



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, November 12, 2019

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

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

3. Approval of minutes

[MIN-19:108](#)

MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON OCTOBER 29, 2019

Attachments: [Finance Minutes 10292019](#)

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

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

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-19:184](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 651 W. HUNTINGTON, PARCEL 01-144183-17700, JONESBORO, ARKANSAS, OWNED BY KAREN HUGHES

Attachments: [Affidavit of Statutory Lien - 651 W. Huntington](#)
[651 W. Huntington](#)

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

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

[RES-19:185](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 708 N. CARAWAY, PARCEL 01-144093-03800, JONESBORO, ARKANSAS, OWNED BY HAROLD

FRAZIER

Attachments: [Affidavit of Statutory Lien - 708 N. Caraway
708 N. Caraway](#)

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

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

[RES-19:186](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 1014 W. JEFFERSON, PARCEL 01-143134-35000, JONESBORO, ARKANSAS, OWNED BY JULIE MORRIS GOODWIN

Attachments: [Affidavit of Statutory Lien - 1014 W. Jefferson
1014 W. Jefferson](#)

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

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

[RES-19:187](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 1305 DARLENE COVE, PARCEL 01-144053-12700, JONESBORO, ARKANSAS, OWNED BY JUDITH ROBINSON

Attachments: [Affidavit of Statutory Lien - 1305 Darlene Cove
1305 Darlene Cove](#)

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

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

[RES-19:188](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 1325 W. MONROE, PARCEL 01-142133-15100, JONESBORO, ARKANSAS, OWNED BY BOBBIE HINDMAN

Attachments: [Affidavit of Statutory Lien - 1325 W. Monroe
1325 W. Monroe](#)

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

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

[RES-19:189](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 1601 ANGELA LEE, PARCEL 01-144082-00500, JONESBORO, ARKANSAS, OWNED BY THOMAS

UMERSKI

Attachments: [Affidavit of Statutory Lien - 1601 Angela Lee](#)
[1601 Angela Lee](#)

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

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

[RES-19:190](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 5920 SOUTHWEST DRIVE, PARCEL 12-133102-00500, JONESBORO, ARKANSAS, OWNED BY CHRISTINA HANEY

Attachments: [Affidavit of Statutory Lien - 5920 Southwest](#)
[5920 Southwest Drive](#)

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

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

[RES-19:191](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT SOUTHWEST DRIVE, PARCEL 01-143361-01000, JONESBORO, ARKANSAS, OWNED BY INTERNATIONAL REAL ESTATE HOLDINGS COMPANY

Attachments: [Affidavit of Statutory Lien - Southwest 01-143361-01000](#)
[Southwest Drive, Parcel 01-143361-01000](#)

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

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

[RES-19:192](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 527 KREWSON, PARCEL 01-144183-35100, JONESBORO, ARKANSAS, OWNED BY ALESHA BRADLEY

Attachments: [Affidavit of Statutory Lien - 527 Krewson](#)
[527 Krewson](#)

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

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

[RES-19:193](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 308 MOCKINGBIRD COVE, PARCEL 01-144303-27900, JONESBORO, ARKANSAS, OWNED BY

CHARLES HENDRIX

Attachments: [Affidavit of Statutory Lien - 308 Mockingbird Cove
308 Mockingbird](#)

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

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

[RES-19:194](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 346 & 348 N. ALLIS, PARCEL 01-144181-01600, JONESBORO, ARKANSAS, OWNED BY MICHAEL & BARBARA PEARSON

Attachments: [Affidavit of Statutory Lien - 346 & 348 N. Allis
346 & 348 N. Allis](#)

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

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

[RES-19:195](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 412 W. FORREST, PARCEL 01-144073-28500, JONESBORO, ARKANSAS, OWNED BY FRED QUALLS

Attachments: [Affidavit of Statutory Lien - 412 W. Forrest
412 W. Forrest](#)

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

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

[RES-19:196](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, TO PLACE A MUNICIPAL LIEN ON PROPERTY LOCATED AT 616 E. OAK, PARCEL 01-144191-17500, JONESBORO, ARKANSAS, OWNED BY JOYCE SCARBOROUGH

Attachments: [Affidavit of Statutory Lien - 616 E. Oak
616 E. Oak](#)

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

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

[RES-19:197](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF JONESBORO AND CRAIGHEAD COUNTY FOR THE HESTER STREET BRIDGE REPLACEMENT

Attachments: [Agreement, Craighead County - Hester Street Bridge](#)

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

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

[RES-19:198](#)

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT TO ESTABLISH JAIL FEES BETWEEN THE CITY OF JONESBORO AND CRAIGHEAD COUNTY

Attachments: [Agreement, County Jail, City of Jonesboro, Craighead County 2020-2021](#)

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

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

[RES-19:199](#)

A RESOLUTION TO PURCHASE PROPERTY FROM BNSF RAILWAY COMPANY FOR THE VETERANS VILLAGE PROJECT

Attachments: [Exhibit A, BNSF Agreement, Veterans Village](#)
 [Agreement, BNSF PSA City of Jonesboro](#)

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

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

[RES-19:200](#)

RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WITH THE ARKANSAS DEPARTMENT OF TRANSPORTATION (ARDOT) for THE FY 2019 TRANSPORTATION ALTERNATIVES PROGRAM FOR THE UNIVERSITY HEIGHTS LINK TRAIL

Attachments: [Agreement, TAP Grant-University Heights Link Trail](#)

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

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

[RES-19:201](#)

A RESOLUTION PROVIDING FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2020 AND ENDING DECEMBER 31, 2020, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR; AND FOR OTHER PURPOSES

Attachments: [2020 Budget](#)
 [Jonesboro Budget 2020](#)

Councilmember John Street motioned, seconded by Councilmember Ann Williams, to recommend RES-19:201 to the City Council to be placed on the agenda for the first

meeting in December. All voted aye.

Councilmember David McClain asked, City Engineer Craig Light, is there anything that we should be aware of as far as the agreement or is this something we commonly do? City Attorney Carol Duncan said, we work with the county frequently. It's kind of a new thing that they are wanting us to do, and that is written contracts. I think you will be seeing more of these. Any time we do stuff for the county or they do stuff for us you are going to see a written agreement. Councilmember McClain said okay, even though we've always done it. Attorney Duncan said, we've always done different things in partnerships they just want to be more formal about it.

Councilmember John Street asked that the 2020 budget resolution be broken out from the consent agenda. Chairman Joe Hafner asked, Finance Director Steve Purtee and or Chief of Staff Mike Downing to start the presentations and then he said, we will open the floor up for questions from the committee and the public.

Chief of Staff Mike Downing said, Thank You Mr. Chairman and we will be brief. Chairman Hafner said, can I say one thing before you get started? It is my understanding that this will not be presented to the City Council until the first meeting in December. Mr. Downing said, that is correct. Chairman Hafner said, we will have plenty of time to review the budget. Chairman Hafner asked City Attorney Carol Duncan if the motion needed to be amended. Carol Duncan said yes.

Councilmember Dr. Charles Coleman said, I do have a question. We did this last year and we came back and made changes after changes. Do we need to totally study this before we do this or is this just a normal move it to the full council? Chairman Hafner said, that is up to the committee, the motion has been made to forward it to council. If you want more time to study it before moving it to full council then I guess you can vote accordingly when it is time to vote. Dr. Coleman said okay. Chairman Hafner stated, there will be another finance meeting on November 26th. Councilmember John Street said, I asked that very same question Charles, when I got my budget and they told me that this was the budget, and they went through it, and did not have any changes to it. Is that right Steve? Finance Director, Steve Purtee said, yes. I just picked mine up and haven't had a chance to study it either. Dr. Coleman said, that is why I asked that question.

Chief of Staff Mike Downing said, if the guys in the back can switch, I have a power point presentation. First of all I want to Thank Steve Purtee, Head of our Finance Department and Christy Wall, Finance Manager for working on the budget. We have met with the Department Heads and also some of our outside citizen boards and agencies on this budget and we appreciate their work and cooperation. Everybody did not get what they asked for, it was some tuff choices. We try to prioritize the best we can and it is not perfect, but, we will do what we can in working with you all on completing the budget. One thing that we kind of devoted ourselves to is commitment to public safety. I think you will see that in the Police Department there was a 7.4 percent increase. Fire Protection and other essential municipal services. So, we've got to fix the streets pick up the trash and other essential things. It is a juggling act trying to do that and get a budget that works.

We want to use city resources efficiently to ensure long-term financial stability. I'll talk about the reserve funds in a minute. We want to provide responsive, cost effective services to the community, we also want to provide matching funds for grants, private funding, and other outside funding, and want to have those opportunities available. I am sure that things will come throughout the year as it has this year since I've been here that will require a budget change to maximize those outside funding opportunities.

Just a quick summary. Revenues of \$65.2 million and expenditures of \$69.0 million is projected. This is a deficit of \$3.8 million. Chief of Staff Mike Downing said, I want to point out that this is compared to the deficit that was budgeted last year at \$6.4 million. The ending balance is projected at \$30.3 million and last years ending balance was projected at \$26.1 million and the excess fund balance which is, as you know the required fund balance is 15% of expenditures. So, the excess fund balance is projected at \$20.5 million. Last year the ending fund balance was projected at \$13.7 million so, that is certainly a better outlook.

Going forward this is a slide of total revenues and expenditures of the last four years. One of the things that I will point out is that in 2019, I just talked about the budgeted revenues and expenses. This is our projection for year-end 2019 revenues, expenses, and deficits so, it's a different number and there is a reason for that. Revenues have been coming in a little better expenses are coming in at a little less for 2019 which both is a good sign. That is the best that we can have at this point, not saying that it won't change by years-end but that is our best guess at this point in time. Mr. Downing said, now I'm going to turn this over to Steve.

Finance Director, Steve Purtee said, we wanted to further our financial review, and into the project O&M Expenditures by account type. You can see that personnel expenses obviously makes up the lion's share of our expense portfolio. We currently are at about 66% personnel related cost, and then the operations is at about 23% cost. The other categories as you can see there, we are expecting a significant improvement in capital improvements. We are expecting that to be down about \$2.4 million in comparing the two budget years.

The next slide is a look at O&M Expenditures by Classification. Again as we have already alluded to, the Police Department is showing an increase 7.3% or 7.4% year over year in expenditures. Public Safety in total, you can see by this pie-chart that it represents about 57% of our O&M Expenditures or \$33.3 million of our \$53 million of our total. Following this category would be general government, it represents about 14% and then rounding that out would be our street category. You can see that their O&M is about 11% of the expenditure total. If you consider that the capital improvements in the O&M section are made up of the STIP program that additional \$1.3 million equates to their percentage which is right at 13%. That is by far the third highest category in the classification group.

The next area that we are seeing a favorable return in, and we appreciate that with regards to revenues, as Mike indicated in an earlier slide we are seeing a little up-tick in revenues year over year. Obviously the lion's share of that category is our sales tax both city and county. You can see that sales tax account for in total of about 64% of total revenue. If you consider state aid as well at about 11% then basically all revenues coming from sales activities in the state account for about 75% of our total revenues. Obviously we are very dependent on sales tax revenues for the operation of our city.

Finance Director Steve Purtee said, the other categories there, we are projecting modest increases there. Year over year if you look at actual results we are projecting our sales tax revenues for 2020 to be up about 5%. That's probably a very aggressive percentage increase based on that category, but, history is just kind of showing that trending pattern. If you compare these two budget years we are up about 8% year over year so, we are seeing an improvement in those categories. Mr. Purtee said, the next slide here is just simply an overview of capital improvements. You can see in our street fund that transportation projects are a little over \$200,000 and our STIP projects make up the remainder of this \$1.3 million. We are just over a little of a million dollars in

those three projects represented there.

As you recall we have funds ear-marked for STIP projects totaling about \$3.8 million. So, there are two larger projects, about \$2.8 million that we aren't anticipating that they will come up in 2020 but, there would be that possibility that we would have to write a check to ARDOT for those projects. We will keep an eye on those as the planning continues and stay in touch with our Engineering Department in that regard as well. The remainder of those other funds, which is represented on the right hand side of this slide as we are looking at it represents about \$3.8 million in total expenditures and obviously as you can see down in the category that the Parks projects represent about \$2.7 million of that. Primarily, that is a continuation our grant program relating to the Shooting Complex. You will recall that we purchased that property back in 2018 and secured that grant program, and we are fur thing that with a projection of about \$2.25 million to be expended for 2020. So, we seeing that program continue as well. Capital improvements are offset by a little over \$400,000 in the revenues that are generated with regards to those projects.

Couple of final points regarding the salary and administrative changes for 2020. While there are no new positions projected for 2020, we do expect that we will take advantage of, and the budget does consider accepting the SAFER grant for the three new Firefighters and this was recently approved by the Councils action. Additionally we don't anticipate any change in the salary structure at this time.

Councilmember Dr. Charles Coleman said, can I ask you a question? On this no change in salary structure, is this hourly employees? Is that what you are talking about there or are you talking about Administration? Mr. Purtee said, the changes in salary structure would be the job grading and the levels of the program that we are on that were established through the Johansen study back in 2016. Dr. Coleman said, okay, I understand that part but, what about the raises, like minimum wages and those type of wages. Finance Director Steve Purtee said, in fact the step program is included in this salary structure and we are continuing that program in the 2020 budget. Dr. Coleman said, okay.

The final point here is our health insurance. We are seeing an increase here of 3.3% is going to mean about \$120,000 increase to the city. The prospects that we were looking at was an increase of 7.8%. We did go back to the insurance carrier and ask them to give us some different option relevant to those programs and we were able to trim that, unfortunately it did result in a very modest increase in our deductibles. Individual deductible would go from \$600 to \$700 and the deductible for family is going up about \$300 from \$1800 to \$2100. There is a little stop-loss coverage increase as well. The one thing that we did project to do is keep the city share funding at 71/29. In other words 71% of that cost increase will be borne by the city and 29% will be borne by the employees, and that is consistent with how the program works currently.

So we've looked at expenses and revenues where we are currently. One of the other benefits that we have not spoken about yet is our retirement or pension for our fire and police. Basically what this slide does is show us the expense of that program. We have budgeted \$4.6 million in contributions that will be made to LOPFI for the benefits of our public safety employees, those that are uniformed, so, with that we look at the various programs that are offered. One way that we are able to offset that cost, while we are mandated to participate in it the council can authorize up to one mill on property tax assessment to the residents of the city, and currently our resolution that you just passed a month ago authorized one-half of a mill for each fire and police.

Finance Director Steve Purtee said, this generates about \$1.2 million in annual

revenue, additionally, the state insurance fund allows an allocation back to the city specific for retirement programs for public safety, this allocation back to us represents \$1.6 million, so, the net cost to the city is about \$1,720,000 million annually with regard to this. So, if we look at the options available to us we are authorized one mill, and we are levying a half mill, so, we could levee and additional half mill for each category, fire and police for a one mill total. This would generate an additional estimated \$1.260 million. So, in conclusion of that the net cost to the city would be \$460,000. I think it is important to understand though that this item is not considered in this budget so, the \$3.8 million deficit that we are currently working with does not include anything in regards to this.

Councilmember David McClain said, excuse me Mr. Chair if I may, Mr. Chairman. So, you are asking or maybe asking us to consider raising property tax to one mill and that would lower our cost to \$460,000, you are saying that this \$1.7 million is not included in the deficit 3.8 million? Mr. Purtee said, actually it's the \$1.260 million that is not included. Councilmember McClain said, okay. Chairman Hafner said, yes this half mill is not included in this. Councilmember McClain said, no, I'm saying what we have right now, this net cost to the city, the \$1.720 million. Chairman Hafner said, yes, that is included in the budget right now but, the consideration of the half mill is not. Yes, I understood that I was just making sure I understood what he was saying. Councilmember McClain said, so, you are asking us to consider the raising of the one mill, yes. Chairman Hafner said, Mike will address that.

Chief of Staff, Mike Downing said, if you were supportive in doing that, I would suggest that we bring you a resolution for the finance committee on November the 26th and it would be approved with the budget on December the 4th. We have to get it done by December the 4th because the county submits their tax rolls about the second week of December and that would be in-line with what the county requires. Chairman Hafner asked, can we do that by resolution? City Attorney Carol Duncan said yes. Mr. Downing said, yes and we made a resolution on a half mill a month ago.

Councilmember LJ Bryan said, Mr. Chairman if I may. A mill is tenth of a percent and stuff is assessed at 20% of its assessed value, and the assessed value is below what it's really worth and all of those kinds of things. I know when school districts propose a mileage increase they usually have some sort of illustration of average property values and such so if you all could that kind of thing so that we could see what that really looks like for a resident. Mr. Downing said, if you all are generally in support of looking at that resolution we have two things that we can give you. One we have that kind of analysis that we could give you, and we also have the history from the 1950's of how much the mileage was for both police and fire pensions since then, and it has varied over the years as you can imagine. Councilmember McClain said, you would bring that at the next finance meeting? Mr. Downing said, yes. Mr. Downing said, and, again I want to stress right now we are not assuming that you would approve that, and this revenue is not in this budget right now.

Chief of Staff Mike Downing said, we are going to talk about a couple of things. First of all I want to give you a schedule of population growth. Population growth is very good in most senses but, it is challenging in other senses. The more we grow, the revenues are not keeping up with that growth we have added many, many homes over the last several years without additional revenues. Sales tax is our primary generator of revenue and it has not necessarily correlated to the increase in population. The expenses are going to continue to rise because of growth, with the largest being in Police Fire, Sanitation and Streets. You have to factor in population growth and the inflation rate. Population growth was 1.7% in 2016 and the inflation rate was the same 1.7%.

Revenues just aren't keeping up with population growth and inflation. I did a revenue by capita inflation adjusted and I only used O&M and Capital Improvements because it's a little bit more stable as far as the revenue sources then if you were to compare it to some of the non-revenues. So, if you take 2016 it was \$650 per capita and 2020 was \$612. So as you can see factoring in inflation, and factoring in population growth were 5.8% less. So, that means that in the future we are going to be either cutting services increasing revenues or a little bit of both.

Councilmember Dr. Charles Coleman said, the census is coming up, is there any relationship to inflation adjustment that is going to happen with the census? Mr. Downing said no. Inflation is more of a factor of economic means, and the census is directly related to population. Dr. Coleman said well, I guess I kind of understand that, as a matter of fact I do understand it. But, my thinking is when we go back to property tax and that type of thing, or the data that we get from the county or state isn't that an approximate calculation or is that a standard calculation?

Mr. Downing said of which one, the inflation rate? Dr. Coleman said, yes. The inflation rate is actually a national rate, consumer price index so it's not just localized to Jonesboro. Dr. Coleman said okay, even if we don't localize if we have an increase in people in this community the assessment that we get through the county of the home taxes and that type of thing. Is that not part of the inflation correlation here, but, is that going to be establishing whatever funds we are going to appropriate out? Mr. Downing said, our primary source of funds is sales tax. So, is it directly relation to population? A little bit because to can argue that the more people you have the more they are going to spend. However, I would argue that in the last several years that the increase in population has not correlated specifically with sales tax growth. It's just indirectly related. Dr. Coleman asked, this is just more or less people that are actually filing and paying taxes right? Mr. Downing said yes. Dr. Coleman said, we have a surmountable number of people that aren't paying taxes. How are we or are we going to deal with that at all? Mr. Downing said that is exactly the challenge. Our revenues aren't keeping up with inflation and the growth of population.

Councilmember LJ Bryant said, Mr. Chairman, I think, just saying, and maybe this is hard statistically to correlate, but, I feel like some of the new residents already shop here anyways. Sure they move to town and maybe pay sales tax maybe on their utility bills, and maybe they go out to eat a little bit extra, but, if you moved here from Hoxie, Trumann or wherever, you already bought your clothes here and on down the line. I think that plays itself out in the numbers, population growth doesn't necessarily equal the revenue growth. Mr. Downing said, I think that's it.

Chairman Joe Hafner said, I will go ahead and say this and I said this a lot last year when we were going through the budget. I understand why our sales tax is set up the way it is right now based on the two-thousand. But, with our 1% we have to do a lot of stuff that other cities have 1% or more to do things with, and they also have sanitation fees. Our Sanitation Department is a four-million to four-and-a-half million dollar department. We are having to use up our sales tax instead of devoting it to other stuff. You mention property taxes, we have no property taxes that go for just general use. Our property taxes are earmarked either for the pension, I think \$1.3 million of that goes to street fund, but we don't have any that goes into the general fund.

Councilmember Dr. Charles Coleman said, that is one of the reasons why I asked that question. It seems that there is some other way that we can re-distribute that. Chairman Hafner said, we can't, not on this property tax it goes back to the two-thousand vote. We did away with the 3.1 mill property tax back then, I'm sorry 2.1

mill. If a half a mill generates \$1.6 million imagine what 2.1 mills would do. It's a fact and I understand why it's a fact, but, I think it needs to be noted that when people start talking about our taxes being too high. Mr. Downing said the only city I can really compare this to is Jefferson City Missouri since I lived there for twenty years. We had a \$30 a month sanitation fee, we had a 1% electric utility tax that was provided to the city, we had a property tax in addition to a sales tax at about the same rate as Jonesboro does. So, you can see that had a much more diverse source of income then Jonesboro does and it was considered the low tax city compared to most Missouri cities.

Councilmember John Street said, another factor is our land size of eighty-two and a half square miles is almost twice what a typical city is. It stretches our resources to provide sanitation, police, and fire, and animal control, code enforcement to all of those areas that are primarily rural, and not developed. If we were half of our size we would be a lot more stable. Dr. Coleman said, you know we keep talking about that same thing every time. I think the problem I am still having and I think Mike did a good job on this presentation. But, the issue I am still having here is the public doesn't understand, and what's that favorite word I hear all the time, transparent? We are not totally transparent to the public where they understand that comparative to what we are doing, and I think if we start doing a better job, and I use the term "We" because it's not just one person. If we do a better job of transparency in the community to what is going on, what they are paying and what they are not paying. I think there needs to be, whether it is in the paper or not, a sheet that shows what you are doing and not doing so nobody has to think about it, when you have people that don't know from the political standpoint what the City Council does and where the monies are really going. We just need to do a better job, I'll put it on me as part of a councilperson we just need to do a better job of telling the people exactly where the money is going and how it is spent and why. People don't like comparison, but we need to do that. We don't just need to do it at a council meeting, it needs to be done in the media.

Councilmember John Street said, I think there is something to that because some of the letters that I have read to the Editor that think the police department is flush with cash and that they just have money to burn and that is the furthest thing from the truth. Dr. Coleman said, if I wasn't on the council, well before I got on the council, I just didn't hear exactly those things. We get these big books and look at them and most people is not going to look at that stuff. I think that if there is a type of spread sheet or orientation of this type of thing presented to the media where people can actually see it, or maybe if it's put online for some of these things I think we would get a better turnout for meetings. But, I am like everybody else if you don't tell me what you are doing with the money I'm kind of looking at you like you are crazy. So, until we do a better job it's just at that point. Some people might not like that statement, but, it really doesn't matter. I'm going to say what I've got to say anyway, we just need to do a better job.

Councilmember David McClain said, a couple of questions real quick. Mike looking at and going through the budget a little bit. Couple of things especially after looking at our revenues and our expenses. I have e-mailed the Chief back and forth about using technology and how we can improve our city in offering different services, how are we doing that and this maybe something you need to fire me a note about it later. How are we investing in technology, and then looking at what are some of the things we are willing to cut in order to spend money? Again, you said we see our expenses going up, our revenues aren't well they are going up a little bit. What are we doing to help alleviate the problem of deficit spending? That is my big question here how are we using technology and also what are some things we are willing to do away with in order

to pay for that? Maybe we could save some money, and I know this is not a popular thing to talk about but, we may have to cut some people. Anytime you look at businesses or City Government the largest pieces are the people. I understand that, I get that but, what are we doing to offset that, do we need a ton of technology and a ton of people?

Dr. Charles Coleman said, I need to make a statement. I have said this once before. We don't pay our people enough anyway. I am against cutting any salary from any employee. Find the money somewhere. Maybe we can get more grants or whatever. We are not paying our people what we should be paying them in the first place compared to what industry does, that just don't make sense to even look at trying to cut a salary that really bothers me. Councilmember McClain said, what are we investing in to help us long term? I understand it's not a popular choice, if our expenses are continuing to outgrow our revenues we've got to cut something. I don't know what that may be but we've got to look at cutting something. Mr. Downing said, the last item on your list tonight, the ACCELA, and by the way we are going to ask you to table that until your next meeting because we've negotiated that. It's a very complex piece of software, we still haven't got it where we think it should be. It is a very significant cost. However, one of the other things that is still under our consideration is we could charge private users and offset much of that cost. So, we are trying to get a better handle on that. That is a very intricate technology that many of our planning and inspectors, code enforcement and engineering uses when they look at permits, projects and keep a data base that not only they can share among staff but also outside users can use, contractors and such can access from their phone or from an IPAD and we think that would improve communications and results significantly. So, we are going to bring that to you next time. This is exactly what you are talking about efficiency and performance.

One of the other things, you may recall a few months ago, it may have been about the time I started. There was a software that we bought, Contract Safe it keeps all of our contracts, all of our agreements, all of our revenue sources and payments in a schedule where we can actually access that on-line and keep track of it better. You are exactly right we want to be as efficient as possible and technology can help us do that. Chairman Hafner said, I'll say this, and I think David's question is important about what we are trying to do to save money. I think in September we projected about a \$6 million deficit and it looks like we have come in at around a \$2 million deficit, in September we were at a break even, we were at about a \$10,000 surplus. So, I think you all have done a great job managing what you are facing and I know some of that is pushing some capital items. In this year's budget we are looking at a \$3 million deficit and O&M is like a \$150,000 deficit but O&M actually has \$1.1 million and STIP stuff coming out of it. So, from an operational stand point, when you look at the general fund we are showing a surplus. Obviously we have a deficit when you look at capitol items, I think they are doing a good job in a very challenging situation. Councilmember McClain said, yes and I don't disagree. So, I think they are looking at ways to lower expenses and manage stuff like that. But, it's important that we know what you are doing too.

Councilmember Ann Williams said, this appears that the issue is revenue per capita basis and we need to perhaps look at other sources of revenue. It could be a good time to bring up again impact fees because that was put aside, understandably, when the sales tax issue was on the table. Now that that election has passed can we look again at impact fees? Dr. Coleman said I think we can. You know we been passing that buck since I've been on council. Ms. Williams said yes, I remember when this first came up, the topic of impact fees was when Fayetteville had just passed it, and it has been in effect there many years now to some success now. I think it's time, this

has been tabled long enough. Dr. Coleman said, I agree with that.

Chairman Hafner asked, any more questions for Mike? Councilmember LJ Bryant said, I will just say one thing to Dr. Coleman's point. It is hard to summarize just what are we not doing, because I feel like we are doing a good job with what we have. We look at Park capital improvements, of course, the shooting range is important. But, what about all the things that the Park Department is not doing, and on down the line for every single department of course too, I just happened to pick that one. I think to Dr. Coleman's point if we find a way to make the citizens aware of here's what we're not doing so that the citizens could consider that. Mr. Downing said, sure.

Dr. Coleman said, O' they know what we're not doing. Mr. Bryant said, that's true. Chairman Hafner said, I will say this, I remember last year, I think it was last year Keith. You know you wrote a story about our sales tax compared to a lot of other city sales tax, I think a lot of times you put the information out there, but, the citizens need to take the time to read it and understand it, ask us any questions about it.

Dr. Coleman said, excuse me for cutting you off. I don't think it needs to be just a onetime deal. I think during the process that, and this might be too often, but every three months I think something needs to be shown to the community. What we're doing, where we're going, what the finances are. I think you would have more comparability with the community about things we are doing, things we would like to do. It's like in your home if your wife is hiding a dime under the table, you don't know it's on the table. It is kind of crazy, people need to know what's going on. I guess I'm always going to be an advocate for the community for the fact of they need to be knowledgeable of what is going on. Then some of the other things that we do, I really didn't come to make this statement, but since I'm on my podium, when we have these different community deals we to impress upon the community when we go to different wards to talk about this information. Over in ward two in particular, when we have very few people show up. It's embarrassing, but it's also aggravating to me. Maybe we need to find a different way to make presentations to the community. This is a bad statement, but, you know sometimes you might have to buy a hotdog and say, show up, so people can see what you are really doing. If they don't know then we do get the bad questions or the bad statements. It's because they don't know, and I'm not trying to embarrass anyone or put on them, but they need to show up. Then they need to show up at council meetings too, at the same time.

Councilmember Ann Williams said, it is not just a matter of cutting expenses. We had a Public Services Committee meeting where we heard how thin Parks and Rec. is, how thin they are stretched. So, there is no way to cut anymore. It's an issue of revenue as far as I'm reading here. Chief of Staff Mike Downing said, I can tell you of several items here that were painful to cut out of this budget. I mean painful. Ms. Williams said, yes. Department Directors are still talking to Steve and I, so I guess it's not that painful. But, they had some difficult issues they brought to us we just had to keep the deficit at a reasonable level and that was about it. There are certainly still some good projects and good expenditures left out there. Dr. Coleman said I appreciate your presentation Mike, seriously. I appreciate the charts that I can actually read and understand, instead of just telling me something that you are doing. I know you didn't do all of that work, but whomever helped you did fine.

Chairman Hafner said I thing we may have someone in the audience who would like to ask questions? Hi, Patti Lack, 4108 Forest Hill Road. You know Dr. Coleman I have to agree with you. I think more people need to be involved in the community, in the city and know what's going on. But, I think you also have a really good point too in people

want to know exactly where their money is going to. Sometimes you know I think that you can't say that we don't know where it's going to, but sometimes it's questioned a lot of whether that's the best use of our money, and that's where a couple of questions that I have with this budget right here, and I didn't have a lot of time to look at it, and I know that you are just maybe thinking about it and that maybe in the next week or the next Finance Meeting. But, I know with the salary's that you have with the 2% raise with the program that we have, my question, and maybe you could answer it. Where is that, I think it adds up to about \$500,000 overall with the salary's. Where is that being paid from? Is that from the reserve, or can you answer that question?

Finance Director, Steve Purtee said, Yes ma'am. Basically the amount is about \$456,000. Because everything starts from the general fund unless it's earmarked, unless it's specific to some grant program such as that. So, basically the bottom line is that it does come from the reserve and we've landed in a deficit position. Ms. Lack said, Thank You for that. That was a question that I had from a couple of people today. The second thing that I looked at is that I noticed in the budget is the street overlay and resurfacing. You know a lot of parts of the city is just kind of falling apart and last year on the budget is was a million dollars, and that's being cut to \$500,000 this year. So, that's a real concern that we have, you know the city is falling apart in certain areas, and we need improvement. That's just a real concern that people have. The other thing that I notice on the chart there, on the Parks and Recreation is that as far as the capital improvement it shows that it's \$3.5 million, and on that \$3.5 million is that \$2.2 million is going to go to the shooting range. I really question that, you know I have to think that we have to figure out where our priorities are. I don't know if that has to do with maybe when the deadline date for the shooting part should have been done, but, I think if we are putting \$2.2 million to finish the shooting range, I think the people need to see and the city needs to see what kind of revenues is going to come from that shooting range, and is it going to pay for itself?

You are taking that much, the \$2.2 million out of \$3.5 million that is for the capital improvement that is a lot of money that can be used someplace else. I have gone out to the shooting range like Mr. Street had said, I just don't know if that is going to produce the revenue that we need for the city to make other improvements and other ways. I hope you question that, that is a lot of money to be going out there right now, and I don't know if that's a priority that we should have for our city to have at this point especially when everything is being looked at really close. Those are just some of the points that I just looked at, I didn't have a lot of time, and I hope you guys consider those things because I know its tuff, but you know the city has to do with what the city has and we can't do anything about it. All we can do is improve on that. Thank You.

Chairman Hafner said, anyone else from the audience have any other questions? We have a motion on the floor to forward this to full council for the first meeting in December. If yawl vote to do that we can still ask questions at the next Finance Meeting. Dr. Coleman said, I agree with that. Chairman Hafner said, if there is no more questions or comments from anybody I'll call for a vote on that.

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

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

5. Pending Items

[RES-19:183](#)

A RESOLUTION APPROVING THE PURCHASE AND AUTHORIZING A CONTRACT

WITH ACCELA SERVICES FOR THE PURPOSE OF COMPUTER SOFTWARE TO IMPLEMENT LAND AND LICENSING MANAGEMENT, ACCELA CITIZEN ACCESS (ACA) AND GIS TO TRACK THE CITY OF JONESBORO'S SITE PLAN PROJECTS AND LAND PARCELS AS PRICED IN CONTRACT NUMBER NCPA01-86.

Attachments: [Agreement Acella \(003\)](#)

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

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

6. Other Business

[ORD-19:067](#)

AN ORDINANCE TO WAIVE BIDS AND PURCHASE SKY COPS BY THE POLICE DEPARTMENT, AND DECLARING AN EMERGENCY

Attachments: [Skycop](#)

Chairman Joe Hafner motioned, seconded by Councilmember John Street, to suspend the rules and walk on ORD-19:067. All voted aye.

Councilmember David McClain said, Mr. Chair if I may. Chief Elliott you and I have been e-mailing back and forth just chatting about Sky Cops, and using artificial intelligence in helping in policing. I know that we can monitor, record, and go back and review. Do they have any other features that can help us? Chief of Police, Rick Elliott said, since our last conversation and talking with the Mayor and Mr. Downing over this issue, and before we submitted our proposal on this issue we added and have talked about the enhancements. Gunshot recognition technology, the license plate reader technology, this company doesn't offer facial recognition. So, with this purchase we are going to add the license plate reading technology to these camera systems that we are purchasing from them from here on. That will up what we are able to do with this technology, it will record tags that go in and out of the area and we will be able to do a search of that tag, search for vehicle make, model and things like that. So, if we have an incident and we have a suspect vehicle then we can put that information in the system and if one of the LPR cameras have caught that vehicle anywhere that these cameras are it will give us the dates and the possibilities in the list of suspect vehicles, that will help us greatly on the investigative edge greatly.

Chief Elliott said, to answer your question, yes we have taken this a step farther by adding this technology to our camera system. It did up the price, but, then from an investigating stand point it is a great tool for us in solving cases. Mr. McClain said, okay. Chairman Hafner said, I think you've seen a pretty impact in areas where they were placed. Chief Elliott said, we did. Our first camera went up at Cedar Heights, and for the past couple of weeks since it has been put up we've had one call, and the lady had a theft from her house by an acquaintance, stole a \$10.00 clock. She called the Police Department and wanted to know if we just happen to capture the individual carrying her clock from her house. So, the one phone call from the 1800 block of Cedar Heights is very significant, compared to the calls and the type of violent crimes that we've had in this area, to go from several to zero from the past few weeks speaks for itself, the system is doing what is designed to do, and that is to detour crime in this area. May it push it to other areas, it may. But as we deploy these in our problematic areas we think we can help identify, and prosecute the problem people, which, we are

having a better success rate this year than we did last year in prosecutions, and I think we can, hopefully get our problems down to a manageable level. Zero would be great, but to be realistic I'd like to see these numbers cut in half to what we are currently seeing right now.

Councilmember David McClain asked, what is the replacement cost for one of these just in case someone decided to shoot one of these out? Chief Elliott said, roughly about \$1,200.00 a camera. We've made some modifications to our boxes, we even added some Kevlar insulation to them to protect the DVR's inside the box and we did that at our own expense. Yes, there may be a point in time somebody may take a shot at it, but we will have a shot of them also. Mr. McClain said okay, I figured we would, but somebody's going to do it. Again, it's part of it and we anticipate it, and we can get another camera re-placement pretty quick.

Councilmember McClain said, so \$1,200 for camera re-placement? Chief Elliott said yes, that's the camera with LPR technology replacement and everything. Ten of these will have the LPR? Chief Elliott said, yes. In addition to the price tag you have on the cameras we also added in technology to be able to record current cameras at our intersections. Our city Engineering Departments has cameras in large sections of our intersections throughout the city and these cameras are not recorded at this time and only Engineering has access to them at this time. I'd like to make modifications to at least twenty of these intersection cameras where they can record, and store that data on cloud storage for about a thirty day loop or thirty days at a time. That would give us a chance on major intersection accidents to go back and get a better account on the accident. Two on any criminal investigations it gives a chance to maybe apprehend or get a better idea on the suspect that travels through these major intersections. A lot of times we have people that commit crimes up north but may head south leaving town. They are going to travel Caraway or Red Wolf if these cameras record that will give us an opportunity to help identify the suspect and suspect vehicle and to track that individual and give us the direction in which way that vehicle was heading. On the investing end that would be huge for us.

Councilmember McClain asked, and that would be part of these? Chief Elliott said, yes, this is part of the whole package of money that we are looking at to appropriate with this ordinance. The first part, the \$111,000 was for the sky cops, the additional funds is for each intersection that we are going to bring up to be able to record. They have to install an encoder, and it is about a \$100.00 a box per intersection so you would need about twenty of those. Then you get into the cloud storage fees on a monthly basis, and then the cellular price increase for the data connections. If you look on the third sheet there is the monthly reoccurring cost for us to be able to move forward with this kind of project. So, you take the sky cops and you take this kind of availability that gives us wide variety of access to what is going on in the city with fewer amount of people.

Chairman Hafner said, you will have thirty-two cameras basically. Chief Elliott said yes and plus whatever we have at these intersections. Again, I am not getting any more additional bodies so I have to do more with less. We talk about technology, and how important it is this is how we move forward with technology and what technology can do for us, this is a prime example of putting technology to use without adding a whole lot of man power. Will this increase my civilian man power to pull down videos and help manage this stuff? Absolutely, but I think I have the civilian staff to be able to do this in my analytic department with the Public Information Officer. We are only going to keep the data from the sky cops and the intersection cameras for three days due to storage purposes. If something comes up we should be able to go back and know within a thirty day period that we need to go back and review it and pull it off if need be

for that case. That has helped keep cost down we don't want to have months of data storage out there on the cloud that we have to pay for.

Mr. Bryant did you have a question? Chief I was just going to say and you kind of hinted to it. Any comparison to any other cities in Arkansas on how many they have? Chief said of sky cops? No, the best thing I can tell you is to google police surveillance cameras there is different studies that are there from Universities, different groups and cities like Baltimore, Chicago, how it has been a positive effect for them. Memphis, Tennessee has over eight hundred of these cameras deployed throughout, and the city bought very few of them. This is something else that I am looking into. I have had several inquirers' from private individuals that would like to purchase these for the city. Memphis Police Department set up a MPD foundation, a 501C3 and they had businesses throughout the city purchase these, and got a tax ride off since it's a foundation so the city benefits from it with a camera and the community benefits from it at a very minimal cost to the city. I think we will see that growth from the citizens go along with this growth. The feedback I have received since we first talked about this has been great.

Patti Lack said, you can stay right there if you want to. This last week I've been talking to a lot of the companies and stuff like that for the fund raiser that I am doing, and I have to tell you there are a lot of companies that would love to donate. So, if you could set that up, it was real positive. Even if they can't, I know it was last week or two-weeks ago it was around \$6,000.00 even if you took some of the companies out here, even it is small business that benefits them too. If you take two or three of them and you set that up as a 5013C that is a deduction, these companies are willing to do that and there just needs to be someone out there from the city that goes and asked all these companies because they are willing to do that, you've got a lot of support.

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

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

7. Public Comments

8. Adjournment

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

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