO), but that part was not affected.

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

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

Resolutions To Be Introduced

RES-10:043

A RESOLUTION TO ADOPT A REVISED EMPLOYEE HANDBOOK FOR ALL EMPLOYEES OF THE CITY OF JONESBORO.

Sponsors: Human Resources and Mayor's Office

Human Resources Director Gloria Roark explained most of the changes were just cleanup and adding other policies to the handbook that had already been adopted. She also added they fixed some definitions. She stated they wanted to make sure the City meets federal guidelines.

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

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

RES-10:047

A RESOLUTION TO ESTABLISH GUIDELINES FOR FUND BALANCE CLASSIFICATION OF GOVERNMENTAL FUNDS OF THE CITY OF JONESBORO, ARKANSAS, IN ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 54

Sponsors: Finance

Mayor Perrin asked for the resolution to be pulled because the state has not passed the guidelines yet. He explained the state could make some changes before it passes the guidelines, so he would rather wait until the states passes the guidelines before the City adopts them. Chairwoman Williams clarified passing the resolution was recommended by Alexander Thompson Arnold (ATA), but not by Legislative Audit. Mayor Perrin agreed.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Postponed Indefinitely . The motion PASSED by a unanimous vote

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

4. Pending Items

5. Other Business

COM-10:044

Financial Reports

Sponsors: Finance

Mr. Eagan discussed the financial reports. He noted every department seems to be cutting costs in numerous line items in order to keep expenses down. Chairwoman Williams noted in the Year to Date Expenses vs. Budgeted report shows Sanitation Administration being \$37,103 over budget. Mr. Eagan explained part of that is due to having yearly expenses that have already been paid. He added mosquito control is also paid out of that fund. He noted they are actually within their means. Further discussion was held concerning the reports.

This item was Read.

COM-10:048

Information regarding the need for a public safety sales tax vote in 2010

Mayor Perrin explained they have made 2011 and 2012 budgets. He further explained after speaking with economists and the Arkansas Department of Finance and Administration they determined there is a need for a 0.5% sales tax for public safety purposes. He stated in order to balance the budget it would include a \$2.5 million personnel cut. He presented the committee with an ordinance to levy a 0.5% sales and use tax and an ordinance calling for a special election. Mayor Perrin stated they don't think the percentage is excessive, but it needed for a balanced budget until economic recovery starts in 2013. He added they look into several different scenarios regarding a sales tax and the 0.5% for four years seemed to be the best solution. He asked the committee to forward the ordinances on to Council. He noted the ordinances should be read over three readings on May 4, May 18 and June 1. He added the special election would be on August 10.

Councilman Dover questioned whether there would be public meetings regarding the tax. Mayor Perrin answered yes. Operation Director Gary Harpole added the information will be on the City's website so the public can view it. Discussion was held concerning the possible reduction of services and personnel if the sales tax is not passed. Chairwoman Williams questioned whether it's common to have the four-year sunset clause on the tax. Mr. Harpole answered yes, that they did a lot of research on sales taxes. He noted the City of Kennett, MO, and another community in Missouri recently passed sales taxes for their city governments. He explained in about four years it's predicted the state should start seeing some recovery, which is why they chose a four-year sales tax.

This item was Read.

ORD-10:036

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE-HALF PERCENT SALES AND USE TAX WITHIN THE CITY OF JONESBORO, ARKANSAS; ALL PROCEEDS DERIVED FROM THE SALES AND USE TAX WILL BE FOR PROVIDING POLICE AND FIRE SERVICES.

Sponsors: Mayor's Office

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

Darrel Dover, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

ORD-10:037

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF JONESBORO, ARKANSAS, ON THE QUESTION OF LEVYING A ONE-HALF PERCENT SALES AND USE TAX WITHIN THE CITY OF JONESBORO, ARKANSAS; DEFINING THE TERM SINGLE TRANSACTION; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY

Sponsors: Mayor's Office

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

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears

6. Public Comments

7. Adjournment

A motion was made by Councilman John Street, seconded by Councilman Mikel Fears, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

Aye: 4 - Jim Hargis;John Street;Darrel Dover and Mikel Fears