



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes

Finance & Administration Council Committee

Thursday, December 20, 2007

4:00 PM

Huntington Building

1. Call To Order

Mayor Formon, Ms. Misty Micenhamer and Mr. Tony Thomas from the Mayor's Office were also in attendance.

Councilman Perrin arrived at 4:04 p.m.

Present 6 - Darrel Dover; Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams

2. Approval of minutes

MIN-07:1899 Minutes for the special called Finance Committee meeting on November 26, 2007.

Attachments: [112607](#)

A motion was made by Councilperson Ann Williams, seconded by Councilperson Judy Furr, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

Aye: 5 - Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams

MIN-07:1900 Minutes for the special called Finance Committee meeting on November 29, 2007.

Attachments: [112907](#)

A motion was made by Councilperson Ann Williams, seconded by Councilperson Judy Furr, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

Aye: 5 - Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams

MIN-07:1901 Minutes for the special called Finance Committee meeting on December 3, 2007.

Attachments: [120307](#)

A motion was made by Councilperson Ann Williams, seconded by Councilperson Judy Furr, that this Minutes be Passed. The motion CARRIED by a Voice Vote.

Aye: 5 - Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams

3. New Business

Ordinances To Be Introduced

ORD-07:3167 AN ORDINANCE GRANTING RITTER COMMUNICATIONS, INC., D/B/A RITTER

COMMUNICATIONS, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN A CABLE TELEVISION SYSTEM IN THE CITY OF JONESBORO AND LEVYING A FRANCHISE FEE IN CONNECTION WITH RITTER'S PROVISION OF CABLE TELEVISION SERVICE IN THE CITY OF JONESBORO; AND FOR OTHER PURPOSES.

Sponsors: Mayor's Office and Finance & Administration Council Committee

Mr. Tony Thomas explained the ordinance was negotiated with Ritter and approved by the telecommunications attorney hired by the City. He further explained City Attorney Phillip Crego also reviewed the ordinance. Mr. Crego discussed the free services provided by Suddenlink for the City and stated Ritter will make a payment in lieu of those services. Councilman Dover questioned when Ritter will start their services. Mr. Thomas stated they will start after the ordinance is passed. He noted there was not an emergency clause on the ordinance, but Ritter has indicated they would like to add the emergency clause due to the length of time it has taken to negotiate the agreement. Councilman Hargis questioned where Ritter services would be offered. Mr. Thomas explained Ritter will provide services in current areas but have the option to expand services as Ritter's infrastructure expands.

A motion was made by Councilperson Judy Furr, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED by an unanimous vote

Aye: 5 - Judy Furr;Jim Hargis;Harold Perrin;John Street and Ann Williams

Resolutions To Be Introduced

RES-07:2566 RESOLUTION TO CONTRACT WITH HARRY HARDWICK FOR THE PURPOSE OF ACQUIRING PROPERTY RIGHTS AND RIGHT OF WAYS FOR STREET IMPROVEMENTS AND CONSTRUCTION

Sponsors: Human Resources

Ms. Misty Micenhamer noted the contract is the same that has been used in the past. It was noted the contract was not made available in Legistar.

A motion was made by Councilperson Jim Hargis, seconded by Councilperson John Street, that this matter be Recommended to Council . The motion PASSED by an unanimous vote

Aye: 5 - Judy Furr;Jim Hargis;Harold Perrin;John Street and Ann Williams

4. Pending Items

ORD-07:3160 AN ORDINANCE TO GIVE A STEP RAISE TO THE YOUTH SPORTS COORDINATOR

Sponsors: Parks & Recreation

Councilwoman Williams noted the ordinance did not go through the proper procedure by going to the Public Services Committee first. Mayor Formon stated the raise is not currently in the budget, so it will have to be added to the proposed 2008 budget.

This item was Referred to the Public Services Committee.

RFQ's for audit

Councilwoman Furr stated Thompson & Thompson from Little Rock and Crowe Chizek from Chicago, Illinois, responded to the RFQ's. She added they will be in Jonesboro on January 8 to meet with the committee starting at 3 p.m. Chairman Dover clarified the committee will choose one of the firms. Councilwoman Furr added the Finance Committee will negotiate with the company that is chosen. She further stated the committee will be able to create a scope of work after discussing the details with the firms. Councilwoman Williams discussed filming the meetings with the firms so they are part of the record. Police Chief Michael Yates stated the committee can use the PD's video camera to tape the meetings.

Discussion regarding the holiday plan for 2008 as proposed by the Mayor's Office

Mayor Formon stated they are going to go back and look at the holiday plan and re-evaluate it in order to discuss at the January meeting.

2008 salary requests for the City Attorney's Office

Mr. Crego explained they surveyed the same city's as what were looked at in the elected officials salaries at the beginning of the year. He noted Assistant City Attorney Carol Duncan's salary is lower than average. He also asked for an increase for his assistant, Ms. Phyllis Vaccari. Councilman Street questioned whether Mr. Crego met with Human Resources Director Gloria Roark to come up with a grade and step for Ms. Duncan's proposed salary. Mr. Crego stated he had not met with Ms. Roark but can meet with her and prepare something for the January meeting.

5. Other Business

Discussion concerning the cafeteria plan

Ms. Micenhamer stated US Able has not provided a contract yet, so they are still waiting. Chairman Dover questioned how the payroll in January would be affected. Ms. Micenhamer explained they will have to wait and see next week.

Councilman Street motioned, seconded by Councilman Perrin, to add two resolutions to the agenda. All voted aye.

RES-07:2559 A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A CONTRACT WITH ASSOCIATED ENGINEERING AND TESTING LLC TO PROVIDE LAND SURVEYOR SERVICES RELATED TO THE PATRICK STREET IMPROVEMENTS;

Sponsors: Engineering

Attachments: [Agreement - Patrick Street](#)

Councilman Street explained the two resolutions for surveying services were not in the 2007 budget so the funding would need to be appropriated.

A motion was made by Councilperson John Street, seconded by Councilperson Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 5 - Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams

RES-07:2560 A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A CONTRACT WITH HAYWOOD, KENWARD, BARE & ASSOCIATES, INC. TO PROVIDE

LAND SURVEYOR SERVICES RELATED TO THE RACE STREET IMPROVEMENTS;

Sponsors: Engineering

Attachments: [Agreement - Race Street](#)

A motion was made by Councilperson John Street, seconded by Councilperson Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 5 - Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams

RES-07:2584 A RESOLUTION TO AMEND THE CITY OF JONESBORO PAY PLAN

Councilman Street discussed the hiring of a new Street Superintendent. Mayor Formon explained the actual Street Superintendent's salary is a Grade 22, Step 1 but former Superintendent Teddy Hooton's salary was higher because he was an engineer. He added none of the applicants would start for the advertised salary so they are asking for an increase to Grade 22, Step 4 in order to hire someone.

Councilwoman Furr expressed concern over the number of walk-ons to the agenda. Public Works Director Erick Woodruff stated if they had followed the proper procedure by taking the item to the Public Works Committee first, then it would be February before they could hire the applicant and it would subsequently be March before they could start the job. Discussion was held regarding whether the item should go to the Public Works Committee first. Chairman Dover noted the position has to do with hiring an new individual as opposed to raising a current employee's salary, so it's different from the previous ordinance concerning a raise. He also noted during the budget season last year the committee decided to no longer allow the Mayor to hire above the base salary; rather, if he wanted to hire above the base then he would have to go to the committee first.

A motion was made by Councilperson John Street, seconded by Councilperson Jim Hargis, that this Resolution be Recommended to Council. The motion CARRIED by a Voice Vote.

Aye: 4 - Jim Hargis; Harold Perrin; John Street and Ann Williams

Nay: 1 - Judy Furr

Discussion regarding the 2008 budget

Finance Director Don Ray discussed a recent budget summary that showed a \$1.152 million deficit due to lease payments for 2008. Discussion was held regarding the lease payments. Mr. Ray noted the Sun Trust loan has a buy back amount of a little over \$750,000 that is included in the 2008 budget. He explained the City could opt to keep the equipment, but that would result in a decrease of the \$750,000 in revenue. Discussion was then held regarding the bank bids for 2008. Mr. Ray stated the bids will open on Friday at 2 p.m. and he will work at the discretion of the depository board. Councilman Perrin stated depending on what the bids are the committee may want to look at paying off the leases January 1. Mr. Ray explained if the leases are paid off then it will amount to approximately \$5 million. Chairman Dover noted all of the leases don't have to be paid off at the same time. He explained the City could look at purchasing all of the equipment over three to five years. Councilwoman Williams questioned a cash statement that reflected the amount in the Sanitation Fund and asked whether the amount was a fair amount for that account. Mr. Ray explained that amount could be affected by a number of factors such as how much was spent and collected in November. He added about \$2

million is budgeted every year. Councilwoman Williams then discussed a handout concerning the breakdown of commercial sanitation costs. Mr. Ray noted he did not give the Council that sheet. Ms. Micenhamer stated they gave the Council the sheet. Councilwoman Williams explained on the information given to them in November the commercial tipping fees were \$266,486 but on the more recent handout the commercial tipping fees were \$213,599. She questioned the \$50,000 difference. Ms. Micenhamer explained a lot of the numbers from the November handout were best estimates but the more recent handout was real numbers. Sanitation Director Royce Leonard agreed, stating the recent handout has actual numbers. Councilwoman Williams questioned the discrepancy and noted it makes a difference concerning the bottom line as to whether commercial sanitation functions at a loss or a profit. Mr. Leonard noted the Street Department tipping fees were \$41,000 in November. He also stated according to his information the commercial sanitation is not losing money. Mayor Formon added they are working on a presentation to present at the next Public Works meeting concerning commercial sanitation. Councilwoman Williams noted in the recent handout it does not reflect payroll taxes or insurance even though those items are payroll expenses. Ms. Micenhamer stated she will work with Mr. Leonard to present more useful information. Mr. Leonard also explained the sanitation landfill fees are commercial fees collected by Legacy Landfill and reimbursed to the City Collector.

Councilwoman Furr discussed the cash figures from September 30, 2006, to November 30, 2007. She explained the September 30, 2006, statement showed a cash balance of \$22,931,244 but the November 30, 2007, figure as provided by the Finance Department showed a balance of \$20,371,678. She questioned the \$2,559,566 difference and added only \$730,000 was budgeted for 2007, which leaves approximately a \$1.8 million difference. She then noted the beginning balance for 2008 is estimated to be \$23,058,000, which could be overstating the reserves by \$3 million. Mayor Formon stated he did not know the answer. Mr. Ray explained the process was started in June so the starting numbers for 2008 that were projected probably need to be worked on. Councilwoman Furr questioned how they can make any decisions concerning the 2008 budget when the beginning numbers are overstated and they don't know what happened to \$1.8 million. Mayor Formon stated he does not know what happened to the \$1.8 million but they will look into it. Councilwoman Williams stated due to the concerns the committee needs to look into continuing the 2007 budget into 2008. Mr. Ray asked for the committee to let him know what information they are asking for so he knows what to give them. Councilman Hargis noted actual 2007 numbers are not included. Discussion was then held regarding sales tax revenues for December. Mr. Ray explained the average would be about \$1.1 million. Councilwoman Williams motioned, seconded by Councilman Hargis, to have the Mayor's Office prepare a resolution to continue the 2007 budget into 2008. All voted aye. Councilwoman Furr stated she is not as concerned about the \$3 million overstatement as she is the \$1.8 million that isn't accounted for. Chairman Dover noted the next Council meeting is on January 3 and questioned what would happen for those two days between December 31 and January 3 when the resolution could be passed. Mr. Crego stated there wouldn't be a problem for two days. Councilman Perrin explained he would like actual expenses line item by line item per department in the budget. He added they can use November 30th as a cutoff if needed. Chairman Dover questioned whether the changes they've approved for the 2008 budget, such as pay increases and the incentive plan for the Police Department, would be affected by the resolution. Mr. Crego stated they will not take effect until the 2008 budget is passed. Chairman Dover questioned whether the departments will have the leftover money from 2007 in 2008 or whether the departments would have the same money as what was approved in 2007. Councilwoman Furr explained the motion to continue with the 2007 budget. Chairman Dover noted departments who haven't spent their 2007 budget can spend it. Mr. Crego explained it's his understanding the 2008 budget will be the same as

the 2007 budget, not that the 2007 budget will be continued for another month. Discussion was then held regarding fixed assets and capital improvement spending. Councilwoman Williams motioned, seconded by Councilman Hargis, to amend the previous motion to continue the 2007 budget excluding fixed assets and capital improvements. All voted aye.

Meeting to discuss Springbrook

Mr. Ray stated he would like to meet with everyone to discuss what type of reports the committee would like to see from Springbrook so they can get with Springbrook in order to provide the committee with whatever type of report they would like.

Capital Improvement transfer

Mr. Ray explained in last year's budget there was an amount included in the Capital Improvement Fund which was a transfer of 25% of the half cent sales tax to the General Fund. He noted he has not made the transfer yet this year due to concerns as to whether it was legal. He questioned whether the committee wants him to transfer the money into the General Fund. Chairman Dover noted the money was to help pay for fixed assets. Councilman Hargis questioned how much money would be transferred. Mr. Ray stated he is not sure of the exact amount but he guessed about \$1.6 or \$1.7 million. He added that might be the \$1.8 million Councilwoman Furr mentioned earlier in the meeting. Mr. Alec Farmer stated when the resolution was passed the money was to be used specifically for emergency vehicles and rolling stock over half ton. He explained the 25% wasn't to be taken off the top and moved over; rather, the purchases had to be justified so if only a certain amount, even if it was under 25%, was spent then only that amount would be transferred over. Councilwoman Furr noted the money has not been transferred yet so the \$1.8 million could not be the 25%. She questioned whether the City overspent depending on the 25% transfer. Mr. Mike Cameron questioned whether an audit is done to make sure the purchases made are covered by the ordinance or resolution. Mr. Ray stated Mr. Farmer just laid out the requirements clearly. He added he has not added up the purchases, but he has also not transferred the money. Chairman Dover stated first they need to determine how much was purchased that would qualify. Mr. Ray questioned whether the lease payment would qualify. Mr. Crego stated he thinks the lease payments would qualify. Mr. Cameron then questioned where the buy back money would go if the City receives any buy back money. Discussion was held regarding whether the buy back money would go to the General Fund or back to the Capital Improvement Fund. Mr. Ray stated the money would go back to whatever account makes the payments, such as the Sun Trust payments are paid for out of the Sanitation Fund so the buy back would go back to the Sanitation Fund. Discussion was then held concerning whether the money should go back to the Sanitation Fund if the payments were made from the 25% Capital Improvement transfer. Mr. Cameron stated they need to determine where the buy back money is going to go for items that are paid for out of the 25%. Councilman Perrin suggested Mr. Ray do an analysis of all fixed asset purchases, figure out which ones qualify and then perform the transfer. He added they also need to look into paying off the lease payments. Mr. Ray stated the money is not needed in the General Fund, so the City won't go broke if the transfer isn't made. He stated he would like to do the analysis and bring all the information back to the committee so the committee can decide.

6. Public Comments

7. Adjournment

A motion was made by Councilperson Ann Williams, seconded by Councilperson John Street, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

Aye: 5 - Judy Furr; Jim Hargis; Harold Perrin; John Street and Ann Williams