



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, February 14, 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-17:014

Minutes for the Finance & Administration Committee Meeting on January 31, 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-17:016

A RESOLUTION TO EXECUTE A LEASE AGREEMENT WITH NETTLETON LODGE 657

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Sponsors: Mayor's Office

Attachments: [Nettleton Lodge 657 Lease Agreement](#)

Councilman Street explained this is a five-year lease for parking near the lodge for \$75 per year. The city has been doing this for a while. Councilman McClain questioned why the city doesn't just sell the parking lot to the lodge. Councilman Street agreed, adding he has asked that question before. He noted the lodge would be the best entity to buy it since the property isn't worth anything to anyone else. It was suggested that be looked into.

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-17:017

A RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT WITH AT&T FIBER BUSINESS SOLUTIONS FOR THE UPGRADE TO THE INFORMATION SYSTEM NETWORK

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Sponsors: Information Systems

Attachments: [AT&T Fiber Broadband Bundle Express Agreement_Contract_ID_8309208_v](#)
[AT&T Fiber Broadband Savings](#)

Network Technician Jason Ratliff explained AT&T will be upgrading some of their equipment from copper lines to fiber. It will be changing the older technology to new. Chairman Hafner noted that his understanding the lines will be faster and will save the city about \$3,700 per year. Mr. Ratliff agreed, noting the speed will double.

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-17:018

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH SENATOR JOHN BOOZMAN TO UTILIZE OFFICE SPACE IN THE MUNICIPAL CENTER

[play video](#)

Sponsors: Mayor's Office

Attachments: [Boozman Jonesboro New Com 010317 Revision 020817](#)

Councilman Dover explained this is a renewal for what the city has done in the past. Councilman Street noted that is a good lease rate for that small of an office. Chairman Hafner added the office is on the fourth floor of the Municipal Center and is 430 square feet. The lease is for almost \$7,700 per year.

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

RES-17:019

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS URGING THE UNITED STATES CONGRESS TO ENACT LEGISLATION THAT WILL ENABLE STATE AND LOCAL GOVERNMENTS TO COLLECT REVENUES DUE TO LOCAL GOVERNMENT THAT ARE ESSENTIAL TO THE EXPANSION OF OUR LOCAL AND REGIONAL ECONOMY, CREATION OF THOUSANDS OF NEW JOBS, ENHANCEMENT OF THE QUALITY OF LIFE WITHIN OUR COMMUNITIES, AND PRESERVATION OF LIMITED STATE AND LOCAL REVENUE SOURCES.

[play video](#)

Sponsors: Mayor's Office

Attachments: [Web Sales Tax Article.pdf](#)

Councilman Street explained it's something that has been worked on for years and they are finally get to it on a state level. There are two bills now before the state, a senate bill and house bill, to mandate the collection of taxes for cities and state. Amazon has already agreed to start collecting taxes.

Chairman Hafner added this is basically urging Congress to legislate the online sales tax. Right now, companies don't always collect taxes. Councilman Street stated you're supposed to report the taxes to the Arkansas Department of Finance & Administration to pay state and city tax, but no one does.

Communications Director Bill Campbell further explained states are losing millions. This resolution is asking the senators and Congressmen to please vote for the measure so the taxes can be collected directly in Jonesboro. Councilman Dover asked if the taxes will be collected at the point of purchase, rather than the point of sale. Mr. Campbell answered yes.

Chairman Hafner stated people don't always understand that when they purchase something online and aren't charged sales tax that we're taking money away from the government budgets. Budgets are funded about 70% by state and local sales tax, so when tax isn't collected we're hurting the economy.

Councilman Street also urged people to contact their representatives to support SB 140 and HB 1388. Those bills will effectively do the same for the state and local governments. Councilman McClain noted this particular resolution is at the federal level.

A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, 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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COM-17:011

Discussion concerning the TIPS/TAPS Purchasing Program

Attachments: [TIPS TAPS Information](#)

Mr. Mickey McFatridge, program manager for the TIPS Program, discussed the program. He provided the committee with a packet of information concerning the program (see attached information). It has been in Arkansas since 2004, but originated from Texas in 2002. It is now in all fifty states.

Chairman Hafner explained at the last meeting there was a bid turned in for roof work on the Justice Complex. There are a couple of new Council members on the committee that had questions about how the program works. He stated it was his understanding the vendors don't have to pay anything. Mr. McFatridge stated the members don't pay anything, but vendors have a small surcharge on what they sell. Councilman Dover added the process is easy to understand when it's cars or equipment, but for the last purchase it was a project and there were questions about how vetting is done with projects.

Mr. McFatridge stated early on in the program it was just for purchasing, but construction has since been approved. Most of the school district in Jonesboro have used the program extensively. ASU is one of their bigger users. Construction projects are based on average construction prices.

RFP's are sent out on a three-year cycle. Vendors have to register. When a bid comes up, they are notified of the pertinent information such as the deadline, when the board will look at it and when it'll be approved. There's a board that looks at the RFPs and rate it on a scale for ten different criteria with a rubric of 100. Vendors have to make an 80 or above on the rubric to be selected. They have to be very competitive on the pricing because of the high level of interest in the program in order to be chosen. There are currently over 1,000 vendors in the program. When projects are submitted, all of the prices, such as labor, are already on file and they compare it to the price that is given to make sure the prices are within what is provided.

The chosen bidder may not always be the lowest price because the city may have a company that it wants to use. The program allows companies to choose who they want to use. For instance, Jonesboro has two roofers available to choose from. You can get a price from one if you want or get a price from both. This helps with companies who want continuity. Vendors have to stay within the price set by the company, but negotiating can also take place. The bidders price can always go down, but it can't be above the project price set by company.

All school districts are available to use the program and most universities are as well. Last year, the program did \$75 million in Arkansas without any problems. Advertising is taken care of through the program, so companies can save money in that area. It saves purchasing departments a lot of time. He referred to an attorney general's opinion in the packet regarding interlocal agreements, as well as a letter from the Arkansas Department of Finance & Administration discussing cooperative entities. If a company wants to use a vendor that is not automatically approved, then there's a form on their website to request someone be put on the list.

Chairman Hafner asked about the members that are on the committee that review the proposals. Mr. McFatridge explained members decide. There will be people from Dawson Co-op in Arkadelphia because they are a partner. They are chosen at different times.

Last year, the program did \$300 million in business with the bulk coming from Texas and Arkansas. There were over 400 members in Arkansas and over 2,000 in Texas. Texas did \$150 million in business. There are people on staff for everything from customer relations to lawyers. He noted they also have an approval letter from Legislative Audit.

Chairman Hafner stated it sounds like a great program and there's a lot of people using it. They just wanted to ask about it since they are new to it.

Mr. McFatridge further noted the Municipal League and the Association of Counties are partners with the organization as well. On March 10, they are having a TIPS summit in North Little Rock in the Municipal League building. There will be vendors and members attending.

Councilman McClain questioned whether it was possible to get more than one bid for a job. Mr. McFatridge explained he tells people they can go out and get a bid if they want to. They can also get two or three prices. Chairman Hafner stated when an RFP is put out they may get multiple bids. Mr. McFatridge agreed.

This item was Filed.

6. Other Business

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Chairman Hafner stated at the last Finance and City Council meetings there were large purchases made, such as with the fire truck, that were pushed through and had the emergency clause. Purchases like those are known for a while beforehand that they will happen. He asked that those items are planned better so things aren't an emergency and pushed through. He would like to be as transparent as possible so if people have questions they have an opportunity to ask them. There are times when things pop up that are emergencies, but other times it may be an instance of not being planned or someone waited until the last minute to get it on the agenda. He asked if something large is coming up, to have it to the committee as soon as possible so there's ample time to review it and there's no need to pass it with only one reading.

Councilman Dover recommended changing the verbiage. They tend to call it an emergency, but the emergency clause actually just allows the city to not wait 30 days. Councilman Street stated they have tried to trim it down to items that are true emergencies.

Chairman Hafner noted the Finance Committee meets pretty much every two weeks and the Council meets twice a month. So, if there's something that comes up between those meetings and they know, that gives committee members time to review and the opportunity to ask questions. There's no sense of trying to push something through. He asked that it be made sure the departments are efficiently planning things, especially for large purchases.

City Clerk Donna Jackson explained an emergency clause is part of the ordinance. If there's no emergency clause, then the ordinance doesn't go into effect for thirty days.

Generic language is used with emergency clauses, but the clause should be stating why it is needed now and not in thirty days. The thirty days gives the public a chance to know about it. Councilman Street noted they typically do ask why something is an emergency and it has to be justified.

Ms. Jackson noted they may want to look at the procedures. Department heads have to go through a specific committee and the committee may meet at an inconvenient time for the department head, which could delay some items for a month. This results in special called meeting. Councilman Dover explained for example with the Public Works Committee, if something goes through the committee it'll be a month before it goes through Council. Then, it'll be another month before it goes into effect if there's no emergency clause. That could hold things up for 60 days. Ms. Jackson added this system was developed in 2003, so they may want to think about how the process could be sped up while still allowing the public and aldermen time to review it. This would cut down on special called meetings.

7. Public Comments

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8. Adjournment

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A motion was made by Councilman John Street, 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