



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, December 11, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

3. Approval of minutes

[MIN-18:116](#)

MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON NOVEMBER 27, 2018

Attachments: [Finance Minutes 11272018.pdf](#)

A motion was made by Councilperson Charles Coleman, 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;David McClain and LJ Bryant

4. New Business

ORDINANCES TO BE INTRODUCED

[ORD-18:083](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR ALDERMEN

Sponsors: Finance

Councilmember David McClain said I would like to make a quick comment. It seems like de ja vu, honestly, that we're back here talking about taking money out of reserves and then looking at pay raises for elected officials. I really feel like we are here to be fiscally conservative leaders of our city and I truly don't feel this is the time, again, to give any raises. Like I said earlier, I truly believe people should be paid what they are worth, but at the same time, especially being elected, we know what we signed up for from the jump. So, I just wanted to make that comment.

No motion was made. ORD-18:083 FAILED to pass.

[ORD-18:084](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE CITY ATTORNEY

Sponsors: Finance

No motion was made. ORD-18:084 FAILED to pass.

[ORD-18:085](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE CITY CLERK

Sponsors: Finance

City Clerk Donna Jackson said I would like to say something. This goes back to what Mr. Harold Carter was saying. I didn't even know this was going to be on the agenda. I never asked for this raise. Nobody consulted me, and don't get me wrong, I would love to have 2% if it's all I can get. I'm requesting that we have a set policy for elected officials on what qualifies a raise for the council members, the city attorney, the city clerk and the mayor. Three of us are here full time. Don't misunderstand me, I know that you all are called at all hours of the day and night, but these jobs are our livelihood. I have the longest tenure up here. When I finish this term, it's going to be almost 30 years. I've been told that longevity doesn't matter. I've been told that anything extra that I do doesn't matter and I that I knew that when I took this job. My question to you all is what matters, and by what process do we evaluate it? I'm bothered that we go by Johanson for non-uniformed and then not wanting to go by that for elected officials. We had a committee and that was last year. I would like that committee to meet again and I would like to see some representation for the elected offices. That's all I have to say.

No motion was made. ORD-18:085 FAILED to pass.

[ORD-18:086](#)

AN ORDINANCE AUTHORIZING 2% RAISE FOR THE MAYOR

Sponsors: Finance

No motion was made. ORD-18:086 FAILED to pass.

RESOLUTIONS TO BE INTRODUCED

[RES-18:188](#)

A RESOLUTION TO CONTRACT WITH RITTER COMMUNICATIONS FOR SPONSORSHIP OF ONE ATHLETIC FIELD SIGN AT THE JOE MACK CAMPBELL SPORTS COMPLEX

Sponsors: Parks & Recreation

Attachments: [Exhibit A](#)

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;David McClain and LJ Bryant

[RES-18:195](#)

A RESOLUTION TO CONTRACT WITH INFORMATION NETWORK OF ARKANSAS (INA) TO DEVELOP AN ONLINE PAYMENT PORTAL AND PROVIDE ONLINE PAYMENT COLLECTION SERVICES FOR THE CITY OF JONESBORO

Sponsors: Finance and Mayor's Office

Attachments: [Exhibit A](#)

Councilmember David McClain said so, we don't currently offer this service and we don't have to submit bids or anything like that. Chief of Staff Bill Reznicek said that's right. Now, we only have the option of coming in and paying at the window at the Collector's Office, mailing in a payment, or calling in and paying by credit card. This would give citizens the capability to go online. They would be presented with the amount they owe and then they would pay through Information Network of Arkansas (INA). INA is the business that does a lot of the municipalities throughout the state. The county is currently working with them. If you pay your personal state income tax online, then you're paying through INA. They do a substantial amount of work with government agencies in the state. There's no cost to the city. There's a convenience fee for the transaction, but that is paid by the taxpayer.

Councilmember L.J. Bryant asked Mr. Reznicek how long the contract was for. Mr. Reznicek stated that he believed the contract was for an indefinite term. It is something that we would have the option to terminate if we had an issue with them. Chairmember Joe Hafner said termination is at any time within 60 days of written notice by INA or the agency. Basically, the fees for the online payment process are \$2.00 for e-checks and 3% plus \$1.00 for credit cards, and the city wouldn't have any expense because there would be a convenience fee charge to the taxpayer. Mr. Reznicek said it's pretty comparable to what you typically find when you do transactions online.

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: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant

[RES-18:196](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO AMEND THE CITY SALARY AND ADMINISTRATION POLICY BY INCLUDING UPDATED JOB TITLES AND GRADES

Sponsors: Human Resources and Finance

Attachments: [Salary Administration Plan - Revised January 2019](#)
[Job Titles and Grades - Revised January 2019](#)
[Pay Grades and Steps - Revised January 2019](#)
[2019 Budget Presentation with prior and new salaries.pdf](#)

Chairmember Joe Hafner said before we get too far into this, I know the staff may have some words to add to this. For those of you who have not had a chance to look at this, I just want to read a few items from the salary plan. This plan was originally adopted January 1, 2019, and it's been changed quite a few times over the last few years. There are just a few items I would like to read. It says, the City of Jonesboro believes it is in the best interest of both the community we serve and our employees to fairly compensate our workforce for the value of work provided. The city engaged an independent firm to evaluate salaries of employees and provide a compensation program with the following objectives: to provide salary ranges that are fair and internally equitable and to provide salary ranges that are externally competitive with relevant market forces. The system is a pay grade system. All non-uniformed employees will reach midpoint after 10 years of service and reach maximum after 20 years of service. Uniformed employees reach midpoint and maximum years of service at various levels dependent upon their rank. With the institution of the step plan, the Human Resource director may periodically evaluate employee pay grades to ensure that all employees are in the proper pay grades and steps. Department heads may

request for a position to be regraded if there are significant duty changes. If the review results in an upgrade in job class, the employee will be eligible for an increase equal to no less than the minimum of the new pay grade. If the review results in a downgrade in the job class, the employee will be placed in the appropriate step within the new pay grade. Such request may not be submitted more than once in a 12-month period. If changes are recommended, the department head and Human Resource director will consult with the Mayor. Final changes must be approved by the Mayor. If the employee being regraded is an employee of an elected official and the mayor and the elected official disagree on the pay grade, then the decision will be made by the City Council. For new hires, it says, no employee will be hired below the minimum of the pay grade for that position. Directors have the discretion to request a new hire salary up to step five. Based upon the employee's qualifications and years of service, with approval of their department head, the Human Resource director and Mayor, any salary recommendation in excess of step five will require the approval of the Mayor and the City Council prior to the salary offer.

We just have to keep in mind that the pay grade for the different classification of employees is set by the independent salary, obviously, with staff review, then ultimately with City Council approval. When we're talking about some of these people moving from departmental employees to department heads, according to our pay grade system, when they're a department head, they're going to be a pay grade of 122. It doesn't matter where they were before or if it's somebody who came off the street, they're going to be making that minimum salary that is in that pay grade. That's how this pay grade system is set up. Obviously, as with any pay system, there may be something that needs to be tweaked and improved, but, right now, this is the pay plan that has been adopted over the years. The step increases that were attached to the agenda outline the 2% raises each year to get to the maximum after 20 years. We'll go through and discuss some of these positions, but, until this is changed, if it's changed, what we're approving here today, as a City Council, is the addition of the new job titles that weren't previously on the pay plan. As long as it's within the parameters of this salary plan, it's in the discretion of the Mayor, the department head and the Human Resource director. If it's an elected official employee and the Mayor and elected official disagree, that's when it comes to City Council. What we are currently using as a salary policy and what we are currently approving here today are two different things. A lot of this goes back to what is the pay grade now that they are a department head or a supervisor. All department heads are paid the same thing.

Chief of Staff Bill Reznicek said we put together a PowerPoint and I'll go through that. The PowerPoint is going to show different categories. We have additional positions we added, basically, reorganizations that we did, regraded positions, promotions, cost of living adjustments and then consolidation of positions. We are adding a kennel master in Animal Control, due to the volume they are experiencing. They have really had an inability to keep up with the population out there even in terms of the amount of euthanizations they are doing. Their population right now is exceeding the capacity on a daily basis, which is causing a strain on the personnel. We looked at this and spent quite a bit of time making sure the numbers justified the additional position, and they did. The next one was a 9-1-1 Dispatcher. This position was added as a result of call volume and, also, a result of changes that were made to how warrants are served for the county and their system. So, we felt like it warranted an additional position for a dispatcher in the 9-1-1 center. The next one is the firefighters that we got under the SAFER Grant. This allows for 75% of the salaries for the first two years and 35% for the third year for three firefighters.

In grants administration, we regraded the director position, which was already the

Director of Community Development, but we regraded that position from a 122 to a 124, which was approximately a \$4,000 increase. In the city attorney's office, we regraded the assistant city attorney to a director position. This was based upon the grading that fell more along the line with education and the responsibility of that position, and, also, the fact that that position needs to be at a director level, which would mean that individual would also be part of director meetings on Monday mornings and update meetings. In facilities maintenance, we regraded the Administrative Secretary to Facilities Maintenance Coordinator because the work that she is doing is really not of a secretarial nature. She is more like an office manager and does the scheduling, ordering, inventory of the spare parts and is, basically, a fill in for the Facilities Maintenance Director when he is unavailable.

Mr. Reznicek said when I moved into my new position, Mr. Trever Harvey was promoted from Finance Manager to Director of Finance and he was moved into the 122 director category, which was a \$13,963 increase. In Code Enforcement, we moved Mr. Scott Baxter back to the police department, so it was basically neutral in terms of head count. Mr. Mike Tyner, who has been the Senior Code Enforcement Officer and, basically, the defacto supervisor of the employees in that department was moved to Director of Code Enforcement, which moved him to a grade of 122. He will function as a director and will attend the Monday morning update meetings. That resulted in an \$18,699 increase in pay. Chairmember Hafner said when you transferred to your new position, if the Director of Finance position had been open and somebody would have been hired off the street, they would have come in at that pay grade 122 based on the pay scale. Mr. Reznicek said that is correct. The same way with code enforcement. If we would have went out and found someone, whether they had experience in code enforcement or whether we would have hired them from some other type of background, they would have come in at that same level of 122.1. So, it would not have been a difference in pay versus what Mr. Tyner is being promoted to.

City Clerk Donna Jackson asked is it true that even though that may start at the lowest level, the Mayor has the right to increase it up to five levels. Is that correct? Mr. Reznicek said that's true. In cases where we find somebody who comes in and they have a substantial amount of experience and they want to negotiate that experience into the hiring process. Ms. Jackson said so, if they're hired at five steps higher and then they're given this kind of bump, they won't be at 122, but further up the scale. Would they not? Chairmember Hafner said so, in their old position if they would have been at step five, I think it's the minimum or whatever is greater. If they were step five when they were hired for their old position then you multiply whatever they're making by 1.05 and you compare that to where they're step one is at their new position, and then it's the greater of those two. Ms. Jackson said the point I'm making is that they don't always come in at that lowest pay scale, and without us seeing the job description change, and don't get me wrong, I think anybody who works for the city earns their money. What I'm looking for is consistency and I'm just not seeing it. It took me a solid year to get a title change for my Deputy Clerk, even though she had a master's degree and was taking on IT roles. I was told they had to start at the lowest scale because I don't have the ability to increase it, which means my staff takes a lot longer to get where some others are. I'm looking for equality where the process is clearly understood by everyone. This was the first I had heard there were raises. I was told there's no money for raises and that this wasn't a good time. Therefore, I didn't request any raises. Here again, I don't begrudge anybody for getting money, but I think it needs to be equal across the board.

Councilmember David McClain asked Mr. Reznicek who determines the raises for offices such as city clerk and city attorney. Is that determined by the Mayor, by you

and the Mayor or the City Council and the Mayor? Mr. Reznicek said in the budget process we go through and analyze what each department submits. Ultimately, it's the City Council's decision if an elected official wants to go forward with an increase and they go to the Mayor and if it's rejected then they go to the City Council for approval or it's approved and incorporated into the budget. Ms. Jackson said I appreciate that, but we were told that there is no money and we were asked to cut our budgets to the bone, which we did. Then we find out there is a way, but this is the first anybody else has heard of it. I don't want other employees to feel like that I'm upset that they got a raise, but I just feel like that it needs to be that way in every department. There has been a big turnover in a lot of positions and we hear this every time and it's every year. It's kind of hard to explain that to my staff who has stayed here. That's my input on it.

Councilmember McClain said looking at the annual changes, is that something that you are planning to continue and keep in the budget going forward. I know annually the employee isn't going to get \$18,000, but what kind of percentage are we looking at annually? Chairmember Hafner said the 2% on the step plan for that grade. Councilmember McClain said so, regardless of performance, regardless of anything, the employee gets 2% or the cost of living adjustment. Mr. Reznicek said that is the prevailing plan. Ms. Jackson said, but not for elected officials. Chairmember Hafner said until the plan is changed, that's how it is.

Councilmember L.J. Bryant said so, I know the rule is there for the City Clerk and the City Attorney to appeal to City Council if they have a disagreement with the administration, but is there a pretty defined process of how that goes or if they disagree they would just need to be on the Finance Committee agenda. Chairmember Hafner said they would need to be on the City Council agenda not Finance. Mr. Reznicek said the City Council agenda.

Ms. Jackson said I hesitated to say anything because this type of set up here is very difficult for an elected person, or for anybody really, because you feel like you're on the chopping block. I would never second-guess Mr. Reznicek as head of finance or the Mayor's office, but I just want that same consideration, and I don't feel like it is there. A lot of the time, it's easy to see the city clerk's office as nothing more than a secretarial pool that people call up and we're supposed to jump, but it's elected for a reason. If you look across, you have a mayor, a city attorney, a city clerk and 12 councilmembers, and we are equal. Usually I don't really care, but I'm getting old. I'm 65 years old and I'm beginning to see where there's an importance here and a precedence that needs to be set. That's all I'm going to say for now.

Mr. Reznicek said I'll go ahead and finish up and then if you have any additional questions, we're almost through this. We consolidated the Chief Financial Officer and Chief Operations Officer positions and through the group that does our grading system, we came up with a Chief of Staff position at 133, which is a \$5,315 per year increase. Then the elected officials increase was based upon a 2% increase that is equivalent to COLA for next year. The increases there were \$2,441 for the Mayor, \$2,102 for the city attorney, \$1,609 for the city clerk and \$196 per position for the councilmembers. We did a couple of reorganizations when the softball coordinator retired. We looked at that department and felt like due to the expansive growth at the parks, particularly Southside Softball Complex, that we needed somebody who was able to coordinate what was going on there from a program standpoint, as well as get involved in the other programs, such as soccer and football. This actually came out of a recommendation when we did the search and interview for the current parks director replacement. That committee concurred that we had gotten to the size and our parks department had made an investment to the extent that we probably needed a person over facilities and

then a separate person over programs and tournament recruitment since that is really two entirely different skill sets. We took that advice, and have actually been looking at that since the spring, when we went through that selection process. So, in the budget, we took the opportunity, with the retirement of the softball coordinator position, to implement that. In the police department, we added an additional officer, but it was to replace an officer moving into a school resource officer position that is 100% funded by the school. Chief Rick Elliott added a non-uniformed Public Information Specialist, but that was at the expense of a couple of part-time positions, so the change in the police department was budget neutral. Those are the total of the changes that we made in terms of personnel, regrades, promotions, and additional hires for the year.

Ms. Jackson said I have another question. I apologize. I was out last week, as many of you were, with the flu. On these new job titles and grades, are you giving job descriptions that justify the new titles? Mr. Reznicek said we will have job descriptions that justify those new titles. Ms. Jackson said but it's not currently here. Mr. Reznicek said Human Resource Director Dewayne Douglas has some of those in the process, but obviously, we talked through what those responsibilities are and we know what those new duties and roles will be. Ms. Jackson said that's what we are justifying so I would think we would have that. What is the beginning pay and the ending pay? Mr. Reznicek said I'm not sure I understand the question. Ms. Jackson said when will we have those. Mr. Reznicek said we have the items that go into the regrade. We have those already. So, that is essentially the job descriptions. We have all the duties and responsibilities. Ms. Jackson said so, we should be able to look at what duties they were doing and what they are going to be doing in their new positions. Mr. Reznicek something side by side. Correct.

Councilmember Bryant said I have a question. On the police department, is the non-uniformed Public Information Specialist in addition to the Public Information Officer or is this a replacement for our Public Information Officer? Mr. Reznicek said this is a replacement. Councilmember Bryant said okay. So, we're going from uniformed to non-uniformed in that position.

Chairmember Hafner said obviously the timing of the budget being on the last finance meeting and this being on this finance meeting probably could have been handled a little better as far as having them at the same time so it didn't look we were trying to do the budget and then do this. Hopefully, in the future, we can be more proactive about this kind of thing. If there are improvements in a process as far as for employees of elected positions requesting title changes and regrades, we can definitely discuss that. On the consolidated positions on the CFO and COO, with Mr. Reznicek's change in salary, Mr. Harvey's change in salary, filling Mr. Harvey's position and eliminating the COO position that actually results in an \$11,000 per year savings. If there are improvements that need to be made to the way the salary plan is right now, those are items to be discussed, but what we are talking about right now is what is currently in the salary plan and adding the positions of Chief of Staff, Director of Community Development, Assistant City Attorney, Director of Finance, Director of Code Enforcement, Assistant Director of Parks Facilities and Assistant Director of Parks Programs. Those are the positions that we are talking about being added to the pay plan.

Councilmember McClain said I would like to make a statement real quick. I do believe you should pay employees what they are worth, but looking through the budget and everybody was told to make cuts and make drastic cuts. So, I don't want us to get into the habit of continuing raises, but also stopping capital projects. I think that is my biggest concern for our budget. I mean if you have 2% for everybody for the next

however many years, that's a big number at the end of the day. Chairmember Hafner said, but right now, until our pay plan is changed, that's what we're working under. Councilmember McClain said I get it. Chairmember Hafner said with these new positions, if they're on the same level as supervisors and department heads in other departments, they'll make the same at year one, unless there's adjustments up to step five, but until our pay plan is changed, that's what we're working under.

Mr. Harold Carter, 902 Tony Drive, said all these pay raises are very interesting to me. Who has the final discretion on whether this goes to City Council? Chairmember Hafner asked on which one? Mr. Carter said any of them. If it has to go to the City Council, ultimately, or it can go to the City Council, apparently, to start with, can the employee just up and say well, I'm going to take that to the City Council? Somehow, that don't sound right. Chairmember Hafner said no. It has to be a department head, the Mayor and the Human Resource director. Mr. Carter said okay, but, ultimately, who does that for elected officials? Chairmember Hafner said for elected officials. That's a great question. Mr. Carter said all of this is great questions to me because it's so obscure if you don't even know it yourself. Chairmember Hafner said there is no process for bringing the elected officials pay to the City Council on a yearly basis. Mr. Carter said one process for the elected officials is to just schedule themselves on the agenda and bring it. That's the way I'd do it if I thought I had the nerve, but these things become sort of delicate sometimes. So, therefore, it takes a lot of nerve or the lack of it will stand in your way, which is okay with me because I'm not in that position. I still need to know, ultimately, who can do it strictly on their own or are there other ways. All this procedure sounds pretty vague and fuzzy to me. I don't like the vagueness and fuzziness of it. People sell this idea on the fact that there is not money to do this. I don't know who sold it. I can speculate, but that's neither here nor there, and then all of a sudden there is money. I know that has already been covered, but it's of particular interest to me because that's just a salesmanship job. Meaning, I'll sell this to all the ones who are dumb enough to listen to it and the others may be rewarded if they're not dumb enough to listen to it. Now that is a bad procedure. It makes the employees, or would make me, if I were an employee, very mistrustful of what I hear any time I hear it because I would think whose trying to sell me this deal. If I got up before the City Council and said, I want a raise and here are some good reasons, and here's what I have been told. Ultimately, that would be one way to find out. Are there laws on this? Are there ordinances on this? Chairmember Hafner said on which part. Mr. Carter said any of it. On whether an employee on his own volition can ask for a raise before the City Council. Chairmember Hafner said I think they can ask for a raise, but according to the pay plan and what grade they are, the pay plan governs what they can be paid. Mr. Carter said okay. I'm gonna presume asking for a grade increase would have to include the department head. Chairmember Hafner said yes. I read that earlier that the department head may request a regrade for their position and who was involved. Mr. Carter said but when it comes to who gets step increases and there can be five grades and it's discretionary, on whose part exactly is it discretionary? Chairmember Hafner said the five grades can be approved by the Mayor and the Mayor is elected by the people to run the day-to-day operations of the city. Ms. Jackson said, but not the other elected offices. That's why we're elected.

Mr. Carter said that's why it's so confusing because for one thing there's no standard way to do it. It's a matter of salesmanship and who can convince somebody not to do it by convincing them it's not allowed. Chairmember Hafner asked what's not allowed? Mr. Carter said for an employee to get up before the City Council, or, for that matter, for the department head to do it. That's fine. If it's not allowed, it should say so somewhere, but that's why everybody should know exactly what the source of all of these ordinances and regulations are so they can read them, too.

Chairmember Hafner said here's the deal, and I don't mean for this to be rude. Policies can always be improved, but, right now, this is the policy that the City Council adopted and revised over the past few years. The City Council isn't involved in the day-to-day operations of the city. We try to set policies to help the day-to-day operations of the city run, but we don't approve every raise, every department change or every pencil that is bought. We try to set the policy and let the system work through those policies and procedures or ordinances, and then sometimes stuff comes up that needs to change and be improved. That's why we have rezonings, ordinance changes, and that's why we do all these different things. At the time, I would assume that when this has been adopted and revised that the Mayor, the staff, department heads, human resources and various people have been involved, as well as maybe some outside agencies, such as Johanson Group, who did the salary surveys and helped set the different titles and pay changes. An employee can get up here and ask for a raise, but that's not really the City Council's job unless it's something that there's a dispute between elected officials and their employees with the Mayor or something like that. We don't approve and make every decision for the city on day-to-day operations.

Mr. Carter said well, I hope not, but still that doesn't preclude it from happening sometimes, apparently. I'm talking about the vagueness of these step grade increases, who makes them, and who can make them, and, ultimately, who is the source. Chairmember Hafner said everybody gets a step increase every year, unless their job title changes, they get demoted, or they get promoted, then they get the step increase every year they are in that job. Mr. Carter said well, that's why people would be encouraged to ask. Chairmember Hafner said they don't have to ask. They get it automatically. Mr. Carter said that's why people would be encouraged to ask for a grade increase because apparently that would be greater than the 2% they get anyway. I'm not going to draw this out too far because it would take a lot of time. Chairmember Hafner said don't forget that this will be talked about at City Council also, if it makes it through committee today. Mr. Carter said it don't sound like a very sure thing. At the very least, I'd like to know where I can get the exact written material to read all this stuff. Chairmember Hafner said it's attached to the agenda today. I'm sure you could get a copy of the salary plan, the steps and the yearly increases. I can give you my copy if you want it today. Mr. Carter said I'll read it and I'll see if I have any more questions, but anyway, thanks.

Ms. Patti Lack, 4108 Forest Hill Road, said I think the only thing I can say to you all is the response that I have got from so many people is that they can't believe this is happening. I don't even know why we're having this meeting because, basically, everything is set in stone already. It's already, basically, passed for this year. So, I think our concern really needs to be for next year. I think we need to look at this pay scale. I always thought you got a raise based upon the job performance that you do. It's not automatic. If it were a perfect world and we had the money for it, it would be great to do that. I'd give all of you 10%, 15%, or 20% raises, but we don't have the money, and if we're taking from our reserves to pay for pay raises, that should be a red flag to all of us right now because if it's not this budget, it's next year's budget. If we're having to do cuts right now, then next year is going to be really worrisome for the City of Jonesboro. My husband works for St. Bernards. If he does a good job, he might or might not get a pay raise or a bonus. He doesn't count on that. So, I think you all need to look at this pay scale. I wish I worked for the city. Maybe when a job opens up, I need to start working for the city. This is a great deal. I know it's hard to run a city and it's a big city, but sometimes you have to think that we can't afford this. We can't do anything about it today because it's probably going to be approved for you to move on to the City Council, but we have next year.

I went into Legistar and printed out all the codes and pay raises and increases, but I also printed out all of the jobs that are in this city. The softball coordinator job was eliminated and their bottom line pay scale was \$34,000, but now they're going to be the assistant parks director and they're at the low bottom range of \$55,000. That's a lot. I don't know if those two are coordinating, but that job is taken. What job does the youth sports coordinator or the youth sports coordinator assistant do? I'm just looking at some of these jobs on this. We have a call taker. I don't know where the call taker is, but the call taker is making \$28,000 per year. Councilmember John Street said that is 9-1-1. Ms. Lack said that must be coordinated with the 9-1-1 director and stuff like that. There are a lot of jobs on here that I just wonder about whether it's really necessary, and I think another one mentioned was grants. We have a grants writer, grants and finance specialist, and we have a grants project coordinator. So, we have three people, but we look at grants and we have a lot of grants in the city, but you have to have the money to pay for the project that goes along with the grant. So, I think we need to look at the overall for next year. I think there are a lot of people who are just really disappointed in this because they're looking at their family budget. I know the city is so much larger and we have no idea. You all are on that side of the bench. We are on this side. I think what people are doing is looking at the City of Jonesboro and how it's running and realizing that maybe next year the services may be cut down and our trash collection is only going to be twice a month. I'm worried about the fire and police departments. We have to have those. So, I'm looking at the necessary things. In the budget, you talk about the pavement at the softball park. It would be great if we had pavement out there, but I can remember tons of baseball tournaments where I went with my son and the parking lot was not paved. So, it's okay if we don't pave that right now if we have to look at cutting money. This, all the salaries, is probably a done deal, but I think you need to look at a revision of doing that salary because it should only be based on performance and you should look at every individual and whether they are doing their job or not. If you don't, the city is not going to have any money if they keep up with this pay scale. If we're dipping into reserves to pay for this year, I don't know how we're going to pay for it next year, and that concerns a lot of people and it concerns me, too. I know it concerns all of you, too. So, it's gonna be some tough decisions that you have to make for 2019 or Jonesboro's going to be a totally different community to live in. Thank you.

Motion failed for lack of second. RES-18:196 FAILED to pass.

5. Pending Items

6. Other Business

[COM-18:078](#)

Review and discussion concerning the City of Jonesboro 2019 Budget

Chairmember Joe Hafner said as we get started on this, I just have a few comments I want to make. Obviously, everyone is concerned about the financial condition of the city and the proposed deficit. I just wanted to go through and talk about a few things that I have found during the course of studying the budget and budgets from other cities. Obviously, as a city, we provide services, whether it be police, fire, parks, or streets. Our job is to provide services. Everybody that works for the city is providing a service that the citizens and visitors can use if they so choose. We have different revenue streams and the biggest part of our revenue stream is sales tax. Right now, we have a 1% local sales tax. Our city sales tax produces about \$16 million per year, according to the budget. When the voters approved the 1% sales tax back in 2000,

three items of revenue were given up, including sanitation department fees, mosquito fees and a 2.1 property mil that was used for the general fund. I know of only one other city in the state that doesn't charge the residences for sanitation, and that's the City of North Little Rock and they actually had a sales tax increase this year because they either needed a sales tax increase or would have to start charging a fee or cutting services. So, we're really not the only ones in this boat. The common denominator is that they were operating on 1%. When we gave up those fees, our sanitation department cost us between \$4 million and \$4.5 million to run. So, if we had 30,000 households and a lot of places pay between \$15 and \$17 per month in sanitation that would easily give us another \$4.5 to \$5 million that we are currently paying out of our sales tax. The mosquito fee program is about \$430,000. The property mil probably put about \$2 million into the city's coffers. If you add up those three items, they add up to almost \$6.5 million pretty conservatively. So, really, of our 1% tax that we get compared to a lot of other cities that still charge all those items, we're getting about \$9 million per year or we have actually a .58% tax that we're using to operate the city. There was a public safety tax for a time, but a lot of this stuff was done before and after that, so, with that 1% tax, we've built five new fire stations, Joe Mack Campbell Park, Allen Park and Parker Park. We have a pretty good mosquito program even though some won't agree. We also don't charge for sanitation. So, we've been able to continue to provide services and increase services. Five fire stations is a pretty big deal. We're 80 square miles and establishing those five new fire stations helped our ISO rating, which helped keep money in citizens' pockets. We've been able to stretch that 1% for a while.

For comparison purposes, I went through and looked at Conway's budget. Conway has a 2.125% sales tax, with 1.125% for general tax, which goes into the general fund, .25% for salary tax, which was passed in 2001 for salaries, .25% for street police vehicle tax, which is used for major street improvements, and .125% for a debt service. In 2008, their voters approved a .375% tax for street repairs. It produces about \$5.4 million per year for street overlays. They also have a prepared food tax of 2% that produces \$3.1 million that goes to parks. They charge sanitation fees and they have impact fees for parks and streets, which produce about \$330,000 per year. Then I looked at the City of Springdale. They have a 2% tax, which includes a 1% general tax and a 1% bond issue. The bond issue is going to pay for \$93 million in street improvements, \$45 million to refinance debt, \$42.5 billion for a criminal justice center to renovate the administration building, \$21.3 million for parks and trails, \$17.6 million for three fire stations, and \$5.6 million to replace their animal shelter. That 1% tax passed by 74%. We have an expense problem in some people's eyes. Whenever your expenses are more than your revenue, you have a problem. I think we have been able to stretch that 1% a long way and still make headway. As Ms. Lack said earlier and when we start looking at our budget deficit after the STIP, it is about \$5.4 million, which is roughly 10% of our budgeted expenditures and O&M. If we did go through and start cutting stuff, what services could we live with and what services could we live without? I'm just mentioning this for discussion purposes. I'm not endorsing or recommending any cuts because that would be a lot of staff involvement. I really don't think that if we did it by classification that we would want to cut public safety by \$2.8 million. You can always take patrols off the street and do away with the drug task force, but I would hate to think what negative impact that could have on our city, citizens and visitors. Cutting the fire department by 10% would be \$1.1 million. Once again, we don't want to do that. What I'm getting at is when we start talking about cutting our budget we have to really look at the impact it has on our citizens and what we can afford to live with and what we can afford to live without. As Ms. Lack said, do we want to go to garbage collection every two weeks? What would that impact be? Do we want to cut out aerial application for mosquitoes? Do we want to cut \$300,000 out of

parks and recreation? These are all things that bring people to Jonesboro and that make people want to live in Jonesboro.

Next year is going to be a pivotal year as far as getting our expenses and our revenue to improve, especially the sales tax with the online sales. That could have a good impact, but our legislators have to step up so we can start enjoying that like other states have. We have transportation projects in there for \$2 million, whether it be sidewalks or new streets. We could just not do any of that. The police department needs body cameras with a cost of \$100,000. Is that something we need to do or not do? We have been talking about stormwater drainage and we have quite a bit of money in there for stormwater drainage. That's the kind of stuff that if we cut then the citizens who need to benefit from that are still going to face increased flooding. It's going to be real interesting as we go through this year or this budget. A budget is a spending plan. Just because it's in the budget, doesn't mean you're going to spend it. How beneficial is the recycling program? It cost the city about \$250,000 per year. I just wanted to drive home the point that it is easy to say that you have a spending problem when your revenue is showing more than your expenses, but we have to be very mindful of the cuts that we make to the citizens and the services we provide for our citizens, especially in the area of public safety. I think parks are important, too. Nothing that we do is free. Everything has an expense.

Councilmember John Street said that was well said. We get the biggest bang for the buck of any city comparable to our size and there is nothing free. I don't like to pay taxes any more than anybody else, but I don't want to see the fire department or police department take cuts. I think we're one of the top 100 cities in the United States that have reduced crime in the last 10 years. Our crime rate has actually lowered and, for a city our size, that's good. It's good for us who live here and our families. We don't have to do first responder runs either because the firefighters are already trained, and I can't tell you how many lives they have saved. It cost maybe \$40,000 to \$50,000 per year. There are people who said we don't need that, but if it's one of your spouses, your children or your family members, how do you put a price on that. Especially, \$50,000 on a city our size.

According to the 2010 census, our population was 67,263 and realistically, today, we have probably closer to 73,000 people, but that's not even close when you look at the visitors, the shoppers and the people who come into this city to do work and do business. We've probably got 110,000 to 120,000 people on the streets all the time. So, our police department and our fire department, and all of our services, are not just serving 67,263 people, they're serving 110,000 to 120,000. That is stretching our resources. In that 82 square miles, we also provide animal control, mosquito services, sanitation, street overlays and all of our utilities provided by City, Water and Light. We are blessed. We have a great city and we've made that one penny stretch farther than probably any city comparable to us could even come close to doing. Our employees provide a level of service that is unmatched by anybody. Those people are dedicated. You can have turnover all the time if you don't want to pay them anything. I guarantee you that the employee who has worked for the city five years is loyal, and they bring a lot more to the job every day than somebody that you just picked up off the street at the lowest possible salary and somebody has to follow them around and tell them every single step to do all day.

I just want people to understand that nothing is free. You have to decide if you want these services and if you want a good quality of service, or not, but it's strictly up to the voters. I can only speak for me, but I want a good quality of service and I want to compensate our employees in a fair manner, not overly compensate and not under

compensate. That's why we hired the Johanson firm so that we would have some fair level of compensation for our day-to-day employees. Our day-to-day employees deserve it and they do a great job, and I think that's one of the reasons we're growing and are more respected across the state. We compete very well with Northwest Arkansas and look at the money they have. We don't have the Walton Foundation giving us a million dollar grant every time you turn around. The leadership of the city has done an outstanding job and the employees have done an outstanding job. Keep it in your mind that nothing is free. We're never going to coast down the road at the same tax level we have, even if a sales tax is passed, and I believe it will be this time. We've been operating at a very unfair advantage for years over that. We have passed resolutions supporting the Fair Tax Initiative and hopefully it will pass, but that by itself is not going to do it. We're not going to have a big windfall, but it will amount to, I think, probably close to \$1.2 million to \$1.7 million or somewhere in that range for our coffers. I think the impact fees are good, but you can't go back retroactively. We do need to assess some type of drainage utility. I wish it was countywide because the whole county is involved in that, but we have to address drainage. All these things cost money and all these things are getting more expensive every year. The cost of doing business has increased over the years. God bless CWL because if it wasn't for them we'd be \$2 million short on utilities and other things that we do every year. They pretty much support the fire truck initiative. I don't know that the city has put any money out of the general fund into our fire trucks other than maybe equipment.

Councilmember Ann Williams said I trust the voters to understand this just like they did when we passed the Public Safety Tax and the way it was presented and explained and the way Chairmember Hafner has explained this. I trust the voters to understand. Councilmember Street said I do too. If you read the paper sometimes it makes it sound like we just throw money out like it's free and there is no accountability for it. I can guarantee you that I have been on this council for 16 years and everybody that I have every worked with on here take the job of being good stewards of taxpayers' money very seriously. That's the first consideration anybody does, so nobody is frittering anybody's money away. As Chairmember Hafner stated, it's service, and services cost. You can be pennywise or pound-foolish. The old carpenter's adage is measure twice, cut once. You don't necessarily make the cheapest decision or cheapest purchase, but, in the long run, you make the best, and I think we've tried to do that.

Councilmember L.J. Bryant said I think what Chief of Staff Bill Reznicek and them did was wise in consolidating positions and having high level people, and I think when we look at salaries in a city with a \$65 million to \$70 million budget, we have a lot of people who if they were in the private sector would make a lot more. So, to Councilmember McClain's point, whether it's a finance director or director of community development, compared to their positions and responsibilities, they're working for a pretty adequate wage.

Councilmember David McClain asked Mr. Reznicek to talk about capital improvements. I was looking through the budget and I meant to ask this question last time, but we had a pretty drastic cut as far as how much we took out of there. What am I missing out of the budget that we cut? Mr. Reznicek said we don't really cut anything out of capital improvements because we look at it project by project. We went from the ground up and said what are the things we need to do next year. We did try to reduce that number from what we spent in the past. For example, in 2018, we spent \$1.2 million just on the purchase of the land for the sports complex and in additional expenditures; it was our part for the match on the grant. We have some money in there for parks and we have some money in there for streets. We didn't look at the budget

from a these are the things we did in the past so let's cut these projects because all the projects are specific unto themselves. Chairmember Hafner asked if it would be safe to say that if more money was available that there are more capital improvements that need to be done. Mr. Reznicek said absolutely. Chairmember Hafner said but you all tried to be conservative and reduce the deficit from what it was last year. Mr. Reznicek said we reduced the deficit by \$9 million and that was a substantial change in the budget from 2018 to 2019 alone. That was, to me, a significant accomplishment to take the budget we had and come up with a reduction of the deficit of \$9 million, and part of that was out of capital improvement. If we had additional reserves and we felt like we could pull those down beyond what we have today, then there are certainly more things we could do from an infrastructure standpoint. Chairmember Hafner said an easy example of that would be the \$500,000 that is budgeted for North Patrick for the sidewalks that have been needed out there for years. Councilmember Dr. Charles Coleman would like to see those go all the way to Magnolia, but right now they are just going to Lost Creek. Engineering Director Craig Light said it would cost another \$1 million. If that \$1 million was put in the budget, then it would have been very easy to say these are needed for the safety of people walking because there's a lot of foot traffic out there. That would've been easy to justify, but it wasn't done because you wanted to reduce the deficit. Mr. Reznicek said that is correct. Councilmember McClain said I get what you're saying.

Chairmember Hafner said I have just one final thing that I would like to say and this is one more thing for comparison. I went to Wikipedia and printed out the towns in Arkansas by population and Jonesboro is the fifth largest city according to Wikipedia, right now. Little Rock's local sales tax is 1.5%. Fort Smith is 2%. Fayetteville is 2%. Springdale is 2%. North Little Rock is 2%. Conway is 2.125%. Rogers is 2%. Pine Bluff is 2.25%. Bentonville is 2%. Hot Springs is 1.5%. Benton is 2.5%. Texarkana is 2.5%. Sherwood is 2%. Jacksonville is 2%. I think you all get the point that we're operating and trying to do a lot without the tax base of a lot of other cities that we're compared with. This is why they are able to pay for that stuff because they have an increased tax base. On top of the increased tax base, all but the City of North Little Rock charge fees, such as sanitation fees.

Mayor Harold Perrin said I want to make a couple comments. I think it was in today's Arkansas Business that Jonesboro is tied with Bentonville on permits that were issued for the city. They keep a very close tab on that. Your city is never going to stop growing. This city is set to explode. We're going to turn loose of 140 doctors next year at NYIT. I'm not going to elaborate on anything that was said because I totally agree with what's been said. We have approved 17 subdivisions in this city. We have 585 miles of paved roads. With 17 subdivisions and you take the number of doors and the number of miles, then you can imagine in three years what the cost of this city is going to be to simply overlay those roads and pick up sanitation. You're going to pick up at, basically, 900 more homes. Your expenses are going to continually grow. That's what I have been saying and I totally agree with Ms. Lack on the statement she made that you need to seriously look at the salary plan. I've said this before and I said it in the paper, don't bite off more than you can chew. I will make it work. You may not like what you see, and that's what you have seen tonight is a budget that is half of what it was last year. You cannot throw \$3.4 million of expenses on me and not be able to try to find another \$3.4 million of revenue to offset that. We have leveraged every penny in this city so tight that we squeeze a nickel to a quarter. Your city is at a crossroads. You will make that decision on what you want Jonesboro to be, not me. I'll only have one vote in that voice. You're going to be the ones to decide whether you want Jonesboro to grow the way it is, or not, in the future. I appreciate the comments that have been made tonight. We would love to do a lot more capital improvements next

year, but the revenue is not there. With that, we will make those changes on the salaries. We will pull those out so that we'll have those ready for the resolution for the City Council meeting on December 18. They will coincide with what we covered tonight. No problem whatsoever. Thank you.

Read

7. Public Comments

8. Adjournment

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

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and LJ Bryant