



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, August 28, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

Councilmember David McClain joined the meeting at 4:05 p.m.

Present 5 - Charles Coleman; Ann Williams; John Street; LJ Bryant and Joe Hafner

Absent 1 - David McClain

3. Approval of minutes

[MIN-18:081](#)

Minutes for the Finance Committee meeting on August 17, 2018

Attachments: [Minutes](#)

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; LJ Bryant and Joe Hafner

Absent: 1 - David McClain

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-18:134](#)

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING A SETTLEMENT ON THE CLIFTON BURCHAM ETAL VS. CITY OF JONESBORO LAWSUIT

Attachments: [Resolution to approve settlement of DID lawsuit.pdf](#)

Councilmember LJ Bryant asked if this was all of the plaintiffs from the lawsuit. Mayor Harold Perrin stated yes. This is the suit, I think, Mr. Rees filed against the city and the county through the judicial system when Judge Blackman was there. They were charging a fee that was illegal to charge. It took a long time for us to go back and look and it was less than \$2,000. This will take us out of the entire suit and be settled.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Joe Hafner

Absent: 1 - David McClain

5. Pending Items

6. Other Business

[RES-18:139](#)

RESOLUTION AUTHORIZING THE CITY OF JONESBORO GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE FY2018 CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS (CRISI) PROGRAM.

Attachments: [Alt 1](#)

[Jonesboro Ind Lead Expansion Report 2018_signed_07feb18.pdf](#)

Councilmember LJ Bryant motioned, seconded by Councilmember John Street, to suspend the rules and walk RES-18:139 onto the agenda. All present voted aye.

Chairman Joe Hafner asked if Community Development Director Tiffny Calloway or City Engineer Craig Light could come up and give the committee some background on this project. I believe it may be part of a bigger project too.

Chairman Hafner asked that the record reflect that Councilmember David McClain is here.

City Engineer Craig Light said late last year and early this year, we worked with Rob Graham. He is a consultant and he does work on our railroad track out in the Industrial Park. For those of you who don't know, we have about six miles of industrial track out in our Industrial Park that services the industries. We had some issues with capacity and some other needed improvements with that track so we hired Rob Graham to do a master plan for us. One of the items of the master plan is alternate one and I think that is before you this evening. We would like to submit a grant application to get funding for that. What that project does is that it adds about 4,800 feet of rail. It would be a siding to the existing track so we can store more railcars out at the facility. This will allow the current industries to increase their capacity and their use of the rails. They are limited right now on space for storage of cars and how often they can get served by BNSF. We are anticipating that we are going to go from 110 railcars per week up to 185. We need to grow our capacity on our track to be able to handle that. With the intent of this siding, the rail would be able to hold those additional cars to where BNSF could serve the Industrial Park on their normal schedule. It is going to allow our industries to grow, increase capacity, and possibly add jobs. And, that is what we would like to see.

Mayor Harold Perrin asked Mr. Light, are you going to do the 800 like we have been talking about to add to this? Mr. Light said we did have a conversation earlier, the staff did, about the possibility of doing alternative one and two under this same grant application. It would increase our matching by a little bit, but I think the Chamber has some funds already allocated for alternative two that could be used for some of the

matching. And, we are actually going to meet with one of the industries that that project directly impacts about whether or not they will be able to provide some matching funds as well. There could be a possibility that we would do this. Mayor Perrin said the \$1.8 million that you are talking about here does give additional storage capacity. Trinity Rail needs more storage space. They want to hire 140 more people now as it stands. The \$800,000 which is alternative two is for the signalization to be moved on Commerce Drive so that the trains do not sit there on Commerce Drive like they do now because they have the old switching deal. I have visited with the Chamber of Commerce and they have \$200,000 left over on a grant that they had. We are to meet with CW Post on Friday to ask for them to put in \$200,000 and then, we would put in \$200,000. I think we can get an additional \$200,000. It would make sense to me to add the \$800,000 on the switch on this grant and apply for \$2,639,000 which then you are only going to be out 20% of the \$2,639,000 which is down to \$527,000. Do you see what I am saying? You get all of that stuff much better than trying to piece mill it.

Chairman Hafner said my only concern there, Mayor, is that it may cloud the picture some. It sounds like the \$800,000 switch when you start talking about the Chamber doing \$200,000, the city doing \$200,000, I think it muddies the water.

Community Development Director Tiffny Calloway said she has provided Councilmember Hafner with the actual plan that was provided by Mr. Rob Graham and I will make it available to each Councilmember. It shows all of the options. Alternative one is kind of what Mr. Light has described. Alternative two is about the switch. The CRISI Grant, once we read more into depth, safety is another component of it. Alternative two which provides the switch option, it brings and ties more into safety. Alternative one is more of an economic development project which is a qualifier of the grant. But, by combining both projects for this one grant application, we have a better opportunity to actually get the grant. Chairman Hafner said not to be a pain, but I need to ask a question. We are already walking this on and we walked it on at the \$1.8 million and now we are trying to modify it on the floor for another \$800,000. Ms. Calloway said actually, in the resolution, it isn't specific as to what and that is why we attached part of the plan into the document and I guess we should have attached the whole plan, but for some reason, it wasn't attached. Chairman Hafner said that would have made more sense. If that is what the community wants to do, that's fine. I am just saying from my seat, when we are walking it on at \$1.8 million and now we are talking about walking it on at \$2.6 million, it just loses clarity. Ms. Calloway said what the Mayor is saying is that if we get the \$1.8 million project, the 20% match from the city will be about \$360,000 which will come from the city. If we did the option one and the option two, less match would actually come out of the city's coffers because we will be using matching funds from the Chamber and also potentially from industries who are going to be supported by the project.

Chairman Hafner said let me make this suggestion. If that is what the committee wants to do, my recommendation is going to be for this not to be a part of the consent agenda at the regular council meeting, but be separate. Then, all the backup including what we are talking about will be attached. Mayor Perrin said I think that is good because I would rather go into more detail on that and not put it on the consent agenda. Chairman Hafner said I don't think it needs to be put on the consent agenda. Ms. Calloway said we would have more detail at that time as well so that would be perfect. Mayor Perrin said that we will add everything in here on the \$800,000. That will also give me time to meet with CW Post on Friday. We probably won't get an answer. We might locally, but that is something that is going to have to go up to the home office to do that. I do know that the Chamber has the \$200,000 in grant. I know that we can put the \$200,000 in here. If you don't have a copy of the master plan of this

railroad, then you need to get a copy of that. Craig, just send them a full copy. Here is what I want you to look at when you look at this picture, this town is growing so fast. With the industrial deal, Craig just told you we have approximately six miles of railspur within our Industrial Park. Now, Risever hasn't even built their facility yet and they are going to need rail. We are working with some other industries to try to get them here that are going to need rail. Most of them need rail. My point is that. What you are going to see is that Rob Graham looked at the full, big picture and went out further than just this year or two years. Your total cost of what we really need to do on this thing is probably around \$14 million. We are trying every way in the world to get the federal government and other folks to help us as much as we possibly can. When this grant came out and Ms. Calloway looked at that, I said this is ideal for what we need to do on this thing. Ms. Calloway and I are planning to be in Washington probably around October or maybe the first of November. If we get this approved by the council, I am going to go ahead and start with Senator Boozman and start working them before we ever get there. This is the first time the railroad, and correct me if I am wrong, it is the first time the railroad or the federal government has brought in what I call the urban type deal for railroads. Most of this money that is coming out of Washington, D.C. for railroad has gone for mass transit or your high speed deal and all that. Now, they are getting down to helping us, folks like us is what I am saying to you. I do agree with you Chairman Hafner. I would like to see it under New Business and we will add all of those in there.

Councilmember David McClain asked if this was time sensitive. Ms. Calloway said that this grant application is due September 15, 2018. Councilmember McClain said, so, we would have to read it all. Chairman Hafner said it is a resolution. Councilmember McClain said so you are just saying so we can have some discussion or some more discussion. Chairman Hafner said so it will be easier to ask questions instead of having to pull it off of the consent agenda. Mayor Perrin said that \$800,000 is not behind there. What we are going to do for transparency and stuff, I think, we need to have all of it in there. I also want Mr. Light to go ahead and send all of you tomorrow by email a full copy of what Rob Graham reported. That is really going to open your eyes on every alternative and what we are going to be facing in the future. Ms. Calloway said we will have Mr. Light send it to City Clerk Donna Jackson and her team to put it onto Legistar as well, the full plan. Ms. Jackson said thank you.

Councilmember LJ Bryant asked Ms. Calloway if the hard cash would be spent next year. Ms. Calloway asked Councilmember Bryant to repeat his question. Councilmember Bryant asked if the hard cash or the match would be spent next year. Ms. Calloway said the match would be spent next fiscal year. It just makes it a better application to tie in the safety and it would also save the city matching dollars if we are able to tie the industry in and possibly the other partners. It would be a true public-private partnership. Mayor Perrin said you are going to get \$2.6 million worth of goods and only be out \$500,000. On the other way, you are going to get \$800,000 worth of goods and be out \$200,000. So, this is definitely a better deal. Ms. Calloway said we are hopeful that our Senators support the project as well. So, we will be reaching out to them.

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

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

CHANGE ORDER NO. 1 FOR THE SOUTHSIDE CONCESSION BUILDING

Attachments: [Change Order - 1](#)

Councilmember LJ Bryant motioned, seconded by Councilmember John Street, to suspend the rules and walk RES-18:139 onto the agenda. All present voted aye.

Councilmember Dr. Charles Coleman said he has a question. Mayor Perrin said he has a question too. I just saw this just a few minutes ago I think on this change order. Councilmember Coleman said I just happened to be at the A&P Commission meeting earlier today. That \$69,000, is that a part of this or not? Chairman Joe Hafner said that was not a part of this. Well, it looks like it could be. I just got this. City Engineer Craig Light said it is. Chairman Hafner said it is part of this because it says Back Stop netting system for field. So, the A&P Commission did agree to contribute \$69,000. Councilmember Coleman said, so it is part of this? Chairman Hafner said yes. It would be item B – Back Stop netting for field.

Councilmember LJ Bryant said he had a question. I wanted to be clear. So, on the \$69,000 from the A&P Commission, we need to subtract that from the \$129,000 or that is an additional project? Chairman Hafner said to subtract it. Mayor Perrin said again, I know that Mr. Light can answer this better than I can, but I get a lot of these change orders from time to time, understand that adding the Back Stop on that \$78,000, they are going to pay \$69,000 of that. The \$49,000 on here says add walkway removal and replacement or remove the old asphalt. What is that? Should this not have been in the original contract? City Engineer Craig Light said no sir. You and I met out there. The original contract only did the concrete within like 20 ft. to 25 ft. of where the concession stand was. This is the rest of the concrete work or asphalt work that is around there. When they did the lighting project and put the new light poles out there, all of the asphalt got torn up and there are trenches and it is caving in. Mayor Perrin asked, is this Southside? Mr. Light said it is Southside. It is completely falling apart. Mayor Perrin said I agree. Mr. Light said we can either leave it as is or change order it in. Mayor Perrin said we need to do this because this is where all of your customers sit in the bleachers and all of that is mud down through there because all that water runs off that concession stand right down through that. Councilmember David McClain said I was trying to figure that out in my mind. I know exactly where you are talking about now. Mayor Perrin said I apologize. I was thinking this was on Joe Mack. Mr. Light said no, this is Southside. Mayor Perrin said if you all haven't had a chance to look at the Joe Mack Concession stand, go look at it. It is absolutely beautiful.

Chairman Hafner said I guess the reason why this was walked on instead of being on the regular agenda, it looks like it was just turned in today and I know they are already in process of doing it. Mr. Light said it was revised a little bit today. They had 9.5% on sales tax and we had him change it to 8.5% so there was a change to it today. But with the contract, he is expecting to be done sometime in September and we need to let him know to do this work under his original contract time. So, we need an answer fairly quickly so we can keep him moving. Councilmember McClain asked, would this be under the consent agenda? Councilmember Hafner said this is a resolution, but I would ask if this does get approved by the committee to go to full council, that it also be under New Business instead of on the consent agenda because it involves dollars and it was walk on here so just for transparency. Mayor Perrin said well, this is a resolution. On the money, you are adding here, it was not budgeted. An ordinance has to be passed, as you know, in order to increase funds regardless. If you walk it on to the full council with a resolution here, all you are doing is entering into this contract to spend the money. Then, Chief Financial Officer Bill Reznicek and I will have to have

an ordinance for the next time to pick up every line item. Chairman Hafner said since this is just a resolution, then we can still just put it under New Business that way if somebody wants to ask questions about it, it will be easier to ask questions. Mayor Perrin said right. Well, he and I talked about it. We are going back now and looking at everything we have ever spent that has not been budgeted and it shouldn't be that much, but again, I am projecting all the way out to December 31, 2018. Sales tax is still down which I will tell you again on Tuesday. That was a topic of the Executive Committee last week in Little Rock. Chairman Hafner said, hey Mayor, before you start talking about that, there has been a motion and a second on this one. Is there any more questions or comments?

Councilmember McClain can you explain a little more of what this work is for. Is it for the entire field or is it for multiple fields that surround this area? I have been out there, but I haven't been out there since they almost finished. Mr. Light said the limits of it basically go from the dugouts or the farthest point away from the concession stand all the way to the dugouts on all four sides. Basically, there is a fence line about midway down each one of the sides. It will go from there to the concession stand. Beyond there, the asphalt is still in good condition. It is not all of it. It will not due underneath the bleachers. That is an area that the Mayor and I talked about that we might do as we remove bleachers and we do a section at a time until it is all done. We would probably need another \$50,000 to do it all at once. Councilmember McClain asked, do what to it, to finish it? Mr. Light said to take out the bleacher sections and canopies and redo all of the concrete and then put it all back. We felt like it would probably be another \$50,000. Councilmember McClain asked, is it going to look A-1? Is it going to look professional? Mr. Light said we are going to need to do that other work. We are talking about piece milling it together, basically, a bleacher section at a time next year. Chairman Hafner said that Parks Director Danny Kapales did a really good presentation at the A&P meeting. I think since 2012, when the city took over Southside, including all of the stuff that has been done out there this year, it is well like over \$2 million that has been invested out there. Mayor Perrin said we also raised through the public, \$3.2 million for the Miracle League Field and we are not through. In next year's budget, it will probably be \$500,000, but that will give you over 400 parking places. CWL has already put the lights in there for us, LED, which is absolutely incredible.

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

Chairman Joe Hafner said he would turn the floor back over to the Mayor so he could talk about his sales tax. I didn't mean to cut you off. I guess I did mean to cut you off. Mayor Perrin said that is fine. You didn't hurt my feelings at all. What I am saying to you is that we are in the middle of budgets and again, Bill Reznicek and Trever Harvey are meeting with every department. They have done three or four already. And, again, the budget is going to be tight for 2019 because of the revenue on that and also we are probably going to have some big increases on our health insurance and some other stuff. We spend a little more than \$4 million a year on health insurance. With anything that you have a double digit increase on, you can imagine what that is going to cost. So, that is why we are looking at everything we can, particularly in grants areas or whatever because I have said this before, you cannot run a city on sales tax. You

don't have but a 4% spread on what you have collected and what you pay the employees. You only have 4-5% left to buy a shovel truck or anything in this city. So, you stop and think about that. We have 585 employees. I am just telling you reality, when you see that and when you see where it is going to come in at. I will present you with a balanced budget. Now, again, by law, we have to have a balanced budget and that is what I will present to you. There may be attrition. There may be a lot of things in that budget that you are not going to like, but the budget will balance. Chairman Hafner said I think that is kind of what we have talked about and I have talked here more lately about the private-public partnerships and collaborations. Mayor Perrin said we are doing it. Chairman Hafner said we have got to turn it up a few notches. Mayor Perrin said I was on the phone today trying to find someone to buy a K-9 dog for \$9,138. So, again, it is there. I am not complaining. I am just saying to you that this is what we do every day. The community has been very gracious and very open to us about that. I would put Jonesboro up against any other city. In fact, we will probably, on population, as discussed in Little Rock last week, we will probably surpass North Little Rock and probably end up being the 4th largest city in the state when it comes to the Census in 2020. In fact, I think we have already passed them, but officially, you would have to have the figures on that in 2020. The good news is that we have 82 square miles to work in. Fayetteville, Springdale, Bentonville, and Rogers may have growth in each one of them, but it is all in each one of them, not in ours. So, that tells me that we have a much better chance at being one of the much larger cities 10-15 years from now than they are by far. Chairman Hafner said you have to grow smartly. Mayor Perrin said we have to do this like this railroad, you have got to do this or you are not going to recruit. It is just that simple. That is why I wanted to show you the total price tag of \$14 million. Don't worry about \$2.6 million. We need to be worried about the \$14 million because that is where you are going to have to go to get these things done.

7. Public Comments

8. Adjournment

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

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