



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, November 27, 2018

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Harold Perrin was in attendance.

Present 4 - Charles Coleman; Ann Williams; David McClain and Joe Hafner

Absent 2 - John Street and LJ Bryant

3. Approval of minutes

[MIN-18:111](#)

MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON NOVEMBER 13, 2018

Attachments: [Finance Committee Meeting Minutes 11132018.pdf](#)

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

Aye: 3 - Charles Coleman; Ann Williams and David McClain

Absent: 2 - John Street and LJ Bryant

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-18:186](#)

A RESOLUTION PROVIDING FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2019 AND ENDING DECEMBER 31, 2019, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR; AND FOR OTHER PURPOSES

Attachments: [2019 Approved Budget](#)

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

Aye: 3 - Charles Coleman; Ann Williams and David McClain

Absent: 2 - John Street and LJ Bryant

[COM-18:076](#) 2019 Budget Presentation given by Chief of Staff Bill Reznicek

Attachments: [2019 Budget Presentation.pdf](#)

Chief of Staff Bill Reznicek said, I will start out by giving you a little bit of background on how we did the budget this year just so you understand the process. I think it is important that we talk about the methodology. We started in August and initially sent out the budget package to all of the departments and we asked them honestly to complete those, but then, to do a presentation format that they would come back in a couple of weeks and sit down with us and go through their budget in detail. But, also, look at what is going on in their department, what they saw that they needed to do the following year and any issues that they had. So, we had a series of meetings with every department over the course of several weeks. Those meetings ran anywhere from 30 minutes with some of the smaller departments to probably 1 ½-2 hours for some of the larger departments. You can imagine Fire and Police. Those meetings lasted a little longer. I would like to say that some folks definitely put in a lot of time, did an exceptional job on presenting their budget. Everybody did a good job, but there were some very exceptional presentations. The City Clerk's office did an excellent job in their budget presentation. The Fire Department did an outstanding job with their presentations. So, I would like to note a couple of those folks that we think really went above and beyond in the amount of work that they put into it and the detail that they gave us. So, we went through that process and then Finance Director Trever Harvey, basically, took all of that information back, and Trever and Finance Manager Deanna Hornback crunched numbers and digested everything. As we sat in those meetings, we asked a lot of questions. We made a lot of notes. We challenged people on different issues. Started to give them suggestions and help with alternatives. We tried to listen with an open mind of what folks thought they needed in the budget for the following year. So, after the first round, I will call it, we crunched numbers and came back with a preliminary set of budget figures that we looked at. Then, we went back to the department heads with kind of a second round of take another look. See if there are certain things that you can cut out with some target reductions that we gave them. We didn't specify any particular area. We just asked for target reductions. We gave them, I think, a week or week and a half on that. They came back again and most folks were able to find areas in their budget where there were things that they could substitute or things they could possibly live without, postpone another year. Because we were looking for a range of where we thought we needed to be budget wise when we were finished. We worked collectively towards that number as we went through the budget process. So, folks came back again with another round of budget presentations. This time it wasn't in the form of a meeting, but more of a response. Then, we had some conversations back and forth with people. We went back a third time and at that point, we pressed people more on some specifics, fixed assets as one area where we really had to dig into and make sure that we were spending money that was an absolute necessity given where we were looking at our reserves to be at over the next couple of years. We went through that and came down to what we felt was a final draft budget. But, I will say, and really the importance of this is that I want to point out throughout that process and end result, we made sure to the best of our knowledge and ability that we didn't leave anybody in a situation where they could not run their department based upon the budget they were given for the following year. And, that was very important. We wanted to accomplish two things which from the onset we had in our minds a range of where we wanted to end up, but we also wanted to make sure that at the end of the day, we didn't sacrifice any necessary services, anything to the

citizens, to the community, that we maintained our infrastructure and continued to do what we do as a city. So, with that I will go through the budget.

This slide is a little busy, but the highlights are on it. This year we are looking at a budgeted deficit overall of \$6.4 million which is less than half of the 2018 deficit projection. We are not final yet through 2018 obviously. We think we will actually come in a little under budget this year, but we didn't want to put a projected number up there yet because we are still not certain what that number will be. But, last year, we budgeted closer to the range of \$15 million deficit, taking into account the amendments that we made during the year. So, we also did a couple of things. We moved Capital Improvements applicable to the Street Fund both in street funds and sidewalks, utilities and moved that to the Street Fund itself to relieve some of the stress on the General Fund and the General Fund requirement. We have also accumulated money in the Street Fund that we have talked with Legislative Audit this last year. City Accountant Mike Burroughs did some investigation on this. He is excellent at researching these type of issues working with Legislative Audit on making sure that the things that we wanted to do, freeing up money out of this fund were appropriate and that we could do that. We did get the green light on that so we are going to plan to do that in 2019. At the end of the year, we project an excess in O&M of \$13.7 million in funds above the required reserves. We would also have the STIP on top of that in a fund balance. So, our total in excess reserves including the STIP earmark above required reserves will be \$16,651,692 next year.

This is a slide basically laying out the comparison of 2018 and 2019 budgets. You can see that we are, again, going to be \$6,440,106 million deficit or shortfall this year compared to \$15,633,916 in 2018. I mentioned before that I think we will beat that \$15 million by a little bit. The other part of this that I think is important to look at is on the expense side. For 2019, the expense total is estimated to be \$64,900,553 projected budget next year compared to the 2018 budget expenses of \$77,804,096. So, we did do some significant trimming on the budget. A lot of that came in the capital expenditure area. Some of it came in the fixed asset area that I mentioned before which was that third round where we really put more pressure on the departments in specific areas. That was primarily in the fixed asset area. We also did not have the startup of the sanitation program that we had in 2018 that incurred expenditures on the two trucks and all of the carts that we had to buy for that program. Collectively, that alone, was about \$1 million of the difference between the two years as well.

We just did a couple of slides here. I am not going to spend a lot of time on this. But, I think the important takeaway here is if you look at the top two lines of our budget, Law Enforcement is 33% with \$17,525,952 and Fire is 21% with \$11,187,334. So, collectively, they are a little over 54% of our budget is spent on Public Safety. I think that is an important thing to point out particularly to the public because I think that is an area where they are always interested in and concerned and want to see that we as a city government are providing the necessary public safety services. The next slide breaks down cost by type of expense. Personnel costs are approximately 65% and that is fully loaded. That includes all benefits, base salaries, any taxes that we have, any insurance, any ancillary expenses related to employment. Then, operations accounts for about 22% and you can go down the list there. Mr. Harvey did a pretty good job on breaking everything out. But, you can see that 65%, a large portion of our expenditures are on personnel and that is including approximately the part-time people. Give or take 600 employees that serve the city day in and day out in the various departments.

This slide is Operation and Maintenance Expenditures by account type. Again, it shows the highest expenditure in Personnel with a slight increase in 2019 over 2018

primarily driven by the annual step increase as well as the insurance increase from Blue Cross that we talked about in the council meeting when we presented that for renewal for 2019. There was about a \$400,000 increase in insurance and then an approximate 2% step increase that we see each year and then a few other things that are inflationary as well as our increased cost in worker's compensation that we are going to see next year. The next largest item is operations and then it is going on down. So, it is basically the same information that was on the previous slide in a pie chart, but this is in a bar chart. It is a little easier to see now in a comparison year over year. On Operations and Maintenance Revenues, the big takeaway here, the important thing I think to note on here is well two things. One, we essentially budgeted revenue flat year over year. We did not see anything to indicate, particularly given the retrospective trend on sales tax collections, anything that would tell us that we should increase the numbers. So, we budgeted flat revenue wise. In fact, I had been in a session with the Finance Director or Chief Financial Officer from North Little Rock and she talked about budgeting for 2019 and the message everyone was taking away was that nobody saw any reason to expect sales tax to grow organically in 2019. The other thing on this slide is the footnote. It shows that sales tax and state aid total of 72.6% of all O&M revenue. I think that is important to point out because it tells you how important and how much of a contribution sales tax, county sales tax, city sales tax and state aid are. They are almost 73% of our revenue and they are by far the lion's share of what is funding the city's operations. Chairman Joe Hafner asked Mr. Reznicek if he could expand on what makes up state aid. Mr. Reznicek said, state aid is turnback money. It is turnback money that we get for general revenue and streets. It is also a ½ cent highway safety tax fund that we get about \$1.5 million a year from. I will point out on that one that money is actually set to expire June 30, 2023. So, that is something that we are looking at with our projections out five years that we are going to be stripped of about \$1.5 million of revenue that we have to look at how we are going to make up that difference in terms of revenue versus expenses related to streets and street improvements at that time. Chairman Hafner said, I think the other thing to point out on this slide is property taxes. Even though it is almost \$2.6 million, that is money that is earmarked for specific things that we don't just get to use for whatever we want to. Mr. Reznicek said that is correct. That is a pass through. That is a good point. That goes to the library basically. That is the millage that we raised to fund the library and there is some LOPFI money in there as well.

Capital Improvements for next year, we just broke these down showing some of the monies and where they are going from the Street Fund. On STIP projects, we have anticipated expenditures of \$1,191,250 next year. We are going to spend \$2,010,000 for general transportation, road improvement, sidewalks, and things of that nature. Then, under the General Capital Improvement Fund, we have money in there for Parks & Rec. We have some annual obligation money. That is money that we pay to the Northeast Arkansas Economic Development fund through the Chamber. We have some improvements slated for building some facilities. Some of that is for the Forum. And, then, stormwater drainage, that is the project that we are working on now that Engineering Director Craig Light is spearheading on improving our stormwater drainage system throughout the city. So, again, the Capital Improvement expenditures have been pared back some for 2019, but again, that is anticipating flat revenues and looking at our excess reserves that we have to start looking at or what we are extrapolating out over two to three years and what our cash position could potentially be.

One thing that I thought was interesting and this is coming out of discussions that I have had with people around the state and some of my peers is that looking at their budget numbers and our budget numbers and then looking at the land mass that we

cover. Jonesboro covers about 80 square miles of land and we are the second largest land mass in the state. By comparison with the budget, our budget expenditures for next year are about \$65 million. If you look at North Little Rock, they are only a little over 51 square miles and their budget is pretty much on par with ours. We thought that was an interesting statistic because we have to cover that 80 square miles of services. With that entire parcel of land, we have to provide fire, police, sanitation, streets, routine maintenance throughout the city. We are challenged in Jonesboro with trying to stretch our dollars over a wider geographic area. You can look at some of these other cities Fort Smith, Fayetteville are relatively close in square miles to each other, not to Jonesboro necessarily. They have a budget of \$120 million and \$168 million respectively. If you look at it at dollars per square miles, it is just one more way to look at how efficient we are and how far we are stretching our dollar. So, I think if you look at this and you interpret what it is telling you that the City of Jonesboro is really efficient at how it is spending its dollar for the geography that we have to cover in our area here.

This slide shows a five-year comparison of actuals in 2018 and 2019 budget numbers. Giving you an idea on the revenue side. Again, we are essentially budgeting flat revenues for next year. On the expense side, you can actually see that we are declining our budget expenditures next year. It is really not that significantly higher than it was in 2017. We did a lot in this budget process to try to contain our expenses and be as efficient as we could with our dollars. On this next slide, I think is a very important graphic. This is a graph that shows you the red line and the blue line, the convergence of our excess reserve and our required reserve. What that convergence tells you is that is the point in time where the city will have the same requirement and reserve funds as it has in cash. So, we are going to pass a threshold here probably somewhere around 2021. It is not an exact science. It is a forecast and it is based upon a leveling of the 2019 budget, the run rate and extrapolating that out. The slide tells you that at some point, we are going to have essentially utilized the excess reserves in the city and that we will essentially only have left the required 15% O&M reserves. I think this is a very important slide because it talks about a couple of things. It talks about the challenges that we face economically. It talks about the challenge on the revenue side. It also talks about why we cut the budget this year or the deficit of the budget in half compared to what it was the prior year. Because we knew that we were looking at this trend line and that we had to be reactionary and we had to make sure that we were doing the right things and getting ourselves in a position where we could weather what we are going to see in the next couple of years. So, I think it is very important. I think it tells a good story of where we are at as a city. But, at the same time, we do have cash reserves today. We have about \$30 million in the bank today so it is not a message of desperation, but it is a message that we have got to really be good stewards of the city, what we are doing. We also have to look at our revenue sources and make sure that we have maximized our potential there on what we do going forward.

So, that is the last slide that I have got and I will open it up for questions. I know we did replace one page in your budget on page 44. Chairman Hafner had found something in there where we had a stutter on a formula, but we have got that replaced. Other than that, the budget books that you have are identical to what we handed out last week.

Councilmember Dr. Charles Coleman said I have a couple of questions. It may be one question in a whole facet. I've looked through the one that I have and maybe I have missed it. I am looking for the fire department and the police department new personnel. Is there inset of monies in this budget for new personnel for the police

department and the fire department? Mr. Reznicek said in the fire department, we have three new firefighters in there through the grant that we received. It is a 25% match the first two years and a 65% match the third year. We do have an addition of three people in the fire department. We did move one civil person over to the police department so that was a lateral transfer. They are also doing some other things internally, moving a couple of positions around to gain another officer in the Street Crime Unit, but they are substituting an administrative type of position for that. Other than that lateral move, we did not increase headcount in the police department. Councilmember Coleman said ok, that is what I was asking. I saw the move. I saw that, but I wanted what our grant money, was there any money that was going to be put in or maybe later that is going to be able to be used for the fire department and police department. Mr. Reznicek said, for the fire department, the addition of the three firefighters. For the police department, there was no grant money specifically for the addition of officers. There is grant money we have for additional overtime for selective enforcement, but we don't have any grant money in the 2019 budget at this point. Remember that we don't budget grants in advance now. We recognize them when we receive them. Councilmember Coleman said I understand that. Mr. Reznicek said, so, we are still looking at grant opportunities that conceivably could give us additional funds in the police department. Councilmember Coleman said the other thing, our engineering department, to me, has been putting up with a lot of pressure. Is there any money there for personnel or hiring more people in the engineering department? Mr. Reznicek said I will give you the rundown on where we added headcount and I will come back and address your question. Councilmember Coleman said one of the questions that I am always going to ask about is Patrick Street. You know, the widening and the sidewalks. The one that makes everyone mad, but I am the one on the council that is going to ask about it every year until it gets taken care of. Is that going to be directly taken care of this year in 2019?

Mr. Reznicek said I am going to answer your first question and I am going to have Engineering Director Craig Light come up and talk about what we have in capital improvements plans for Patrick Street. Councilmember Coleman said ok. Mr. Reznicek said going back to your first question on headcount. So, we added three firefighters via the grant. We did add an animal control officer, a Kennel Master, for Animal Control Director Larry Roger's operation. Mayor Perrin said we added to 911. Mr. Reznicek said yes, we added to 911 dispatch so that was a total of five people that we added. To answer your question in engineering, no we did not add any additional headcount. Again, that is part of what we saw as a budgetary pressure that we had to basically make sure that we were managing headcount, managing personnel dollars. Some of what Mr. Light does is also, he does a lot of his engineering work contracted on the outside as well. So, there is money in the budget for that. Unfortunately, we just didn't feel like we could add a lot of additional headcount to the budget given the budgetary constraints and the revenue pressures that we are facing for next year. Councilmember Coleman said ok. Mr. Reznicek said, specifically on your question on what improvements Mr. Light has planned for streets, sidewalks, and infrastructure. He is going to come up and speak on those improvements. Councilmember Coleman said thank you.

Chairman Hafner said as Mr. Light is coming up here, I will say that in the transportation budget on the Patrick Street sidewalk, there is \$540,000 in there for sidewalks. Mr. Light said there should be another \$110,000. Councilmember Coleman said I saw that, but that is not a lot of money. Mr. Light said it is to do sidewalks from Johnson up to Lost Creek. That is the extent of the project. There is \$110,000 in grants and the remainder in street funds to do that project. Councilmember Coleman asked, how much money would it take to go all the way to Magnolia? Mr. Light said you

are probably looking at another million. Councilmember Coleman said ok. Is there a starting date for all of that work on Patrick? Mr. Light said the plans are ready to go out to bid. I figure the budget will pass and we will get it out to bid in early 2019. Mayor Perrin said, to answer your question, he has already got the plans designed on that. When the budget is passed, then we will go ahead even in December or whenever and go ahead and let that out. You don't want to waste time getting that Request for Proposals out in order to get those in here. Once that is done, we will select that one through the process and then we will go forward on it. We don't want to wait until May or June or whatever and then you are not going to get anything done because of the weather. Councilmember Coleman said ok. I have one more question. I need for you to say something about personnel. Mr. Light said when the Stormwater Utility when it begins to get startup, there will be a need for additional personnel. Until we know that is going forward, exactly what the scope of that department is going to be, we kind of have an idea of what personnel is going to be required, but we didn't put it in the budget. We did put some startup money in there. I don't know if that startup money will be used for personnel or exactly what it will be used for at this point. There will be additional personnel that will be needed. Mayor Perrin said, if you will remember, we are getting a study done now on how to start a stormwater. That is where we flew to Hot Springs and other places that have a stormwater system in place. Basically, what we have been doing for years is taking street money and digging the ditches and all of this other stuff because there is no drainage districts like there are in the county. So, that money comes in. When we pull that, I went to the courthouse and we pulled all of that. All of those folks are getting about \$685,000 just out of that.

Councilmember Coleman asked, do you think that would be a commitment from the county and the city to go together on some of these items as far as the streets? Mayor Perrin said, I discussed with Judge Elect Marvin Day about that. In fact, I messaged him to see if he could go out assist and on getting the bridge completed behind Dillard's over there and etc. I don't know if he has spoken with Street Director Steve Tippitt. Steve is not here. But, we will be working together very closely on streets and drainage, both. We will probably have to replace a bridge over on Hester. We can do that with the county since they do that with the forums on the bridges. If you will remember, we did the one on Matthews for about \$250,000-\$300,000 total. We could have never done that if we had not had the county to help us do that. In return for that, we also dug a lot of ditches for the county last year to help them out with drainage when one side was the city and one side was the county. Mr. Day understands that. We are going to be working very closely together. In fact, he attended our Arkansas Municipal League meeting yesterday. They came up here from Little Rock. Mr. Day was very appreciative of that because he understands some of the issues that we are facing together. Just like the 911 Center. Revenue on the 911 Center is going down because they way the state has set those up to fund those is by landlines. And folks today, a lot of them, don't have landlines and it is all cell. There is not enough cell revenue coming off of that to fund our 911 Center that we have jointly together. We have 75% ownership and he has 25% in the county. So, we dispatch for the entire county, the Sheriff's Department and us. So, we have a bill ready to go in the legislature this year that will hopefully change that if our legislators agree to that. And, then, we will be able to get more money coming in to offset that.

Chairman Hafner asked, in capital projects budget, under Stormwater Utility Startup for \$500,000, can you all explain to us what that is for. Mr. Light said that assuming that the Stormwater Utility gets passed by city council, we are going to have to buy some accounting software, billing software, and do the startup. We are probably going to have to get a third party consultant to help us set up that system of billing. There are going to be expenses in 2019 for the utility assuming that it passes. That is what that

line item is for. Those monies can be recovered from the utility once they begin collecting the fees. Mayor Perrin said you are probably looking at a year to two years out before you even have revenue coming in, even if you started it today and voted on it. That is where we spent the money to get the study done which is I think in draft form now. I have not seen the draft, but it should be coming in anytime soon. It tells us the cost and all of the things that you are telling us about of how to start the stormwater facility, what are your costs, what you are going to have to have, and all of that. It will be in that report.

Chairman Hafner said you kind of touched on what my second question is related to that. The engineering revenue was up \$45,000 from stormwater related fees so I didn't know what was driving that. Mr. Light said permits. Mayor Perrin said permits. Chairman Hafner asked are we expecting to issue more permits than we did in 2018? Mayor Perrin said yes. Don't let it fool you when you start digging into these things. If you look at your building permits that were issued this year and what was budgeted, you are going to say wow. It is a lot more money. Well, that is true, but one project such as the convention center and Embassy Suites will count for probably 1/3 of that or somewhere in there. These are things that you have got to look not only as a whole, you have got to dig out all the way down and come down to that.

Chairman Hafner said I am going to go down through my notes and ask some questions. I don't have real organized notes. One thing, and Mr. Reznicek and I talked about this a little bit, we are under a very challenging time right now. We have got a lot of good things going. Thankfully, the last several years, reserves have been able to be built up. Some of this stuff that we are doing now could have easily been done over the years and the reserves not been as high. So, I think we have gotten a little bit spoiled by having our reserves so high. We are having to dip into that savings account right now, but as Mr. Reznicek mentioned, in the next couple of years, we are really going to have to look at what is going to be our plan to offset some of these costs because I think one of the worst things we can do is quit investing in our city and then you end up with a lot of dilapidated looking parks and streets. Nobody will want to come here because Jonesboro won't be a clean city like it mostly is right now. It is a very difficult balancing act. I have done a lot of budgets over the years and there are always things that people can question. Like, why did you take money from here? Why did you put this there? I appreciate the work that you all did on it. I know it wasn't easy and it is never a fun process.

I do have a few general questions. I guess I will go through here one at a time. One of the things that Mr. Reznicek mentioned in his presentation is that our worker's compensation insurance is going up. I think, overall, it is going up like \$62,000. But, this is one of those areas that we kind of shot ourselves in the foot. If you want to kind of talk about, obviously, what drives your worker's compensation insurance up is that you have more accidents. So, your experience rate is not as favorable. If you want to talk about that a little bit. Mr. Reznicek said, the number is showing as an increase in there is not completely accurate because we did get a credit and a premium reduction amount. So, had we not gotten that, the increase for next year would have actually been more. But fortunately, there was some other legislation that Governor Hutchinson did that reduced Worker's Compensation costs across the board. What you are eluding to is the fact that what's called an EMOD or a modifier on your comp which is kind of the last factor that is used in the calculation. It is like any other insurance that you buy, they look at your loss ratio and things. But, they look at a premium and comp based upon job classifications. So, you give them payroll amounts on projected payrolls and different job classifications and they rate those based upon their rating scale of one or more jobs that are more susceptible to having accidents and the

costs, etc. Obviously as an administrative person, it is very low cost premium compared to a street worker or someone in police or fire. So, they go through and they do all of that and they compute your premium dollar, your level premium billing. But, then they apply the EMOD or the modifier to that at the end. That modifier represents you're in a pool typically in comp. Where you are at relative to the pool in terms of your loss ratio and your experience. An EMOD is an experience modifier. Ours went from .97 to 1.22 which means we saw a 25% increase in our premium as a result of our loss experience. That means that we were having a lot of accidents in the last couple of years. What I found in digging into that was that a lot of these accidents were probably preventable if we had better education and if we had a better safety training program, a safety committee. There are a lot of things. It is actually a very easy process to go through to setup a plan for accident and loss control prevention, but you have got to do it and you have got to follow it. What I did was get in touch with the Arkansas Municipal League who is our comp provider and they have excellent resources. They sent in two people and that is all they do. They do loss control. They do loss prevention control. We have already had three meetings. In fact, I spoke with them yesterday. They are coming back on Thursday of next week, I believe, for a fourth meeting. They are really digging to the bottom of what was causing the accidents, what are the preventative measures we can take to avoid those type of accidents. Also, setting up an overall structure, a plan, for safety control, for education, for having a safety committee, for how we report accidents, how we investigate them, how we document. It is a very proven system if we do all of these things, we should be able to eventually see our modifier go back down and that will save us some monies. It is a long answer to your question. Chairman Hafner said it was, but it was detailed. Like I said earlier, in this case, it wasn't a lot of money, but I think the point that we have to drive home is that we have got to have this safety program in place because any of these accidents could have been fatal. It is on my mind. These people in sanitation and people who deal with heavy equipment, we have got to have a safety program in place because you can have a great budget, but if you lose one life or something, that is not a good thing. Hopefully, we take that seriously.

The other thing and you mentioned this a little bit, but when someone looks at the budget in the general fund or the operation account and they see expense like mainly Interfund Transfers going down \$6.4 million. That kind of relates specifically to how that sales tax was budgeted and sent to general fund and then being transferred to the other funds how it was budgeted directly to those funds this year. So, just to be clear on that. I'm talking about consolidated here. Supplies were down about \$335,000 and that was mostly carts. Fuel is down \$120,000. You said you all feel really good about that number. I think you got some cost estimates from different fuel providers. Mr. Reznicek said we did. Mayor Perrin said, fuel is budgeted at \$275,000 for 2019. This year, it is budgeted at \$225,000. Right now, we are paying \$.38 more per gallon for diesel and \$.30 more for a gallon of gasoline than we had budgeted. But, again, the utilization has been down a little bit. We are still ok. We are in the positive somewhere around the range of \$200,000-\$300,000.

Chairman Hafner said on street materials, the budget is up \$200,000 year over year. I think that is mostly related to rock and stuff. Mr. Reznicek said with our construction projects, we have depleted a lot of that. We completed five turn lanes this past year so we are just replenishing our supply and our store of those materials. Chairman Hafner said, street signalization is up \$131,000. Can you kind of just tell us what that entails. Mr. Reznicek said it is a program to upgrade our street signal system. A lot of it is for not only improving the guts of what is in the boxes, the boxes themselves, but also having some backup capabilities. Battery backup for example where when we have storms or different events that the signal doesn't go out. It has a battery backup that

does two things. It avoids us having an on-call person having to be there all the time and paying overtime. But, also, it avoids our police officers having to stand in intersections and having to direct traffic. It is a concerted effort to, over a period of time, upgrade our street signalization throughout the city.

Chairman Hafner said I noticed that tipping fees are up \$112,000 at Legacy. Is that totally per ton like the cost per ton? Mr. Reznicek said yes. Right now, it is adjusted annually based upon inflation rates. Something that the Mayor and I have been talking about and have been talking with the people on the Board at Legacy about at what point we can stop having that tipping fee index to the inflation rate. We feel like we are probably approaching that point where we can have that conversation with them. Chairman Hafner said I know for this budget, the Communications Department was broken out from the Mayor's office. That was something that was a little bit different than the previous years.

Councilmember David McClain said, one of my biggest questions was looking at the police department. I know, back earlier this year, we talked about adding an SRO to schools at Nettleton in particular. Then, also, looking at body cameras. I did not see that unless I missed it somewhere. I was trying to figure out if we were going to include that. Another thing that I had a question about was that I don't see any kind of information about the D.A.R.E. Program. I didn't know how we funded that. If you or Chief, either one, could touch on those items. Mr. Reznicek said, as far as the body cameras, I can address that. If the Chief wants to talk about SRO and D.A.R.E. On the body cameras, it is in there under maintenance contracts. Councilmember McClain said, ok. I was trying to figure out where it was at. I didn't see it. Mr. Reznicek said, it is in there under maintenance contracts. We plan to fully fund that in conjunction with the grant that we received. So, we have accounted for the entire force having a body cam along with some others like the Fire Marshall and a few other folks as well. That is definitely in there. Councilmember McClain said, ok. You said it was under which one? Mr. Reznicek said, it is under maintenance contracts. Councilmember McClain said, ok. Thank you.

Police Chief Rick Elliott said in regards to the SRO officer at Nettleton School, they did get an additional SRO for this year. Officer Kiandra McCain was transferred to Nettleton School and Nettleton School has picked up the cost. I came back to council in the fall of this year to get the additional body added at that time because we were understaffed at that point. In this year's budget, the body has been added in to compensate for that SRO officer. Councilmember McClain said he didn't know and wanted to make sure. Chief Elliott said, in mid-year to try to amend the budget because I didn't have the bodies to fill the empty slots that I had. So, we are in a better place as far as personnel today than we have been in a long time. So, that has been adjusted out on the 2019 budget. In regards to the D.A.R.E. program, a lot of what D.A.R.E. does is raised by donations. Councilmember McClain said, right. Chief Elliott said, so they are out doing fundraising and things like that to provide t-shirts to these kids in these programs. We will spend about \$10,000 per year for t-shirts for all of the fifth grade students that go through the D.A.R.E. Program. Each child that goes through the program in that calendar year, gets a free t-shirt. It is no cost to them and no cost to the school. But, the D.A.R.E. officers get out and fundraise through several events throughout the year to raise money for that project. Now, sometimes, if they run short, we can offset some of the D.A.R.E. expenses through the Community Outreach Fund that we have in the department. So, with the Community Outreach Funds, we do our back-to-school parties and different events like that and we can offset some of those expenses through that account. So, D.A.R.E. is not necessarily doing without. But, yes, a lot of what D.A.R.E. does, it is still donation driven. So, it is fundraising

and donations and fortunately, we are a blessed community in that we do have several businesses that contribute to the program every year and we hope that continues. Councilmember McClain said, I guess my big question is that we don't have a line for them. That is the main question. Chief Elliott said, a line item for them, not necessarily, no. There is a donation account that money goes into, but then it carries over every year. But, it is not a line item with a set amount of dollars for D.A.R.E. When you get into vehicle maintenance and office supplies, it just comes out of the police department budget. But, again, some of the other projects come out of the Community Outreach money. We are providing services for D.A.R.E. and D.A.R.E. officers the best that we can. Again, they have done an outstanding job of keeping this program up and we have had a huge success with the D.A.R.E. program over the past years. Councilmember McClain said, I would agree. I appreciate it. I was just curious because they have done a great job. I want to make sure we invest in it because if we don't, we invest in it one way or another. Chief Elliott said correct. You can invest in kids now or invest in them later by putting them in lockup facilities. Mayor Perrin said, I think in the last five years, you will see on SRO officers and Chief can tell you even better than I can, that these schools because of what all is happening on a national basis is that they are trying to put an SRO officer, I won't say in every building, but more SRO officers. Now, that depends on the school and the school board on what their decision that they make and how much they want because they pay the cost of that officer being there. In other words, his salary, LOPFI, all of that is paid. We bill them out quarterly. We get paid by the school districts, but it goes right back in there because you have moved them off of patrol over into the SRO officer. It depends on the school and how many they want. Some want more than others. That is just a call on the school district. Chief Elliott said, some of the schools have expressed that they will continue to add SRO's. One district intends on adding an additional officer every year for the next couple of years. I will look at that point when they start the fall session, I may have to come back to council to get approval for an additional body, but the salary is offset by the school. So, it is just a number change on the authorized strength that we would be looking for. Councilmember Coleman asked, how many officers do we have in training right now? Chief Elliott said, I have six that have just graduated the academy. I've got two that I have hired at the first of the month and I am hiring four on the 12th of this month. We will be fully staffed once again. Now, I have one leaving to go to Trumann on the 3rd of December and I have got two scheduled to leave sometime in February. Then, I have got two retirements the first of February. Councilmember Coleman said, you have got your hands full. Chief Elliott said, this coming year, I am looking at up to five retirements. So, it is a constant cycle of recruiting and retention. But, again, as I said earlier, I am at a better place than I have been in a long time. We are getting more bodies on the street and out of training so that is more officers out there able to do the job instead of being stuck in a classroom somewhere. With that being said, we are having more bodies on the street so I can make some adjustments in the department which I have redone and make some restructuring and I have added more bodies to the Street Crimes Unit which has done so well in the past year. We are going to expand that service starting in January. So, things are coming around and we are doing a lot more. To back up a little bit, we are talking about additional bodies, remember this year, we did get a federal grant for two officers. So, that is a 75/25 grant that we got this year. So, we did expand this year and that grant will run us for three years. The federal government will offset those expenses for those two officers.

Councilmember Coleman asked, is Homeland Security helping supply funds through the federal government to help put more officers in any state or in Arkansas? Chief Elliott said, as far as bodies, no. Councilmember McClain said, the Department of Justice usually does something, don't they? Or the Department of Defense, one of

those two. Chief Elliott said it is the Department of Justice grant, the COPS for hiring program that we applied for is why we got the two officers that we got. That program is out there. The question is when it comes around again, do we want to apply for it next time. Then, again, a lot of it depends on we have to bear 25% of that salary for three years. That is just one of those things that we have to sit down and collectively talk about when it comes around to it.

Chairman Hafner said it looks like the Court Services Department or Division is like really getting up to speed and it is actually a department that generates a little bit of money for the general fund based on the budget. Have you been pleased with that and what are the lessons learned? Chief Elliott said I have and we wanted a slow start with this so we could get everybody in and get everybody oriented to the courts. We had new judges. We had a new division. So, now, we are at the point where the judges are putting more people on probation. The project, itself, we invested in. We are not in the hole. We are kind of coming out of the hole and starting to see an increase in revenue. I think, overall, I am pleased with the program. I am pleased with what the public is getting through the service. I think the public is being treated fair and not being nicked and dined to death like they have experienced in the past with the program. Working with the judges has been good. It is very positive and we are starting to see more and more placed on probation so I think you will see that revenue steadily increase. Chairman Hafner asked, are you seeing more and more people getting placed on probation and then getting rearrested? Chief Elliott said, sometimes, some people just don't learn a lesson the first time. Our goal is to keep people from being on that hamster wheel and getting tied up in the court system with the courts and fines that they just can't get rid of. These judges are working with us to eliminate some of the backlog of old fines and old warrants that we have in the system.

Chairman Hafner asked about Parking Services. It is a small budget, but we have \$3,600 budgeted for revenue and \$11,000 for expenses. So, we are losing \$7,500 a year there on the budget. Is that the person walking around downtown putting tickets on cars? Chief Elliott said, right now, we do not have anybody employed in that position. Through the winter months, I am not looking to put anyone into that position. I think we do have a few infractions downtown with people not being compliant, but we try alternate means to alleviate those problems. I would look to the spring to bring somebody back in. Again, this is only a part-time position. I think our best bet for somebody in this position on a temporary basis to find like a college student, especially during the summer months. If we can get the general public to comply with the rules downtown, we could eliminate this position. Councilmember Coleman asked if they had thought about using a veteran. Chief Elliott said, I am open to anybody. We put the job description out there and posted it. For part-time work, you just can't find anybody. Then, of course, there is a lot of walking and you have walking in the elements this time of year. For the amount of money that is involved, it's just that nobody wants to do it. So, I think right now, I am just going to hold off on filling that until the demand for downtown picks back up for it. Chairman Hafner said, thank you. Does anyone else have anything else for the Chief? Councilmember Coleman said, thank you.

Chairman Hafner said, the next set of my questions have to do mostly with parks. I don't know if Mr. Reznicek or Mr. Kapales wants to handle them. When I was looking at the Parks revenue budget, I know we have invested quite a bit of money in Joe Mack and Southside as far as Capital and turf and lights and everything. But, the revenue in the budget is only going up \$25,000 from the 2018 budget. I was thinking that we would get more teams, more tournaments, more concessions in here. \$25,000 seemed really low to me. It is actually, kind of just flat, with 2016 and 2017. Mr.

Reznicek said I will address some of it and I will let Mr. Kapales address some of it. We were very conservative in our budgeting as far as revenue goes. We do anticipate improved participation in our programs, particularly in tournaments, both at Joe Mack Campbell and Southside. Of course, Joe Mack Campbell is a little different in that their association works with Boosters. I will add that I have been working with Boosters and attended their last board meeting. I have a working meeting with them next week to look at our partnership and our relationship with them and ways that we can better partner with them in sharing both in the cost burden and the benefits of what is going on at Joe Mack Campbell because we do a sizeable investment in that facility. It is only fair that the city sees a return on that, but if we can do it in partnership with them than that is what we would like to do. Chairman Hafner said that when I look at revenue only going up \$25,000, but then I look at payroll going up \$175,000, I start going, wait, something is not right here. It doesn't look quite like I thought it should. Obviously, we are spending more money for upkeep because people are having to spend more hours working. Our headcount is going up, but our revenue is not showing up. Mr. Reznicek said, we hope to beat the budget revenue wise next year, but we are conservative in the way that we budgeted. I don't know if Mr. Kapales wants to comment specifically. I think that the trends that he has seen, a couple of the facilities, at least in the later part of the year, are promising. I know in the campground, we added a half dozen campsites out there I believe during the year. We saw a pretty good occupancy later in the year. So, hopefully, that trend will continue. We actually had a pretty good pool season this past year. I will let Mr. Kapales speak specifically what he sees for some of the facilities and what we should get out of the value of our investment from this last year and this next year. Chairman Hafner asked if Mr. Kapales could talk about what is driving the part-time salaries going up, you know the payroll going up.

Parks and Recreation Director Danny Kapales said, we will start with the part-time salaries. Part of the increase in the part-time salaries is just the fact that we are increasing our size as far as property that we have to take care of. So, when you get into that position of dealing with 1,300 acres, the staff it takes to maintain those to the quality that we would like to see, we say we are a first-class city, our parks need to be first-class, and it takes staff to do that. If you look at our department as a whole, we are only 22 full-time employees within the parks that handles 1,300 acres. The rest of that is actually part-time employees and that is where you see the biggest increase is in the part-time staff. Part of that is the minimum wage increase. The other increase that we looked at is not only the minimum wage increase, it was getting to a position with some of our part-time employees that are returning part-time employees of giving them a little bit of an increase in pay because those guys are the ones that we have to depend upon a lot running a crew. They are taking a crew of other part-timers and they are managing different parks, mowing, weed eating. So, when you get those certain part-time employees you want to retain year in and year out, you are going to have to give them some type of increase. Within this budget, you see a little bit of a part-time pay increase.

Now, going into the revenue side of it, yes, we have made a lot of changes to our parks. This year was a big increase with the capital improvements between putting lights in, adding turf. But, the other thing we saw this year that was approved at the first of the year was the increase in fees for different facilities. We actually saw a little bit of a decrease in usage because of those fee increases. So, I think once we get past this year of, kind of a sticker shock issue with having those increases that I think the numbers will start coming back. People will start renting the facilities a little bit more. That was one of the other things as we were looking into our revenues. Throughout this year, I have been working with looking at renting Joe Mack Campbell Park out, the fields. There wasn't as much revenue as we thought there should be so we got to

digging into it and found out that there was a lot of travel teams that were playing recreational teams and getting free rental of the fields. So, we have made an adjustment with the Baseball Boosters on the way they schedule the fields to make sure we are maximizing that practice usability of that facility. The other thing you are going to see an increase in softball is that those travel teams are going to be paying for the use of softball fields out at Southside. So, having that we are a little bit flat, not having a big increase in revenue, I would really love to see that number bust this year and get a true read on what we are using, but I also don't want to speculate too much on how much usage until we get a true year of how we are managing those facilities and making sure that we are getting the full benefit of the revenue.

Councilmember Coleman asked, the Northside Park, is there any future of how we are going to do or what we are going to do with that property that was given to us on the Northside? Mr. Kapales said, I can speak on this. I don't know if Community Development Director Tiffny Calloway would like to speak on this too. She applied for a grant for that facility. We are looking at making that facility more into an open ground facility that way it is usable for not only sport teams to be able to go out there and practice, but we can also host community events and actually have a nice, open green space for you to host an event and utilize the parking lot that is already there and be able to bring people in and have not just sport events, but other events.

Councilmember Coleman asked, for what you are talking about on Joe Mack and all those, will you be able to utilize that type of instrument in renting those fields out for other reasons. Mr. Kapales said, I think we can look at renting it out for events and things of that sort. But, the other side of that facility and the neighborhood around it, I would like to make sure that we have a true open space for the neighborhood to be able to utilize without having to have a rental fee on that. Councilmember Coleman asked, is there still going to be a trail going from 141 across there. Mr. Kapales said, that yeah, as part of the overall bike/ped plan, there will be a trail coming from downtown basically to Parker Park and then you will see the Red Wolf Beltway will come right through that area. So, there will be a couple of major trails tying into the sidewalks and the future sidewalks. Mayor Perrin said, the big deal on North park is ingress and egress of how you get to it. That is why I wanted to put the road in there and also for the police department is to take the road, I can't think of the name of the street, but it will go all the way from 141 all the way over to Patrick. Councilmember Coleman said, right, that is why I was asking.

Mayor Perrin said, it is not in the budget for 2019. But, we are looking for a grant to do some of that. The other thing is that we have the preliminary figures on a master plan for that entire park. It is \$4.2 million and that will have the bridge, the street. Of that \$4.2 million, about \$1.8-\$2 million is the street that we will have to take all the way over from where it ends to all the way through. That would give us the east-west corridor where you could come in. Actually, the front side of the park now will be the back side and the front side would be the new street. Councilmember Coleman said, now, we already have plans on that. Am I right or am I wrong? Mayor Perrin said, yes, we do. We are just sitting back and holding and trying to find that money to do that, the whole \$4.2 million. Also, the additional 13 acres that were given to that park has a restriction in there that says we have to have gardening. So, that gardening is in there through the trust that gave us that property. Which again, that is great. It is wooded now and you have a creek that runs in through there too where we could have the bridge over there and have all of the gardening. In fact, it is all laid out now. You could have the building for all of the tools and etc. and things like that. It is a beautiful sketch. It's just that it is \$4.2 million. Councilmember Coleman said, I'm sure Ms. Calloway can find that money. Mayor Perrin said, let me just say this too, and I think Mr. Kapales and Mr. Reznicek said something about it too, but I will be very brief on mine. Revenue needs

to go up in Parks. We have spent and put money into these parks. We are going to go talk with the Commissioners because that is how you get the tournaments here. He could put ads in the paper all day long, but unless you know and talk to the referees, the umpires, the commissioners, you are not going to get these tournaments. The only way you are going to get those tournaments is to go get them. That means go down there, call on those commissioners, get it booked. You may not get it for 2019, but we had to have the facilities ready to show them that we are at the top or above anything else in the state. I would put us up against Conway or anyone else, even North Little Rock. So, to answer your question is yes, we spent \$4 million in parks and recs. It is now time to go and sell it and sell those commissioners and sell those umpires, and sell those deals on that. I have talked to several of them. Mr. Kapales can tell you the same thing. We have got it ready to go. You have got \$450,000 in your budget. That will asphalt that entire parking that is across the street at Southside Park. That will be over 400 parking places that are striped. It has been chatted there for years, I think. CWL put in all new lights this year free, LED lighting, for safety for women to go to their cars and back and forth and things of that nature. Once you pave that this year, you have a facility that is unbelievable. I hear you very clear and that is why I have talked with Mr. Kapales about us going up there, probably in January or even December, because you have got to get up there real quick to talk to these commissioners. I have already talked with one of them.

Councilmember McClain asked, do we think that having the Boosters host the tournaments, are we losing money there? Do we think we need to be the ones who start that? Is it profitable in other cities? Mr. Kapales said that is a good question. A lot of that comes back to true philosophy on who you think needs to be running the tournament. One of the things I look at with the Booster Club, especially when I sit in the room with them during their board meeting, is that I am sitting in the room with 12-15 business leaders here in Jonesboro. It is going to be really hard for me to hire one person that can do what these experienced business leaders can do. We are getting these guys, really as free, as volunteers, that run the baseball program and that run the tournaments. So, I really feel like right now, the best thing for us to do is get in with them, work with them, and create a true plan that is going to bring those teams here and create a number and a value of how many teams do you have on the list that you are going to play on that weekend. Because I think, in the past, there has been some issues where if it wasn't at a certain number, then they were cancelling a tournament. We don't do that on the softball side. If we have ten teams that are going to be here this weekend, we are going to have a tournament. We are going to let them play because that does generate revenue. Councilmember Coleman said, don't you think, back to something the Mayor said a little while ago, the individuals in Little Rock, the referees and all of those people that, maybe the Booster Club could aid in retrieving those individuals. Would that seem feasible? They could talk to these businessmen and they are more networked than we are. If they could talk to some of those individuals in Little Rock to get those tournaments here. Mr. Kapales said, I completely agree with you. That is one of the things with having the current tournament director that we have that basically works for the Baseball Boosters. He has created a network with the different cities around Arkansas and in other states. It is a little bit different when you start getting into baseball than it does with softball because there are some other limits to your tournaments. When you start dealing with Utrip, if someone else is hosting a tournament in your area, you can't host a tournament that weekend because they want them to go to that tournament. When we have our tournaments, it is the same situation. When you are dealing with softball, there are three different organizations. So, you can host an ASA tournament or you can turn around and host a Utrip tournament or a USFA tournament. So, every weekend, you could be hosting multiple tournaments with those different organizations. You are not

limited. With baseball, you run into a little bit different situations than you do with softball. But, you are exactly right. Those business leaders are the ones that, not only are they volunteers that help run the program, they are coaches for some of these travel teams. So, when they go and play in Southaven, Little Rock, and Northwest Arkansas, they are communicating with those other teams. And, those are the folks that are going to be the ones that bring those other teams back. One of the ways you get teams to Jonesboro to participate is that you also have to create good teams. I know that Chairman Hafner can tell you this from volleyball. If you have competitive teams here in Jonesboro, teams are going to want to come here and play you. So, you have to create a competitive base here in Jonesboro with our travel teams that will go, not only stay here and play our tournaments, but are willing to go play in other tournaments and get those teams excited to come back to Jonesboro because they saw that team. They played against that team and that is the type of team they want to play again. Councilmember Coleman said, but I also think the political arena, whether we want to not excuse that or not is part of the emphasis too. If you have a facility, and I think our facility is getting there, to have that facility so it will play a political part because a lot of people don't want to talk about it, but that is just the facts. If you have got the place they can come, from a political standpoint, we have got people already down there that are set to go to these different places. If they can see what we are trying to do with the parks, as it is now, I think that would help out some. Mr. Kapales said, I agree. Part of what we are doing right now is that we are getting out to all of the teams because when you deal with baseball, you have to get registration out right now. Because, these teams are signing up for their schedules for the spring and they are registering for those tournaments. So, we already have a tournament schedule posted and it is out. So, these teams know when we are going to be having our events through the spring and they can start registering at this point.

Councilmember McClain asked, so what is the plan going forward with Northside? Is it to make it all multipurpose fields or is it to leave the baseball facility there and add on multipurpose facilities? Mr. Kapales said, we are looking at taking the fences down and opening it up for a wide open space. You don't have to have all of the fences and the designated baseball area to actually have baseball practice. By opening up that facility, any sport can go out there and have an event and have practice.

Councilmember McClain said, for me, I would like to see us leave it as baseball. I think you have seen a trend nationwide where, number one, baseball is dying, but at the same time, it is becoming the sport where financially, if you do not have the means, then you don't play. I think having it on the north side, I truly feel and if we were to bring baseball back, over there, I think you would have or we could have a higher interest. I would like to see that just kind of as a personal thing. The other thing, I know we are looking at asphaltting Southside. One thing I would ask or even that I think we should consider is looking at making sure that we just don't slick it. But, we make sure we throw out some type of green something, some trees to provide shade for cars and also to make it look better out there. Mr. Kapales said, I agree with you on Southside. I appreciate the comment. We do need to be looking at some of our green space and how to add trees. We planted a couple earlier this year. As we move forward, I would love to see us put in more trees as our shading areas. Mayor Perrin said, the plan is to curb and gutter it and all that deal. We will have the areas to put the trees in there. That has already been laid out. Mr. Light has been planning on that. Your trees are there. I am saying you are going to get your 400 parking spaces. We are not just going to go in and put asphalt all over. It will be all curbed, guttered, divided just like you would if you were putting in a mall, etc. with the trees, the striping, and all of that. Councilmember McClain said, I'm not just trying to throw it out there. It is something to think about aesthetically. Mr. Kapales said, right now, I think there is only two small trees that are in that chat parking lot. As we move forward, we will be

planning more around of the outside of the fields and creating space for the kids to be able to sit and wait for their next game. Councilmember McClain said, awesome.

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Councilmember Ann Williams said, we were talking about park facilities on the north side and I think this was brought up by Councilmember Coleman previously about crossing Hwy. 141 to get to Parker Park. That has been a concern for some time. I think we were talking about what to do about that eight years ago. There were various things mentioned, even a covered overpass or something like that at one point. What is being done about that? That is something that is pretty frightening because of the traffic and the high speed that it is there. Mr. Kapaes said, I agree. When you start talking about the streets, that is something that I don't have the knowledge to be able to talk on. I would love to see a safer route. Councilmember Williams said, Mr. Light has discussed this in the past. Something, as far as, solutions on that. It kind of relates to the parks. Mayor Perrin asked, are you talking about an overpass? Councilmember Williams said, yes. Mayor Perrin said, we applied for a TIGER grant if you are talking about the one that goes over Hedger Brothers which has been sold. Councilmember Williams said, I am talking about Hwy. 141 to get to Parker Park. Mayor Perrin said, that is what I was talking about a while ago. The street between Hwy. 141 and Patrick Street was there and we have got the cost, the estimated cost on that and it is somewhere around \$2 million, if I am not mistaken, to go where it ends over there to take it all the way over to Patrick Street. We didn't put it in the budget this year because we were waiting on the grant to see how much money we get to see what we have got left. I think one of the first things you need to do is to get the road put in because that is going to be the front door, in my opinion. That is what the architects decided. The front door would be the back of where it is now. You are going to get more volume and more traffic coming in ingress and egress than trying to go down Church and weave around to try to get into it. That is why they designed that thing to where that would be the front door and this would be the back door. Councilmember Williams said, I wasn't clear on what the plan was there. Mayor Perrin said, I have got a drawing in my office.

Mr. Light said, on Hwy. 141, the city received some money from the Highway Department, some STIP funding. They are actually doing a study on that pedestrian crossing on Hwy. 141 at Parker Park and one on Johnson Avenue. Councilmember Coleman asked, how wide is that going to be? Mr. Light said, I'm really not sure what treatment they are planning on doing on Hwy. 141. That is one of the things the study is going to give us is an idea of what can be done to make the pedestrian crossing safer. Councilmember Williams said, that was the specific thing I was wondering about in this overall plan of how that was going to be addressed. Mayor Perrin said, it is in there. Mr. Light said, that study is being done. I am not sure when we will get the results of that. MPO is working on that. Mayor Perrin said, that is crosswalks that you are talking about now. We have already got the other laid out. I will be glad to show that to you. In fact, I'll have it down here at the next council meeting if you want me to and show you what Northside Park would look like.

Chairman Hafner said, on the incinerator, I noticed that we had a \$170,000 roll off truck budgeted. I was just curious what that roll off truck did because I know \$170,000 is basically a new roll off truck. I didn't know if we looked at getting a used one. Mr. Reznicek said, we actually looked at trying to refurbish the one that we have got. We got estimates on what it would take to essentially rebuild the engine and a lot of the

body. There was a lot of work that needed to be done and even then, whether or not it would be capable of hauling what it needs to haul. But, that is a truck that they use for hauling brush and trees and things like that. So, it needs to be a pretty stout truck to put on the highways. We pushed pretty hard on that one, but we felt like in the end, that was one of the larger fixed assets that we did let go through the final budget that we needed to do that.

Chairman Hafner said, in sanitation residential, it had auto expense going up \$120,000. It doubled over this year's budget. What was that for? Mr. Reznicek said, this year we under budgeted, quite frankly. We had low expenditures last year. We missed the budget this year. That is one area that we will be over budget so we made a reflection in the 2019 budget to better show what we anticipate. Chairman Hafner asked, is that for repairs? It is not for fuel, is it? Mr. Reznicek said, we have approximately 20 vehicles in sanitation so we do have a fairly decent amount of repair maintenance that occurs on those on an ongoing basis. Chairman Hafner said, I have asked this before, but they are doing their oil analysis, fluid analysis because, as I have said before, if you do that, it can save you a lot of money down the road because you can catch stuff before it becomes catastrophic. Mayor Perrin said, we do that. The Police Department does that. Every vehicle in every department, we can tell you by mileage and when it was oil changed and etc. and when it was pulled in. Chairman Hafner said, alright, good deal.

Chairman Hafner said, we have already talked about supplies and fixed assets going down. In Planning, I know this has been asked about. We have \$100,000 budgeted for an impact fee study. In streets, fixed assets are down because they bought a lot of equipment the last couple of years and we should be good there. We have already talked about engineering fees. Capital improvements are down several million dollars. One of the topics that is in there under capital budgets and we have talked about this before, is the Shooting Complex. If you can just give us an update. By my calculations, with what is in the budget and with what we have already spent, I think we are going to be in there for about \$2.6 million. The Game and Fish Grant is \$2 million. So, you are looking at the investment being somewhere around \$4.6 million. And, that is basically, just getting the road built, the dirt work done. I know that in order to get the \$2 million grant or not have to pay the \$2 million grant, we have to have it open or shootable by June 2020, right? Mr. Reznicek said, 2020 is correct. Chairman Hafner asked, could you give us an update on the shooting complex. Mr. Reznicek said, we have been meeting with the architect from Brackett-Krennerich on that. We have been working with him on looking at what the overall master plan is as well as things that possibly we could modify to come in lower than what the original estimate was on that, but what we are looking at now is, of course, we purchased the land earlier in the year. We have the road open out there now. I believe that was about \$900,000 give or take. The dirt work that we are looking at to get the range shootable is a couple of million dollars more so that is about the amount you were talking about that we will have spent to get the range shootable and open. Now, that doesn't include the facilities. One of the things that is included in that would be the cost of the maintenance shop that we would need out there for storage and our maintenance equipment. What we are working towards is now is just having the facility to the point where we satisfy the grant by June 2020 where it is shootable. Chairman Hafner said that would be my request too that right now we do the bear minimum to satisfy that because I feel like this thing has kind of grown. I think it has developed a life of its own. I think at one time it was talked about being funded with some private donations. Hopefully as we pursue those, we hear some favorable feedback on that route. I think there is another grant that the Mayor has mentioned that he may be looking at. Mr. Reznicek said, we have talked to people and we do have some, at least soft commitments on partnerships and buying

skeet stations and actually the buildings themselves. We are definitely working towards making this a public-private partnership ultimately. Chairman Hafner said, as we discussed at the beginning of the meeting, we have got a lot of other things that we need to worry about coming up rather than putting \$10 million into a shooting range or whatever that number is.

Councilmember McClain said, I was looking at the Fire Department and looking at that we had a reduction in our fixed assets. Is that from not purchasing a piece of equipment or what is that from? It is almost a \$270,000 drop. What are we missing is my main question? Mayor Perrin said, last year we bought the big ladder truck and that was over \$1 million compared to what they are buying this year. CWL gives us the money to purchase each year one fire truck which is wonderful because that helps us in our fleet and rotation. So, that is one reason I think you are going to see that down on that deal. Now, that what we are buying is not the million dollar truck, we are buying the half million dollar truck.

Chairman Hafner said, the thing that I kind of talked about at the council meeting is just that you are asking or the staff is asking for this to be approved by resolution rather than ordinance, just kind of the pros and cons and implications of that and why you all would prefer it be by resolution. Mr. Reznicek said, sure. First of all, the law in Arkansas allows the budget to be passed by either resolution or by ordinance. I even went to the length this summer at the Arkansas Municipal League conference, one of the young ladies from Legislative Audit that always does the presentation there. I talked to her at the conference after one of the sessions and I asked her about that because we had been looking at this since early last year of passing it by resolution this year versus ordinance. She said that from Legislative Audit's standpoint that they are perfectly fine with us passing it either way. They didn't have a preference. The law allows and she was very specific, the law allows you to pass it by ordinance or by resolution. She said that either one is fine. You can do it either way and we are fine with it. Now, we also had some conversations with folks at AML and quite frankly, it is what they recommend. We looked, in fact, I looked earlier in the year when we first talked about doing this for 2019 and there are some other municipalities in Arkansas that do it as well. I believe Fayetteville, Rogers, and either Little Rock or North Little Rock do it by resolution. So, there is a number of cities that we are comparable to that are doing it by resolution. If you look at the nature of a resolution versus an ordinance, quite frankly, an ordinance is a law and a budget isn't necessarily a law. A resolution is a will of the council. The budget is the will of the council. For 2019, these are the appropriations of this city. So, intuitively, it really makes more sense for it to be a resolution if you look at it strictly from a legal standpoint. The real reason you do it by resolution and one of the reasons primarily for the city is then the adoption of any amendments to the budget do not have to go through the process of three subsequent readings and the 30 day referendum period. There are a lot of times where we need to move and we need to take action on issues. It still comes before the Finance Committee. It still comes before the Council. It certainly can be pulled from the Consent Agenda, read separately, allows for discussion of it both on the committee and with the council before we would amend the budget and appropriate the funds. It does just give us an easier pathway to amending the budget. We run into the issue a lot of times with grants and we have to go through and accept them and we have got to read them and go through their process. It makes it much easier to administer the city. I think that is why when we look around the state we see a lot of other people have adopted their budget by resolution. We see the Municipal League basically recommending and encouraging people to adopt their budget by resolution as well.

Harold Carter, 902 Tony, said I just have one question. Is this drainage consultants

report going to be available in the near future? Mayor Perrin asked, are you talking about the Stormwater? Yes, as soon as we get it here, it will go to their committee that we have now. Once that is done, we will put it on the website and it will be available for everybody. Absolutely. Mr. Carter said, so, sometime before the first of the year you think? Mayor Perrin said, I have been pushing them like you won't believe to get it done. I would say we will have the draft here I know before the end of the year. Once that is done, there will have to be a lot of analyzing it and then we will put it out to the public. Mr. Carter said, well, I will depend on you all to analyze it. As a minimum, I would like to have a little time to read it. Mayor Perrin said, what I meant was them in-house looking at it and stuff and then when it comes out because it will have to be approved by the council. What I am saying is that we will give it plenty of time. It will be on the website. You can get a hard copy. That is not a problem. Mr. Carter said, I can wait. Mayor Perrin said, no problem. Chairman Hafner said, thank you.

Patti Lack, 4108 Forest Hill Road, said, this is just a lot of information to take in at one time. I appreciate the time and all of that that you all have put into this. But, when you are talking about the resolution versus the ordinance and stuff, I don't know if people can click on the attachment where it says the 2019 approved budget. People really need to look at all of these numbers because I think it is so important especially when you are going to take money from the reserves which apparently, I get, is the \$6.4 million that we are in a deficit of. But, when you look at that timeline that you had for 2020, that is just a year away from now. We are so close to just getting to a point that I know in the paper it was saying that everyone is concerned about the cash that we are going through. But, then, on the second page of that article that was in The Jonesboro Sun, it stated that the city will still have a lot money to burn by the end of 2019 bearing any major disasters. Well, how do we know that there is not going to be a disaster? I guess that is kind of my concern is that you always think of what happens if my family household, what happens when my husband gets laid off work, do you have enough money to pay your bills and stuff like that. So, that is not a major disaster. But, you look in the news today of the people in Michigan working for General Motors. They were hit just all of a sudden. They are going to have layoffs. I look at a major disaster or a financial and this is our house that we are talking about with the money that we have. That kind of concerns me with always taking money from the reserves part of it on there. Mayor Perrin asked, can I stop you there? Ms. Lack said, yes. Mayor Perrin said the budget will be on the website. If it is not already, it will be. But, first it comes to the committee. Then, we will throw that out on the website. Ms. Lack said, I think it would be really helpful and then also, maybe, in The Jonesboro Sun. I don't know if that can be printed in The Jonesboro Sun. Chairman Hafner said, I don't think The Jonesboro Sun would want to print 116 pages. Ms. Lack said, oh, sure they would. Chairman Hafner said, I don't know their printing costs. City Clerk Donna Jackson said, Ms. Lack, this is the budget. You click on that and the whole budget is there. Ms. Lack said I think something can be mentioned on the government city page because then you talk about the resolution versus an ordinance. We really don't have time if you put it into an ordinance, that is three readings, that is six weeks so you are going into 2019 already. So, really, there is no time if you put this into and you needed this approved by January 1, 2019. Chairman Hafner said, hopefully, this is beneficial, but as the Mayor and Ms. Jackson said, this will be on the website. Mayor Perrin said, it is on there now. Chairman Hafner said, so, any citizen that goes in there and looks at it can. Ms. Jackson said, it is in Legistar. Chairman Hafner said, it is in Legistar. I don't think it is on the website yet, but any citizen that goes in there and looks through the budget and has questions, they can direct questions directly to the Mayor and Chief of Staff Bill Reznicek and they will provide answers. Mayor Perrin said, absolutely. Ms. Lack said, my concern is that there are eight city council members not here today. I know that they do their homework, but, once again, it is that this has

been kind of like overload for all of the numbers that you have to crunch to make sure that you are balanced and all that. You know of them taking the time to read this and to really understand. I mean you had a lot of questions. I don't know if their questions could be answered in that resolution time period. Chairman Hafner said, they will have every opportunity to ask their questions just like we did here tonight. We won't rush it through council. It won't be on the Consent Agenda. As long as the Mayor gives them the floor, they will have opportunities to ask questions. The one thing on the budget is that it is just a plan. Obviously, it is on how you plan to spend your money, but as you said, as things come up, resources could be shifted. They had to develop a plan and we have to go into 2019 with a plan. As you know, plans change. If this committee forwards it to council tonight, they will all have the opportunity to ask any questions that they want to.

Ms. Lack said, I hope there is. The questions I have on in the article, it was talking about you all were talking about the stormwater utility and was saying that it assesses a fee on all parcels of property. Is that going to be a fee to everybody? Chairman Hafner said, I don't think they know that yet. Mayor Perrin said, to answer your question, probably yes, but that study we don't have yet. So, we don't know. It will be based on the size of the property you have got and all of that. It is a whole formula. Trust me. There is nothing in here. Patti, we have 360 miles of ditches in this town. The only way we are doing it is that we are spending \$200,000 a year even trying to work with the Corp of Engineers to do a master plan for that. We took the city and broke it into four parts, four quads. The first quad was north Jonesboro. The first study took two years to get completed through the Corp of Engineers. The cost of that \$10.2 million. They say we need a 200 acre retention pond in north Jonesboro. I could go on and on with all of the things that they said in there. You are never going to solve the flooding problem until you get a plan like this stormwater plan in action to where you are going to have to assess the people like you would a drainage district or anything else to pay for the cost of going out and doing these things that we have been talking about. Ms. Lack asked, would a fee be like a tax on people though? Because if it is a tax, wouldn't that have to be voted on by the people? Mayor Perrin said, it would be a fee that the council would adopt or approve in that to assess people to have a stormwater system. Ok. Ms. Lack said, ok. My other thing was the impact fees and how that would be a source of revenue. When I read that, I thought that is really not even going to be effective if we still have the four people to look at and they get started and they say it is a complicated process. Then, that is going to take almost a year or so to implement. Mayor Perrin asked, are you talking about the stormwater now or the impact fees? Chairman Hafner said, she is talking about the impact fees. Looking at the study to see what it says and then going from there. Ms. Lack said, that is not going to have an effect for 2019. Chairman Hafner said, not for 2019. Mayor Perrin said, we have had a request for proposals. They have been in and they have been graded. We have not sent out anything or taken any action on that at all. The reason we haven't is that I have asked the accounting people to go back and the city planner to go back and say if we have the impact fee in place, say we had it back five years ago or whatever, based on the growth of this town, what would it bring into the City of Jonesboro? The maximum that it would bring into Jonesboro would be \$350,000 or \$400,000. That is what Conway is bringing in now. So, that is one item, but that is not going to solve your problem of putting money back into this reserve, \$365,000. Ok. No way. That is not even a band aid. Again, we are going to be looking for all sources of revenue in there. Again, we have done a lot with grants here in the city. It is going to come down to some point in time that if you want these things, you are going to have to pay for them. I can tell you that as a banker, as a financial guy. Expenses are going up and revenue is going down. Now, if you did that in your household, you would have to stop something. You either cut off your expenses and take your credit cards and cut

them up or you are going to have to come over here and figure out and get you a second job or third job or figure out some way to get more revenue coming in. That is what we have been doing for the last eight months. Not eight weeks, but eight months on this budget. That is why it is what it is today. Again, just like the stormwater. The stormwater will relieve the money that we are taking out of the street department to put over here to dig all of these ditches, but we are just putting a band aid on these ditches. We are not taking care of this full drainage. No way. Ms. Lack said I think that happens in a lot of situations. I think as far as doing the revenue and I think it was posted on the government website, Steak Escape is closing. You look at all of these businesses. I know that you said, Chairman Hafner, at one time, there was a committee that looked at bringing businesses into Jonesboro. Then, you talk about internet fees and stuff like that. I think we really need to focus on that group and evaluate how they are doing so we can bring in those businesses and keep them here. If you look at some of the businesses that have been in Jonesboro like Steinmart is that they don't stay. How do we keep them? I think, maybe, we need to reevaluate with the money. It was a group. Chairman Hafner said, I think what you are referring to is the \$400,000 that we give to the Northeast Arkansas Economic Development Commission which is part of the Chamber. Part of the Chamber charges is recruiting companies to Jonesboro. Obviously, the city plays a role in that. When there are candidates to come to Jonesboro, I think and this is just my personal opinion, I think we have to look at the type of companies that we are recruiting. Do we continue to recruit retailers when we know that online sales are hurting them? Everything is different. Do we recruit technology companies? Do we recruit industry? That is part of what I think we have to look at and work with the Chamber on. Ms. Lack said, I do definitely say retail because that is what people want to do so they wouldn't be shopping on the internet and all of that, but that other source of income is that I know in The Jonesboro Sun, they had numerous pages of where people didn't pay their property taxes. You might want to go after them to pay their property taxes. Chairman Hafner said, that doesn't help the city's finances. Ms. Lack said, well, it would help somewhere along the way. Chairman Hafner said, it would help the county and the schools. Ms. Lack said, I think if people can be aware of this and it is on the government website that people really need to soak this in in the next week or so or two weeks for the next council meeting. And, then ask the questions at the council meeting on that. I appreciate your work because I know it is hard at my own household, let alone for the city. Chairman Hafner said, even after this goes to the council and the council approves it, it will stay on the website. People can still submit questions whenever, even if it is next year. It is going to be there. People are going to have to go look at it. Thanks Patti. Anybody else have any questions or comments?

5. Pending Items

6. Other Business

[RES-18:187](#)

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH THE ARKANSAS MUNICIPAL LEAGUE TO PROVIDE LEGAL DEFENSE, PROPERTY, AND VEHICLE COVERAGES FOR THE CITY OF JONESBORO FOR THE POLICY PERIOD EFFECTIVE JANUARY 1, 2019

Chairman Joe Hafner motioned, seconded by Councilmember David McClain, to suspend the rules and walk on RES-18:187. All voted aye.

Chairman Hafner said, I talked with Mr. Reznicek yesterday and he requested that RES-18:187 be walked on tonight. And the reason it wasn't on the original agenda was

that it was ready to go last Wednesday, but the City Attorney was out of the office and she was not able to approve it by the deadline so it didn't get put on the agenda because Thursday was Thanksgiving.

Councilmember McClain asked, who do we currently have? I think we use APERMA. Are we good with what we had? Will Municipal League cover everything that they currently cover? Mayor Perrin said, the Municipal League covers a lot more than APERMA. The City of Jonesboro entered into APERMA which is a pool of cities that put money in there to do that. I will give you an example. In APERMA, you actually have one attorney that does most of our legal deal which is Burt Newell who has done a good job. Don't get me wrong on that. Then, you had one, he elected to run for judge and he has a judgeship so basically you have got one attorney. The Municipal League has 14 attorneys and they are divided into all divisions that covers everything that we do. In other words, they are the same as we are. That is what they are there for. The other thing on the coverage is that we have with APERMA, we only have a \$350,000 maximum total aggregate amount of \$350,000 on any losses, claims, or etc. The Municipal League has \$1 million per occurrence and that is a huge difference. So, we went through that. That is what we gave you last time. These are the differences between APERMA and the Municipal League. We also have in the Municipal League, if in fact, let's say a tornado or something came through and hit Kroger and etc., etc., with APERMA you have nothing. With this, you have a business continuation that they would pay us based on their sales or based on that so we could have that revenue coming into our city. So, it's really a whole lot more coverage in all areas of the city at basically the same fee.

Chairman Hafner said, it is not just coverages, it is resources too. Mr. Reznicek was talking about it earlier with the safety program. Of them coming in here and working with the city and developing a safety program. Mr. Reznicek said, they will do that and loss prevention and control in our building. They also have the defensive driving program, the simulator, and a training program that they will put all of our employees that drive city vehicles through. Mayor Perrin said, they also do all of the drug testing free for the license and all of that which we have to pay for now. There is just a lot of things. The Municipal League is like banking where you have a banking association. The Municipal League is an association that supports all the cities of the state, all 500 of us, some small, some large. But, it gives the legal defense. It does your buildings. It does your property. It does all of those things and they are doing it every day, all day long and have over 85 employees inside of that building doing that. With APERMA, you don't have that. Basically, what you have done is that you have entered into a pool and the pool goes out and buys insurance to cover some of these things and that's it. Again, I am certainly not knocking Burt Newell. I certainly want to talk to them and give them a head's up. I think that is only fair. We have been with them for a long time. If you all forward this to council, I will call Burt on my way to Little Rock tomorrow to the Municipal League meeting and tell him head's up on that. I think he understands that. I think he has already talked to Carol Duncan about that.

Councilmember McClain said, they help us. The only thing I have ever been sued for in this capacity is for the rezonings. So, I guess they would defend us on those type of cases. Mayor Perrin said, yes. They will defend everything on that, even on excessive force for police officers, etc. They cover that. In fact, they just won one case in the United State Supreme Court, their lawyers did. Chairman Hafner asked, they have how many attorneys? Mayor Perrin said, they have 14. Again, that is why they are there. It is sort of like we are them and they are us type of deal. They do this every day. For you all that go to the conferences, all of the things that we get out of those conferences is incredible I think. I encourage all of you to go to the Winter Conference if you can.

That is in January. I know Councilmember Ann Williams went and enjoyed one. I think it was in Fort Smith, I believe or something and picked up a lot of stuff on that. Councilmember Williams said, it was Bentonville. Mayor Perrin said, I know Councilmember Charles Coleman goes and Councilmember McClain goes and so has Chairman Hafner. The breakout sessions on those things are fully, up-to-date, as close as you can get on any subject when you go into those classrooms. That is what is good. The big thing now is that we can pick up the phone and call Mark Hayes in Legal Defense. Mark is now the Executive Director by the way. When Mr. Zimmerman passed away this summer, Mr. Hayes was appointed. He has been there 26 years and was right beside Don Zimmerman all of the time so it was quite evident the succession plan was on that. I feel very comfortable about going with the Municipal League. I think you are going to see a lot of good services just like he has had him up here three times. Actually, two or three of them came up here saying you really don't have policies. You don't have this. You don't have that. So, they will write all of those things for us. If we had had to do that and go out and hire someone to come out and write all of these policies, then you are going to be talking about some money. I think you are going to save money. No doubt.

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

Aye: 3 - Charles Coleman;Ann Williams and David McClain

Absent: 2 - John Street and LJ Bryant

7. Public Comments

8. Adjournment

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

Aye: 3 - Charles Coleman;Ann Williams and David McClain

Absent: 2 - John Street and LJ Bryant