



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, April 11, 2023

4:00 PM

Municipal Center, 300 S. Church

1. Call To Order

2. Roll Call by City Clerk April Leggett

Chairman Joe Hafner said, before I get started, this is going to be tough. I would like to just take a moment and send our condolences to Mayor Copenhaver and his family in the loss of Michael Nunnally, his son-in-law really tragically on Sunday evening. I knew Michael. He was a great guy. He leaves a wife and two young kids and lots of friends and family that are going to miss him. So I just wanted to send my condolences, and I'm sure the committee all agrees with that. If you can, just please pray for that family and other families who have lost loved ones recently, because we know they are going through tough times.

Present 6 - Joe Hafner; Charles Coleman; Ann Williams; John Street; David McClain and Brian Emison

Absent 1 - Anthony Coleman

3. Approval of minutes

[MIN-23:033](#)

Minutes for the Finance Committee meeting on March 28, 2023

Attachments: [Minutes](#)

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and Brian Emison

Absent: 1 - Anthony Coleman

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-23:070](#)

A RESOLUTION BY THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE PROPOSAL AND ENTER INTO AN AGREEMENT WITH BRACKETT KENNERICH & ASSOCIATES, P.A. TO PROVIDE ARCHITECTURAL SERVICES FOR THE TURF RENOVATIONS FOR JOE MACK CAMPBELL PARK

Sponsors: Engineering and Parks & Recreation

Attachments: [Agreement](#)

Chairman Joe Hafner said, just a couple of things on this one. I believe, and Craig you can jump in when you want to, I think the total budget that I saw in the attached agreement was total project cost \$1.5 million. It looks like Brackett-Krennerich are doing this on a fee basis at 6%, so their fee should be around \$90,000. I also believe that A&P is contributing to this project. How much are they contributing? Councilmember David McClain said half. Chairman Joe Hafner said, half of the project. So thanks to A&P for doing that. Are there any questions or comments from the committee?

Councilmember David McClain said, I have a quick question for Craig or Brian. It doesn't matter. Are we going to bid this job traditionally, or are we going to use a construction company or construction management type deal? What's our plan there? Director of Engineering Craig Light said, it will be bid out. Councilmember David McClain said, it will be bid like a traditional... Mr. Light said, traditional bid. We will solicit proposals from construction companies, advertise it, and we will send it out to specific construction companies that we know that do this type of work, but it will be an advertise in the paper sort of project.

A motion was made by John Street, seconded by Brian Emison, 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 Brian Emison

Absent: 1 - Anthony Coleman

[RES-23:071](#)

A RESOLUTION BY THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A LEASE AGREEMENT WITH SENATOR JOHN BOOZMAN FOR UTILIZATION OF OFFICE SPACE IN THE MUNICIPAL CENTER

Sponsors: Mayor's Office and Finance

Attachments: [Sen. Boozman Jonesboro Office Lease-FINAL-3-30-23](#)
 [City of Jonesboro Self-Certification Letter](#)

A motion was made by John Street, seconded by Brian Emison, 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 Brian Emison

Absent: 1 - Anthony Coleman

5. Pending Items

6. Other Business

Chairman Joe Hafner said, I just have one question, if I can just get a brief update on the revenue bond process and get a feel for where we are. Director of Finance Steve Purtee approached the podium and said, Mr. Chairman, what we are currently in the process of is, our financial advisor about a month ago assisted us with developing an RFQ for bond counsel. So that was submitted. I think you may have seen that published in the newspaper latter part of March, first part of April requesting those

letters of interest basically. The deadline for those is tomorrow at two, and I do know of one that has been delivered. I am not aware of any others at that point. What we will do after receiving those is we will enlist the help of our financial advisor to comb through those and kind of select that firm that might best represent our needs relative to issuing a revenue bond specific to our future plans. You know we have had a couple of updates relative to the market changes on what our bond ability is. We are looking at \$1.6 million of franchise fee revenues. A debt coverage ratio on that will be about one and a quarter, something like that. That will leave us somewhere around \$1.3 million in available funds over a full calendar year to support a debt obligation. So we kind of backed into the number utilizing current rates. We have done this earlier in January and it came in about a 3.85%. Let me quote that amount to you. In January, a 20 year bond with a debt service of \$1.3 million was 3.97%. We asked our advisor to update that for us, so approximately six weeks later at the end of February, that moved in the market from a 397 to a 409. So we were certainly pleased. His indication was the bond market is still holding strong relative to that type of instrument, so that kind of encouraged us there. What we have been doing since then obviously is working through our RFQ for the bond counsel. At the same time, obviously administration is working through those projects relative to that. And speaking of that bond financing would have acquired funds ranging from \$14 million to \$21 million, so it's kind of in that range there. So obviously now the project is identifying projects, is the process rather. We've heard talk about a flyover project. We've heard talk about a Caraway Road widening. We've talked about a new fire station, all of those. Obviously there are many, many other needs that the city has relative to how we could utilize that funding. So I think that is the development of that process there. I think more importantly, it's kind of understanding what we would have available in those sources of funding and then at the same time identifying those projects, so we are encouraged by that. Obviously I believe there has also been work going on relative to grant opportunities for those. Unfortunately, I think we were unsuccessful on one or two of those, so we continue to explore those as well. Later this week, we will work with Paul Phillips of Crews and Associates as our financial advisor to look at those RFQs for bond counsel, and then we will move forward from there. I expect that shortly thereafter we will be moving along quite rapidly with regard to that process.

Councilmember Dr. Charles Coleman said, I just have one question. When you say one year, will we have to spend that money within a certain period of time? Director Steve Purtee said, on a revenue bond, depending on the process of completing that list of projects. We would have the opportunity, and again it kind of comes into pricing and the structure of the bond itself, we would have future draw opportunities for that. So to answer your question, we wouldn't have to spend it all right now. We could factor that out.

Councilmember David McClain said, explain that to me one more time, Steve, please the 20 year bond. You said the 3.9 moved to 4. Director Steve Purtee said, 4.09. Councilmember David McClain said, right. So explain that to me again. Director Steve Purtee said, basically that is the interest rate, the cost of that debt instrument. Councilmember David McClain said, it is pretty much on a 20 year note. Director Steve Purtee said, a 20 year amortization, exactly. Councilmember David McClain said, and depending on how much we want, I mean, right now we are looking at 3.9 to 4.09 percent. Director Steve Purtee said, and again, that scenario was at the end of February. The market has moved again, so that is probably the first thing that Paul will do later this week for us is update that again. Then we will invite that bond council to start assisting us with developing the paperwork stream relative to that that would be presented for further analysis. Councilmember David McClain said, I know you may not have this right now, but you mentioned a few projects. Do we have a list of projects

that we for sure are considering, Brian because I want to make sure that our list of projects are things that I know are priorities to us. But at the same time, things that will help really move the needle for us. By that I mean, we've talked about the flyover and doing that, but at the same time, I want to make sure we had something to connect that flyover to. I want to make sure that it will be connected to our trail and actually starting to go ahead, are we planning to move forward with laying more miles of our trail system in the next five to six months, so that actually will be connected to something? That is one of the main things I thought about and had conversations with people about. I am just making sure that we don't just have one thing, but we have a few different things that we are working on.

Chief Administrative Officer Brian Richardson approached the podium and said, sure. Obviously there needs to be a blend of both amenities and practical safety needs for the City of Jonesboro that we invest in. Regarding the downtown connector trail, City Water & Light is out there moving utilities as we speak. Craig, do we have an update on when actual paving will begin? It should begin sometime in the next couple of months, I would assume. So that would definitely connect there. Council did allocate budget funding for the next phase, which would be at Hilltop, or University Heights. I'm sorry. They are in the process of completing the 90% plans for that. 60%. I will let Craig speak to the specifics, but the funding has been allocated for that. It's just going through the process, and there are some TAP grants involved with that. So the planning is a little bit different than, for instance, the multi-purpose path that is being put down Culberhouse right now. In very short answer on the flyover, if that's one of the projects then yes. It will be connecting to a trail which will be connected to another trail. I mean, it's not going to be a very short build project. It's going to take a little bit of time just physically to construct. The grant that we were not successful on last year, the Reconnecting Cities grant, that is coming back up; and there is some internal discussion about if we just reapply for that and potentially bond it out in phases to build that flyover. At that point, you could potentially reimburse some of that funding with the grant, but I just don't like the concept of budgeting based off of grants until you actually get them. That's just kind of considered a gift at that point, and then we figure out how to reallocate that, but I will let Craig speak to the scientific specifics of where we are on that end of it.

Director of Engineering Craig Light approached the podium and said, on the downtown to A-State connection project, we are waiting on ARDOT's authorization to advertise. That's for construction. We are ready to advertise. We have requested authorization to advertise. They are reviewing documents, but have not given us the authorization to advertise yet. There is a call Friday at 1:30. Hopefully at that point they will be able to give us some sort of timetable when we're going to get that authorization. I don't expect to get it on Friday. I would love to get it on Friday, but I don't expect that we will. Hopefully after Friday we will have an idea if it's going to be another couple weeks or really what the holdup is on their part. On the University Heights section, the 60% plans are in Little Rock for review. As soon as we get approval of those 60% plans, then we can begin the right of way acquisition process and the utility relocation process, but we have not received the approval of the 60% plans yet. Hopefully that will be soon as well.

Councilmember David McClain said, so we get that approved, we start right away, we start moving utilities, and then we still have to submit another set of plans? Mr. Light said, yes, the 100%, and then at the end, once we get all of the right of ways and utilities, we have to get authorization to advertise from them again, which is taking some time on this Creath project. Councilmember David McClain said, how far out do you think on the University Heights are we talking? Mr. Light said, I would hope it would

be a 2024 construction project. I would hope, but at this point, until we get the 60% plan, I think there are 17 properties that have to be acquired. So as you know it takes a while to acquire properties on those projects, but we do have a consultant that does our property acquisition that helps us with that. So as soon as we get the approval of the right of way, we'll start that process and try to get those acquired. If you remember the Creath project, we had 30 something properties. Councilmember David McClain said, I knew it was taking a minute to get that done. Mr. Light said, so those are both in process right now.

7. Public Comments

8. Adjournment

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and Brian Emison

Absent: 1 - Anthony Coleman