



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Friday, December 9, 2022

2:30 PM

Municipal Center, 300 S. Church

SPECIAL CALLED WORKING SESSION

1. Call To Order

2. Roll Call by City Clerk April Leggett

Present 6 - Charles Coleman; Ann Williams; John Street; David McClain; Joe Hafner and Brian Emison
Absent 1 - LJ Bryant

3. Other Business

[COM-22:053](#)

WORKING SESSION OF THE FINANCE & ADMINISTRATION COMMITTEE ON THE CITY OF JONESBORO 2023 BUDGET: QUESTION & ANSWER SESSION
(No motions or votes to be taken)

Sponsors: Mayor's Office and Finance

Attachments: [Jonesboro Budget 2023 Presentation](#)
[2023 Draft Budget Updated 12092022-CW](#)

Chairman Joe Hafner said I appreciate everyone coming today. Today is just a working session. There will be no votes taken on the budget today. Mainly today is just a question and answer session. I will give the floor to the mayor here in a few minutes, and he will go through some of his talking points. I think Steve Purtee and them have a presentation. I want this to be a good give and take. Obviously, always be respectful. I know we will be. You know, putting the budget together for the city is a big project, and there's a lot of different needs and wants and items that have to be addressed. So, I know it's not an easy task. Just to quickly cover the duties of the mayor and the council when it comes to budget, the mayor is required to prepare and submit a budget to city council for approval on or before December 1st of each year, which he did. We got these the week of Thanksgiving. And the duties of the council is to adopt a budget by ordinance or resolution for operation of the city or town by February 1st of each year. I think sometimes we like to get it done before the end of the year. That way we don't have to do temporary appropriations and stuff like that until the budget's adopted; but anyway, having said that, I will turn the floor over to the mayor. I do ask that if you do have a comment or question, wait until you're recognized before saying whatever you want to say. We'll try to keep this going. Like I said, I want this to be a good give and take. With that, I will turn the floor over to the mayor.

Councilmember Ann Williams said I have a quick question if you don't mind. Are these

replacement sheets or are they pages? Chairman Joe Hafner said I guess they're replacement sheets. Councilmember Ann Williams said because it appears that they're the same as what I have in my binder. Sorry, this is just a little housekeeping thing I want to be clear on.

Mayor Harold Copenhaver said thank you. Councilman Hafner and committee and councilmembers that are present today also we want to make you aware of department directors that are also in the room if need be. But before we get started on the presentation, I would like to say a few words. Council, as you well know, next Tuesday, I will probably make a further statement, more in-depth statement. I was really pleased with the letter that we put on the initial two-page cover letter explaining a lot of the detail of this, what we're wanting to achieve; and again, this is budgetary numbers. They aren't obviously set in stone, but this is our projection off of what we did see over the past year and then the progress of where we want to take the community moving forward. So there is a methodology to what we applied and to our decisions, and how we think our investments are outlined in this budget to improve our city. I tasked my staff with some basic goals: continuing investing in public safety and our uniformed personnel, increase investment in infrastructure like streets and sidewalks, and invest in our customer service, invest in quality of space for our residents and do it in a fiscally responsible manner. So I believe, Council, that we have accomplished this, and I want to thank my staff and finance department for their efforts. So at this point in time, I will introduce you, many of you know Steve Purtee, that he is the director of Finance for the City of Jonesboro; and I would like him to go ahead and start the process of highlights of the 2023 budget.

Director Steve Purtee approached the podium and said thank you, Mayor. Thank you, Committee Members. What I'd like to do is just kind of start the process of our time together. Just kind of giving us an overview of what the budgeting process looks like for the City of Jonesboro. This is not a quick process. It's a process that takes numerous hours of preparation and hours of commitment on the time of all employees relative to accomplishing this. What we wanted to do was give you a timeline of some of the things that were happening kind of behind the scenes relative to our budget process. Basically we call this our budget timeline. We specifically sit down with our information from previous years and develop this calendar if you will for our budget and how that might progress through the year. You can see that the first period of time referenced on this screen indicates that in July Mayor Copenhaver approved our budget timeline. And at that point we began the official process of our budgeting for 2023. And again it encompasses a variety of things that go on through that process. As you all know, we have expanded that opportunity not only into the budgeting process itself, but doing a needs assessment for equipment and auto, some of our fleet relative to its aging condition and most things that we can take care of as resources are available. So this particular screen here, I'm not going to spend a lot of time on it. I just wanted to reference some of the key things that are occurring. We're doing assessments internally on the various things that are going on. We're doing analysis with our financial reports.

Mayor Copenhaver said Steve, if you can, just a minute. Does everybody have a copy of this? We're looking at the...that you can't see on the screen. City Clerk April Leggett said it's not coming up on the screen beneath, so they can't see it unless they turn. Mayor Copenhaver said okay, we can make a few copies here, do you think, Christy? Director Steve Purtee said my apologies. Mayor Copenhaver said I just want to make sure that we're seeing what you're seeing, Steve.

Director Steve Purtee said alright, we will continue forward. In the middle part of this

schedule, you'll see that we begin conducting meetings with our directors; and I guess at this point I'd like to appreciate all of our directors and their department staff for making this process as functional as it can be. It requires a lot of time on the part of those individuals as well. We continually ask them for bits of information, analysis of things their department needs might be, and also their specific objectives that they would be anticipating in the next coming budget cycle. In addition to that, you've got the finance staff working behind the scenes of that. What we do internally is we task different members of our department relative to different sides of the profit and loss report or the income revenue and expense reports. Christy Walls, she's our finance manager. She gives direction to all of the expenses of it and she is their coordinator of the budget. She's the one that does all of the hours and hours of work coordinating with our directors, so she does a tremendous work in that regard. And also assisting on the revenue side, Andrew Guilltner, our city accountant, he provides all of our revenue projections for us. We do those separate, because we like to do those independently. We would rather one side of the expense report not dictate the other side. In other words, we want to not blindly do it, but as systematically as we can without giving pressure on either side of that. We like this approach. It's worked pretty well for us for a couple years now, and it looks like we'll continue to do that. But briefly, here's just a kind of where we are today. We're in this late November early December time frame where we're coordinating the review and the approval of the budget at this point. What we'd like to do also is just kind of do a comparison of that key information relative to where we see our budget and some things that are transpiring. On this particular chart here, I thought the mayor's letter did an excellent job encompassing some key strategies for this budget cycle. And we just kind of highlight some of those points here. We've indicated that we're appropriating \$83 million in total expenditures for this 2023. And we always like to look at things on the operations and maintenance perspective. Relative to that, you'll see \$72 million in this budget binder relative to O&M expenditures. As I've indicated, we are also looking through the revenue side of the report. What is always predictor for us is historical data. So we will look at actual data and do comparison of that. You can see on this screen here that we're projecting \$8.8 million in revenue. This is approximately 7.5% increase over our current 2022 projections, and it looks like we're going to come in right on the numbers that Andrew was able to provide for us in that projection. We are realizing that we are also experiencing an 8% increase in current revenues over our current budget cycle as well. So we feel good about 7.4%. We think that's a very doable number. Historically, we've probably budgeted more conservative than that, but we think it's an opportunity for us to fully utilize our revenues and our resources for improvement in the community and doing things we would like to see done. Additionally, you can see on here that we did a very specific focus on attempting to expand our customer service sector. Basically, what we do is we initiate a conversation with all of our directors. They provide their personnel requests, and they included 76 various personnel requests in their initial follow-up that happened in this late-August time frame. We took that information in the mayor's office, began working on that immediately. They conducted numerous meetings relative to that data, just making sure that it made sense and was keeping in with the objectives that we wanted to set out and accomplish. Through that process, we are approving or offering to approve 43 of those, which will in turn increase our head count by 15 additional personnel that will help serve our community. Then the remaining of these were simply regrades of positions that included nine positions with 28 personnel, and again that was really just an indication of trying to align those skill sets with positions and vice versa and making sure those appropriately match up together. We deferred twelve of these requests for future evaluation, so we'll continue looking at that. And we feel as though that if we are successful in establishing our objectives for cost of living adjustments and such as that, that it will probably take care of the majority of those remaining items as well. We thought it was real important

also to kind of see what things we have done that have maybe set us on a better path for addressing some of this and not being such a budget pressure in one particular budget cycle. So what we wanted to do was, and again through your actions and the actions of the mayor's office, we've specifically focused on uniform personnel. The minimum salary for that was increased effective May of this year; and you can see that it went from an entry level position of \$34,500 to \$43,200 over that time period there. So over two budget cycles, basically the beginning of budget cycle 21 through where we are now which will be the third cycle once this is approved. We're seeing that our uniform personnel minimum salaries increased 25%. In addition to that, our upper rank uniform personnel has increased up to 12% period over period for this three budget cycle period. We are also seeing that non-uniformed employee salaries have increased 20% on the lowest grade up to 11% for the highest grade. I guess what we're saying is that this is a very aggressive attempt to right-size and make correct some of the salary deficiencies that have kind of been hanging around for quite some time. Again, I commend the mayor's office for that objective and looking into the future relative to this, and realizing it takes multiple budget cycles to accomplish some of these. But we're on our path to get this done. We think this is a good objective in that regard. Another key item, obviously you know that our budget format, we always go on a budget cycle to budget cycle. Obviously there will be some significant occurrences that might swing one budget in stark comparison to the other. I wanted to identify these three areas here. As you all know, we are going into our third cycle relative to our utilizing a depreciation fund. You'll recall that depreciation fund is very specific. It is to replace our aging fleet. It is to replace obsolete equipment; and the function of it is getting it timely enough that where we can capitalize on the markets opening up with state bid and those types of things. You know one thing we learned from the Covid cycle was that on the approval process that we were on, we were always behind the curve and being able to get in line for those equipment needs. This helps us get in line for those; and we've already placed all these orders based on your earlier approval of that depreciation fund, and we're certainly pleased with that. Over the course of the last couple of cycles, we've replaced 100 automobiles and/or motorized equipment. And this year we've appropriated \$3.7 million and that's what your actions did just a couple of months ago. One byproduct of this is that you'll notice if you've dug down into some of the later pages, and I'll reference these again, this is causing a significant change in the way we look what we appear relative to fixed assets. It appears as though our fixed asset purchases are going from \$3 million down to about \$500,000. Well, in theory they are, because we are accomplishing that in this depreciation fund. That's a good thing and that's what we wanted to do. It will take us a couple of budget cycles to get that right-sized, if you will; and so that is one thing that we're trying to point out here is just to try to bring that to attention. The other area of that is capital improvement fund. Again, this is the second budget cycle for having done that and you'll recall that we did about \$6 million previous year. This current year we did about \$4.8 million, so we've got about \$10.5 million established in our carryover funding for these projects. So, again, that takes pressure off of the budget, and you'll see that in later schedules in this as well. We think that's a good project as well. The final thing here is infrastructure improvement. Again, you know, we're seeing that basically our miscellaneous street and sidewalk improvements are up nearly 50% year over year. Those are key and critical things, and that's what we see going on in our community currently. Our pavement management program still has a million dollars in it. We're looking at some new ways to probably allocate those funds and get those resources in line for utilization, so maybe we'll have some better ideas on that moving forward. And then finally, we still have a half a million dollars continuing in this for our drainage program and those improvements as well. You know, the financial part of this, I always like to look at the reserves. Again, this is a key indicator for us. This indicates your health, it indicates your wellness; and how you would be able to a) either utilize resources for

future activities, but b) also weather storms that might come about, those types of things, on the financial sector of things. But basically in your financial reports, you'll see this information. I just wanted to touch on a couple of bullets here. Basically right in the middle of the screen here you'll see the budget O&M Surplus. That's \$16,947, so basically this budget is exactly balanced. Revenues equal expenditures. Our ending fund balance will be \$28.5 million at the conclusion of this budget cycle for 2023. Our required reserves is a calculation of 15% of budgeted general expenditures, so that calculation here is \$9.3 million. So, we're going to end up with just under \$20 million in unappropriated fund balance at the conclusion of 2023. We always like to look at the industry standards relative to what you should have. You'll see the little footnote down here that the Arkansas Municipal League recommends that we have one month of coverage. And then the government Office of Finance Association, they recommend two months of coverage. You can see that we have 3.8 months of coverage, so we're doing very well in that category; and our run rate, if you will, on a monthly basis of right at \$5 million of operations and maintenance expenditures on a monthly basis. That's that calculation there. And I meant to say ask any questions you want. As I move through these slides, we can pause at any point. So this is your forum here today to ask those questions. On this particular screen here, we like to look at our O&M revenues and see how we compare, or how the accumulation of those in respect to the total, as we've always indicated that our sales activities account for nearly 80% of our revenues. That is constricting on the backend relative to that, but it does provide a lot of opportunity and we've seen that; and we've seen that on this chart as well that year over year budget positioning is about \$6.7 or \$6.8 million difference. So that's a good thing. That just kind of again shows the health of our economy relative to sales activities and the way that we are able to utilize those funds to further the growth of our community, public safety, and those types of things. You can see that chart there. There's other categories there relative to that. One thing I did want to point out is you'll notice right in the middle of this chart miscellaneous, it appears that it went down \$484,000. I always have to remind myself. You know, when the Act 224, which was the State of Arkansas initiated a proposal whereby all law and certified law enforcement personnel would be paid a \$5000 stipend; well what that required us to do is budget a revenue component but also budget an expense component. So this is that revenue component. That number was right at \$630,000, and so that's represented in that 2022 budget. Obviously unless the state of Arkansas does something again, we won't have that in this particular budget cycle coming up.

Chairman Joe Hafner said hey Steve, can I point out a couple things about this, and you can correct me if I'm wrong; but on the property taxes at \$3.6 million, that seems like quite a bit of revenue. But, just to clarify, that's not revenue that we can spend on O&M items. That's pass-throughs, right? For LOPFI?

Director Steve Purtee said yes, the LOPFI portion of that, it's about \$3.2 million of that is in that category.

Chairman Joe Hafner said so I don't believe we have any property taxes that are not earmarked for specific things.

Director Steve Purtee said that's correct, right.

Chairman Joe Hafner said we did prior to 2000, but when the sales tax got approved that went away. And the other thing, and I talked about this with Steve and the mayor yesterday, we're still showing the franchise fees in there. And I think as the year progresses, you know we just hired Crews & Associates for our financial advisor, and one of the things they're going to be looking at is revenue bond and the franchise fees

will be what's used to basically fund the revenue bond. So I'm hoping in 2023 we can actually get those revenue bonds in place and get projects going, so at least a portion of that \$1.5 million will probably be coming out of general revenue; but I think what Steve mentioned yesterday is I hope that, you know, I think the mayor and his staff budgeted more realistically on sales tax increases and stuff like that. I think hopefully they may still be a little bit above what they're projecting them to be as increases, so our revenue won't really go down \$1.5 million, but those franchise taxes will hopefully be used to fund needed projects. Is that correct?

Director Steve Purtee said that is correct. And again, Joe, you're pointing out that we're hopeful that the problem is that we've got sales tax revenues coming in higher than budget. The other components of this are if we did do something that utilized this revenue source for debt service, then we can always adjust the trigger if you will on our depreciation fund in the future period of next year or capital improvement carryover, those types of things that might have some timing difference in those. We've got a couple of levers we can pull in that regard.

Chairman Joe Hafner said I just wanted to clarify that even though it might not be reflected in the budget, the plan is to get the revenue bonds going next year. I mean, obviously Crews has just come on so it's still, you know, very early in that relationship.

Mayor Harold Copenhaver said and if I might add, Councilmember, that in that relationship, the reason for that is for our community to understand how we are looking at things fiscally responsibly and how we utilize our resources in the best area and avenues we can. We don't want to spend down obviously our reserves to a point to where we have other alternatives that we have to replenish those. So what is that happy medium and that is what he is, upon his recommendation of our budget and of our hope on projects moving forward, our goal is to start and finish projects.

Chairman Joe Hafner said in a timely manner. Thanks, Steve.

Director Steve Purtee said the last thing I really want to point out on this screen is our interest line item here. You can see that basically in our 2022 we realized the market downturn of interest rates and how that impacted our earning opportunity on the funds on balance. We are expecting that to rebound a little bit. We're currently up to 2% on that. We're expecting a fed move in a couple of weeks, and we already have somewhat of an indication that we probably would be favored with a change in our rates again at that time; but we're closely monitoring that and keeping up with that as well.

Mayor Harold Copenhaver said and if I might add, Council, the next fed move is December 15th, so I would anticipate an adjustment for our interest rates at that time; and then early in the year we will also look out to bid our CD rates as well, so we want to be very competitive as we need to be for our citizens.

Councilmember Brian Emison said Steve, if you don't mind, just to follow up on that from the banking perspective and of course that fed meeting that we see coming up next week. We're projected to get 50 basis points out of that, but on into looking at mid-side of next year, I think we're actually projecting somewhere around 5.25 fed fund rate that's going to be out there. So this is a great opportunity to take advantage of those interest rates side where we haven't really seen that over the last couple of years, so I want to applaud your efforts for going out there and seeking those relationships.

Director Steve Purtee said let's talk about some of the detail behind the O&M category

of revenues that we just looked at. Obviously the line share of this is in sales tax, and again as we've alluded to, we're currently on pace for a 2022 projection of an 8.2% increase over budget. Then we're projecting that in this next budget cycle that we'll be at 7.4%. So again this is realizing in these three categories on the left hand side relative to that nearly \$8 million of increase there. State turn back and the state highway half cent sales tax again these have seen significant adjustments, but what we do on our revenue categories for these is we budget it based on a five year trend. So that's why these percentages are down somewhat in the eight and three percent range. Again, these are smaller balances, so a slight change in dollars is going to significantly move the percentage in this category. Again these are those that we specifically monitor on a monthly basis and we'll continue to do so moving forward. On the other side are basically just the remaining categories of revenues here in those areas as well.

Now let's talk about expenses just a little bit. You know we basically categorize our expenses into two primary categories based on its type and its class. This particular report here is looking at types; and again the glaring item here on this page is the fixed assets right in the middle of the chart. It's down \$2.6 million, and again this is exactly where we see that \$3 million in the current budget going down to \$500,000 in the next budget. Again, that includes \$3.8 million of appropriation that we've already dealt with and they're already in our depreciation fund, they're already at work. We're already purchasing auto fleet and prepaid a fire truck and got a substantial discount in doing that. We've ordered all of our police cruisers for replacement, the interceptors. So all of that is already working, and so that is why you're seeing this decrease here. We expect again, unless some other things happen that would change our course of action, that we'll probably do something similar again as well as we move forward. Again, I just can't express how much that really kind of brings...we're hopeful once we get farther away from supply chain issues and equipment needs or concerns on that, that we can further capitalize that and have that available for our directors even on an earlier basis. You know, we did do \$1.7 million relative to what we call motorized equipment, and we've already got some of that coming in as we speak. We were able to get a few vendors, get their remaining inventory, got a better pricing and those types of things. So I think just kudos to all of us relative to that having the foresight for you all to approve that and allow us to get in front of that. So I think that's really a great thing for us, but that's really the only thing on this screen here. And that just kind of dovetails into this. You know, that's that \$3.7 million in the depreciation fund currently, and I think I said \$1.7. It's \$1.8 million for the motorized equipment and \$1.9 million in our fleet auto. You can see how that breaks down. There are 37 fleet autos that we're replacing in the emergency area. \$1.2 million of those are in PD and \$111,000 are in fire department, two vehicles for that department as well. You can see there are 10 non-emergency fleet items and then four street maintenance fleet as well. The new category here for us is the equipment replacement; and again that's the one that I said we just introduced to you a few months ago and you approved it, and so now that's the one that's working today. But we have already purchased our \$800,000 fire engine through a pre-payment. Chief Hamrick indicates to me that it probably won't be in until early 2025, I think is the indication at this point. Or maybe it was mid '24. I forget now. It takes a while to get those things in. But we've already taken care of that. It's in its order process now, and then the remaining 12 here again are just non-emergency and street.

Another key area that we will see on this next slide is, I think we've had also the foresight to really through Tony Thomas's effort and Patrick within our sanitation department to really focus on our large equipment through lease programs. These are our sanitation trucks, and so we're seeing a lot of activity there. Currently we have

about half a million dollars in contract payments in this budget in that it consists of 14 active unit contracts there. So this is really a great thing here. It's just kind of becoming one of those repetitive things, it just really seems to be doing well with regard to the status of our fleet and its availability to operation in those types of things. So I think that's a good area as well.

Mayor Harold Copenhaver said and Steve, if I might add, I believe we discussed here not too long ago that our fleet a couple years ago, we would be at times a third of our fleet would be inaccessible to be on the street. And at this point, we're almost at a hundred percent, so we've come a long way in that. And as you can tell, it's made a big impact in the community.

Director Steve Purtee said so this kind of drives us on into the classification categories here. You can see again highways and streets. Is it down half a million dollars? No, because there's \$800,000 worth of fixed assets in that '22 budget. So again that same story is kind of filtering its way through all of our charts relative to our budget with regard to again what we're doing currently in those areas. Then the sanitation category, you can basically it's almost a match that \$545,000 from the earlier pages is reflective of the change in the budget difference here in this area. So the last item here I always like to point out is the mosquito control. You can see that we budget \$460,000 here and again remember that we've got \$250,000 in our ARPA campaign relative to this program as well, so we've kind of got it on both sides of the fence helping us in that regard. Just always want to make sure we mention that.

You know, if you look at this pie chart, I think it's a real good indication here of just kind of the focus of things that are critical and important to the city. And obviously you can see public safety is 55% of the total gross here. And if you go on up and look at highways and streets, that's roughly 12%. I think another key one for me is parks and recreation. Nearly 7% of our O&M expenditures are spent in our parks department, so I think again that's just a real good indication of how there's a good blend within our city government relative to keeping these things active. And then that final group there is sanitation at 11%, and so again we've seen that creep up a little bit. And that's been intentional so that we can freshen our fleet, keep it acting and keep it moving; so I think those are all paying dividends at this point.

So let's kind of jump into some of our salary discussion that you're going to see in this budget. Basically, the mayor's cover letter suggested that we were going to do a 3% cost of living adjustment for all full-time positions and that's in there. And those employees or positions that are participating in the step program, instead of waiting until my September anniversary date to get my average 2% step, the mayor is recommending that for all staff members that that occur on January the 1st, for all 600 plus employees. What does that do? It provides the immediate purchasing power of the full year salary structure for that employee relative to, you know, this modest increase in health insurance, 5% increase in premium, the reset of our open enrollment period, those types of things. It's maybe giving them some opportunity to do some things there as well. I think that's just a real commendable step relative to that. Also there are some efficiencies there. You know you can imagine those 600 employees are spread out over a 12-month period, where we're able to deal with all of that in one swing and then it's finished and we're on our way doing other things. So again, I really like that idea. Does it create pressure on our expenditures? It's a timing difference. That's all it is. Again, there will be a little additional expense relative to occurring earlier in a period versus later in a period; but again once those types of things become cyclical, then they're always the same timing issues. But the other thing that this budget includes is, you know, we have a number of employees, about a hundred employees

who are what we call maxed out. They're above their step programs, and let me rephrase that. It's about 65 that are currently maxed out and then this budget will also provide that those individuals receive a 5% COLA as well. The proposal here is a 5% cost of living adjustment for all full-time positions not eligible for step increase. Again, that's consistent with what we did in this current budget cycle as well. Another key thing that we did for retention purposes in our uniform personnel, we extended the steps within those paygrades by one step for this next budget cycle. That should help Chiefs Hamrick and Elliot in with regard to retaining staff in those upper-ranks especially.

The other thing here is continuing our longevity pay. I just thought it was real important here for you to understand what longevity means to us. There are three categories here relative to years of service and you can see the dollar or increments for each of those. The last two bullets are kind of interesting. There are 105 employees or 17% of our staff have been with the city longer than 20 years. 17% of 600 people have been here longer than 20 years. That says a lot for the city of Jonesboro and how it has taken care of its employees over the years. Another key factor of this is 75 of these participants are uniform personnel, and they represent nearly 20% of their departments. So basically two out of every ten uniform personnel have been here longer than 20 years. Two out of ten, so 20%. That's a key number. I think, and again, that shows the importance of this longevity program, because as I indicated, these individuals may be maxed out. There are some that if they've been promoted or something like that, that maybe reset their seniority date, and they may be still participating in step as well. But I think those are just some key facts that relative to the opportunity that our employees have with regard to their service here with the city.

Councilmember David McClain said Mr. Chairman, if I may. Steve, so I want to be clear. I want to make sure I understand correctly. If I am a police officer and I've been here 27 years, so I am maxed out on my step, I get a 5% COLA and the \$1500 longevity pay? Director Steve Purtee asked how many years? Councilmember David McClain said 27. Director Steve Purtee said that's correct. Councilmember David McClain said and going forward, what does our plan look like? Is it to continue this same path as far as we'll give you a 5% plus the longevity, or is it more of a we'll look as things come along? Where does this fit as far as our long-term plan for our law enforcement?

Mayor Harold Copenhaver said and if I may, Steve, I'll go ahead and address that. I think, you know, the proof has been in the pudding the last two years how engaged we have been and where we have brought it from where it was just two years ago. Obviously we have to continually look and address it each year, so it's important. I think all the employees and the community realize that we do address this and we take it as a priority, so as we move forward, we have to obviously look and see how the budget is; and we do have to look at it but we will continue to look at it in the same way we did the last two years.

Councilmember David McClain said okay, so let me ask a follow-up. Is this, like I said, is this going forward? Is this phase two, three? What part of their payment plan is this, is the 5% plus longevity? What step are we at? Or do we have a step that we've identified?

Director Steve Purtee said no, and again, the current step plan, which was incorporated in 2016, it very specifically established job grades. It established a step plan for each of those job grades; and while on the non-uniform side it was through step 21, and with the idea that at that 21st step they roll into this longevity program, they get taken care

of there. On the uniform side, the structure of that was such that only the U1 or the uniformed officer is in a 21 step program. When you go up into the upper ranks, it went from 12 to 10 to 8 across on those. And, again, I think that's what the mayor's indicating that this budget cycle, last year, however you want to try to look at this, we specifically did this again. We did a 4% overall and if you were maxed out, you got a 4% cost of living adjustment. Similarly, in this one, we're doing 5% combined. In addition to that, we added one step to the uniformed structure. So now that U1 goes, actually we've added one last year as well, goes to 23 and then those others go to, I forget all the math. 12 or 13 and then 11, 9, 9, 9 is how that works out. So again it is being addressed, and I guess I would always caution on setting the precedents to say yes that's exactly what we're going to do. There are so many variables that would dictate our action otherwise: revenue constraints, expenditure needs, those types of things. But it looks like we're on that path.

Chairman Joe Hafner said and if I may add something like Councilman McClain. I think if we're trying to put it in different phases, this would probably be at least phase three. Because last year was a COLA on 1/1, then the April pay adjustments and then the items they are incorporating this year. I think the important thing is if there's some sort of timeline like we're going to look at this again in April like we did this year. We're going to look at it in May or June just to continue to keep that communication open because, yes, there's several areas on police pay and other pay, it's not just uniform pay where we're behind, as Dr. Coleman has said before. But this is an issue that didn't just pop up in the last couple of years; and I think as long as it continues to be addressed and the lines of communication are kept open, not just with the council but with the employees, then that's really all we can ask for right now. I mean I do firmly believe that it needs to continue to be looked at; because I know you get in trouble sometimes when you compare to other cities because everything's different as far as pay can be different, benefits package. I mean a lot of things can be different; but based on the analysis I did, we're still well behind. I asked this question last year in April when we approved the change. It said recruitment and retention, so we really need to press the recruitment piece. You know, great, and we're making strides towards the retention piece, but we still need to keep going down that road.

Mayor Harold Copenhaver said and I think you can see that we're always keeping that in constant on the forefront, and I would hope that you would be pleased at what we're bringing forth to you this year as well, and we set the tone last year as well too. So we're going to do it in a fiscally responsible manner. Again, there are many things. Once you set this tone then it goes forward for years to come, so these pay raises do reflect for years to come in the budget, and LOPFI, and there are many things that come into play. So, again, are the employees a priority? Absolutely, they are, and I hope they see that.

Chairman Joe Hafner said like I said, we just got to continue to look at it and let the employees know we're going to look at it and when we're going to look at it and all of the above. Because I think good strides have been made; and from what I've heard from the employees, they're very appreciative of the strides that have been made, but they're hopeful that we continue to move forward and close the gap compared to same positions in other cities.

Director Steve Purtee said further in our charts here we have those couple of charts here for the personnel consideration. Basically just kind of drawing some attention around those 76 requests and what they included, how we dealt with those, what the impact would be relative to our head count, and those types of things. This particular chart here, it includes this group of changes that will not increase our head count. In

other words, these are current staff members relative to these areas here. You know, you've got basically new positions and existing positions that are going to be the result or the recipient of a promotion. Then you've got job regrades, specific to looking at the skill set of an individual compared to their job description and how those are matching up and making sure that we're doing our job relative to aligning those properly. You can see this detail here, and it will be further provided in some of the attachments that are already out on Legistar. Thanks, Ms. City Clerk, for taking care of that for me. I kind of tripped on that, and my apologies to your office relative to that. So thanks for helping me out there. But those attachments were sent out last evening, and they're out there now in Legistar. You can see this detail in a report format there as well.

The next piece of this are those that will increase our head count. You can see there are 15 of these; and these are assessments, obviously both of these are assessments by our department heads looking at their departments and basically one on one meetings with the mayor's office and the administrative staff to look at these and justify their existence, their reasoning, the rationale, and all of that behind these on both of these screens. But these will provide additional head count. They will provide employees for a service that may not be being conducted now or may not be being offered relative to the level that we're seeing in a need in our community. So that's kind of what this is here. Very specifically, you'll see a couple of these with two employees relative to this, and then I'll go down to the bottom here. Our police department had received another request for an SRO officer from one of our area schools, and we have that on here as well. Obviously the mayor has approved that in his analysis of this budget as well. Back at the top here, I think this is a key position here. You'll see there are three positions in the new position for increasing headcount relative to radio tech, a wellness supervisor, and then a landscape architect trail coordinator. The mayor talks about these in his letter. He gives you a great understanding of what these are for and what they might encompass, but we think these are going to be key roles in our city makeup to allow us to really focus on some things. So I was really pleased that we did these and recognized those needs and are willing to identify and address those. I think those will be great positions for us.

Councilmember Dr. Charles Coleman said Steve, I've got a question. On that landscape architecture trail person, what department would that be under? Director Steve Purtee said it's currently aligned under the engineering department since it will have a phase of planning, organization and such as that. You know, Dr. Coleman, it's kind of like a lot of positions. You know, it may start over here, thinking that's where it fits. But then after a certain period of analysis and justification and understanding, and then it may be realigned over here. I think that's what you're going to see in that position, just kind of from my vantage point.

Councilmember David McClain said Mr. Chairman, may I follow up with a question with Dr. Coleman's question? And, Mayor, I shot you a note just asking about that spot in particular. I almost feel like these are two separate positions, the landscape architect / trail coordinator. And the only reason I say that, that's something that when I look at other cities similar to us, if they had a trail coordinator, they had that person that was reporting directly to the mayor. They also had active transportation committee that they met with to help in identifying and implementing our trails, our right of way acquisitions. So taking that position out of engineering but actually putting it in a standalone position. I don't know if that's the thought or if it's even in interest to move that. I know, I think the conversation focuses around the salary and then having to get approval for that. Could you give me a little more thinking on that?

Mayor Harold Copenhaver said you know, our thoughts were in our conversations was

to have the initial phase implemented and this would be that. And as well as Steve had already alluded to in the engineering department, because of the easements. You know, this last trail that we just broke ground on has taken two years to get the easements, which puts a lot of additional time on Craig's department. So I think what this, and I know with this coordinator role is going to be is, they've got to set the tone to what their needs will be as we continue to grow. So to answer your question, should that go off to an additional position for a trail coordinator as well as he builds that role if he needs that assistance, then I think we adopt that role at that time. So initially, our goal is to get this in place in engineering. He will work with Danny on the trails, and then we'll see how that role plays out.

Chairman Joe Hafner said Mayor, do you see, you know sometimes when we have a position like in any company, it might say hey, you're going to be the landscape and the trail coordinator. But then they go hey, well, can you help us with this project for drainage. I mean, we need this person to be specifically focused on what they are hired to be focused on; because I think as you mentioned every department is pulled in so many different directions. I think we do good on headcount and stuff, so we need to make sure they're focused, so it's a priority and it doesn't take two years to get right of way acquisitions.

Mayor Harold Copenhaver said and that's what we've already set in place with Tony. So Tony will be the overseer, obviously the engineering and planning and permitting department; and so that will be his main contact and focus as well will be Tony.

Councilmember Dr. Charles Coleman said I agree with that focus that you're taking, but I think that needs to...from my perspective, that's why I asked that first question. Back to David. I've seen that before. And I think it just needs a little first aid straight thinking about that before you decide that one person, because I think Jonesboro is growing, the park system is growing. The engineering department to me personally needs a little bit more people, but I don't think that person needs to be within that issue or in that circumstance where they're actually doing that job on a daily basis, it would be a lot better. I think it will respond to what you're trying to do a little bit better because they wouldn't have to be answering to 5 to 6 different persons. They would be on one trail to do one thing; and, you know, it might also help in the salary pack of how you're going to pay that individual at the same time, so that's just a thought.

Director Steve Purtee said let's talk about capital improvements a little bit. This particular slide here, and the detail for this is on page 12 in your binder. You know, we obviously can't put all that detail in this slide here, but we wanted to just kind of group it by categories, by departments, those types of things, so you can see that detail here. Basically we've got \$8.8 million coming out of our general fund. \$5.6 million of that is related to parks projects. Nearly \$2 million of that is relating to our trail, our connectivity plan relative to those two programs, the ASU to downtown connection, as well as the University Heights trail as we turn those. On the other side of the chart here, you can see \$3 million in street fund capital improvements. We've already talked about that \$2.55 million in those first two categories. We're still working on the South Caraway Road expansion here with regard to right of way acquisition, utility alignment, those types of things, still some design work, that type of thing. Basically it's \$11.7 million in capital improvement expenditures. If you look back through your budget binder, you'll recall that we did right at \$6 million this year, \$6.5 million, so we've substantially increased that investment in these major projects. And again, that's a direct relation and correlation to our aggressive approach to revenue, and so we think that's going to align perfectly in that regard and utilize those things, those resources fully. Again, details on page 12. If you have any questions about that detail, certainly

get back to my office, and we'll help you with that.

Mayor Harold Copenhaver said one thing I would like to say to Council as a whole, and I think as we continue through the several years, we have carryovers on projects, where are we here. I hear questions there, and I think it's imperative that in February and maybe quarterly or at least every six months of next year, we have a special called meeting for Council, and we give you an update on these projects, where they are and what detail, when we hope to have them completed. That would obviously take Craig Light, city engineer. We'd bring you up to date on our grants, we'd bring you up to date on our parks projects. We do have a lot going on. And so, some people have particular interest; and this way hopefully we can answer all the interest. But I think it's important that we do a quarterly meeting at least initially to bring everybody up to date on these projects.

Chairman Joe Hafner said and if I can add something to that. That's one of the things we've talked about. David and I have talked about it some. Mayor, we've talked about it; but a lot of times, as council members, there'll be something we approve and then we don't hear anything about it for a while. And I think, where are we on this project; and I think it's real important that we get those regular updates. I would like it to be at a minimum quarterly. You know, and the other thing, this may come out worse than it sounds, but I think sometimes...well, I won't say sometimes. What I want us to avoid is, right now we have \$11.7 million in capital improvements, and we have \$500,000 for drainage projects. I want us to have identified areas for these projects. I just don't want us to go, hey, let's put \$500 in for drainage, and then figure out where we're going to spend it. I want us to know where we're going to spend it, so we can get going on those projects as soon as possible and get them done. Once again, what I said earlier, make it a priority to get done, be timely. You know the park projects, we've got \$300,000 in there, or \$200,000 for a new dog park. Do we have an idea where that new dog park is going to be already? I hope so. And we've got \$300,000 for a new park. You know, whether it be a pocket park or whatever. Where's that going? Hopefully we already have an idea, because if we don't have an idea now, we don't have an idea where the equipment's coming from, it's probably going to be doubtful that we get it done next year. One of the things I was excited we've spent some money on this year out of the, always say it wrong, American Rescue Plan funds, but getting the old YMCA renovated. We need places for our kids to go and get off the streets. I mean, I've said it before. The YMCA kept me out of trouble growing up over in that area, because I was down there instead of running the streets all the time. I already mentioned the drainage projects. When are we going to break ground on the pool at Parker Park?

Mayor Harold Copenhaver said and most of these we already do have the report, so that's pretty simple. Craig has already got that. We do a development every Monday morning at 8:30. I meet with all the department directors and we go through these projects; but we need to bring that to you to bring you the updates as well. So we'll do that. I think it's a great idea for us to come together, and I'll call special meeting for that to occur. Again, I think we've got some great updates coming from Parks on the YMCA project. Hopefully by year end, Danny on that as well, right? But we do need to be really transparent on that. I think it's good communication.

Councilmember Dr. Charles Coleman said thank you, Mr. Chair. I'm glad you brought that up because I think, in my mind, I also have to be very careful about the position I'm in, or any councilperson within their particular ward, because there are certain things that people ask us about all the time. I had actually three items when Joe brought up something. You know we could talk about the MLK trail, those types of

things that I don't hear anything about. What's going to happen to them, those things? I think the specifics is what I am looking for, because when our constituents ask us different questions, and I say, well, we're working on something. But I think we need just a little bit more detailed specifics, not so much to cover our rear, just to make sure the public understands where the money's really going to be spent.

Mayor Harold Copenhaver said and I concur. And obviously I depend on Council to communicate those needs and requests as well to our office and administration. That way we can get back with you. Councilmember Dr. Charles Coleman said well, I'm not saying I'm not the only one doing it, but usually I text Brian all the time to ask questions about the swimming pool, about certain items. What I try my best not to do is confront you all the time because you are the mayor of the whole city, but we also have people who work for you that we need to be able to...they need to be dialoguing to us. Not so much we texting them all the time, but dialogue to us if there's a project that we have approved, a project we have worked on, then we need to hear some steady information back from them. Because each day we don't know where you're going with that.

Mayor Harold Copenhaver said and many of the projects, as we all and you all as councilmembers in businesses due to Covid, we're not able to get a lot of the supplies in as well. So when we start a project, unfortunately we can't finish the project due to supplies. So we're seeing that a lot of times in our carryovers; and you're seeing this in case in point. But again, I think addressing that, we can talk about each project. You'll know where we are. You'll know why the slow progress. You'll know that we're on easements. You'll know that we're on utility easements. And then hopefully, then that way everybody's a little bit more engaged with the process on what we have going.

Chairman Joe Hafner said it's also kind of an educational process too. We may not understand everything that goes into, you know, getting a trail ready for the asphalt or concrete. I mean, the right of ways, the engineering, you know. I know on like highway plans and stuff, you talk about the 30% plans and the 60% plans. That's stuff that we may not necessarily know, the public may not necessarily know. And that's why it's good for us to... If you call a special meeting, it could just be like a lunch meeting or an evening meeting. I don't care when it is, but it would just be a good information exchange and help everybody out.

Councilmember Brian Emison said Chairman Hafner, I was going to make a note on that. I mean, just something that I enjoy seeing on a monthly basis is coming from finance. We get those monthly reports and tells us where we stand on everything from that side of it, even if it's a quarterly in-person meeting, maybe on a monthly basis. Kind of like an AIA report, that we would get a percentage complete, the draws, the main milestones that have been achieved; and then we can have a quarterly meeting and sit down and talk about those more in depth.

Councilmember John Street said I noticed \$500,000 in drainage, and Craig sitting here, that's not a lot of money for any kind of a drainage project, maybe a project for something that's pretty general. You know, we can spend that going back and doing ditch maintenance around the city. We've got so many ditches and it's a constant deal, but last year we appropriated funds to have a program that would go through and evaluate our street needs and prioritize those for overlays. I don't know if there is something like that we could do for drainage, but I'm sure every single one of the council just like myself gets a lot of questions about drainage. It's just something that is hard to stay up with, but I would love to see some prioritized drainage projects earmarked and justification for maybe, you know, because everybody wants to know

why is this project being done and not mine. I'm flooding every time we get a heavy rain or something. And some things there's just not anything we can do about. But I'd love to see some kind of a program like that in place if that's possible. And we definitely need more money pumped in there for drainage.

Mayor Harold Copenhaver said well now I think just to piggyback off what you said, you've seen the investment increase two fold over the last two years on our roads and sidewalks infrastructure, and drainage obviously is the next to follow. So, again, we did bring in that outside resource to give us an overlay of our 514 miles of our city streets, how they're going to hold up, what's the best way so we can utilize our resources. Because obviously we don't have all the resources we need to bring them up to 100% capacity, but that's exactly right. We are spending our resources for our infrastructure upgrades, but we do have the projects in tow for that funding.

Councilmember John Street said and I love that street because it does show people how we prioritize our funds for overlays or maintenance. And I'd love to see something along those lines in drainage or where we actually address the needs for drainage throughout, and I don't know if we're still, do we still have anything going with the Corps of Engineers, Craig? No? Okay. I know at one time, we were working with them for some projects, but I'd love to see us work on drainage more.

Chairman Joe Hafner said and another thing I would like to add, and this doesn't really fall into the capital improvement, but you know we still have about \$10.7 million in the American Rescue Plan funds. And the guidance still isn't clear on some items, but a couple of things that we did approve this year for \$425,000 in drainage improvements and \$500,000 in ditch maintenance and improvement. So that's still money that can be used on top of what we have in the general budget. You know, obviously with the guidance not being clear, we have to be careful how we proceed with that money. But that's money that we don't need to forget is there and make sure we use it to the full benefit of our taxpayers.

Mayor Harold Copenhaver said just remember. We haven't forgotten it, but we need to utilize it at the right time and the right need of the community. Chairman Joe Hafner said yes, about 10.7 million unappropriated, right Steve? Councilmember Brian Emison said and at least it's getting a good interest rate these days. Director Steve Purtee said that is true. Chairman Joe Hafner said yes, says the banker. Councilmember Brian Emison said I've only got a few strong points here.

Director Steve Purtee said one of the last things that we did for this budgeting process is just kind of focus on the very specific goals for this balance budget; and through conversation with the mayor, and over the course of weeks and months, he would continually offer tidbits of specific things he wanted to see in the budget. And then we would go to work trying to incorporate those, making sure that we were identifying those as frugally as we could. That's what finance people do, and so we just kind of put our arms around some of those. But here are some of those: just continuing investment in our infrastructure improvements, continuing our emphasis on public safety initiatives, continuing our quality of place projects, making this an even better place to live than it is today. Looking at those resources for improving customer service in our community, we are customer service agents for our public. Those are some key things and the mayor believes very strongly in those. We already have shown hopefully and you've seen that, the investment in our employees, retention opportunities for uniform personnel. And we've very specifically talked about those objectives that are in this budget relative to that.

The thing that we've probably talked more in our offices about than anything else is our systematic plan of replacing our aging fleet. It's not if but when you have to do that. So we'd much rather address that as we go rather than having just wholesale changes in that regard, because that just pushes you to another critical moment when that segment of equipment wears out. So we want to systematically approach this. Basically, here's the capsule of all of this, is just continuing to invest in our future and the future of our city. One of the key things to this though is setting the expectation to fully utilize our projected revenues. You know, we've been conservative. We are always very conservative. We're opening that up a little bit. We're going to make ourselves a little bit vulnerable with regard to those revenue goals that we have established. We fully expect to achieve them and don't anticipate anything differently. And that's how we're going to wake up the day after this budget is implemented and start on that track. These are those objectives that the mayor's shared with us regarding this budget. Any questions?

Councilmember Dr. Charles Coleman said just one. I might have slightly mentioned, have there been any concerns about a new fire station any place in Jonesboro? The reason why I asked, there has been a lot of construction going on, a lot of housing in different areas.

Mayor Harold Copenhaver said and Councilman, that is a constant conversation that we have, and I think the importance that we have to look at is the location of that new location. And so as we do that we're also studying our streets. How can we improve our streets for our time? Our fire department has to have an access time of within four minutes for an area. Sometimes we can improve our road infrastructure to get them to that four minute level without having to build an additional fire station, so we could allow us to put another fire station in another area of our community. As Councilman Hafner mentioned before, this will probably be one of these objectives that we will reach with the request of one of the initiatives we want to achieve.

Chairman Joe Hafner said I was just going to add a couple things. Obviously, the revenue bond that we mentioned earlier, you know that's something that could be used for a fire station potentially if that was the priority that was given to it. The other thing, we talked about our reserves quite a bit. You know, the reserves are always a constant conversation that comes up with citizens and employees and other people. But, like Steve said, we want to have adequate reserves. Our reserve right now is based upon 15% of our O&M budget; and that's a little bit more conservative than some of the guidance and stuff. A few years ago when we had the ice storm and we didn't have sales tax coming in, you have to have those reserves there. What I think we need to avoid is having excessive reserves that are just sitting there drawing interest when there's needs for the taxpayers and our citizens and the people we want to attract to our city. They can be met with those reserves, and that's part of what I've been asking the mayor to prioritize. That's where Crews and Associates will help us kind of come up with a number that could be used there. But the reserves can be used not only to help fund projects that are needed, whether it be drainage, quality of life, streets, fire stations, equipment, you name it. We can really spend all our reserves tomorrow on things that we need to get done in our city, things we're behind on, and things that we need to do. But it could also be used when we are looking at grants. You know, we discussed this, do we improve our chances of getting grants if we contribute more than the minimum match that's required. That's something that I want the mayor and his staff and Regina to look at moving forward, like where does it make sense to increase our match to get the money for a project that we need done.

Mayor Harold Copenhaver said and just to piggyback off that a little bit more,

Councilmember, we also look for private partnerships in the community as well. We have really stepped up what I feel are the conversations in this community that have been needing to happen for a long time. So the more community partnerships that we have going toward our grants that we ask for or match, the more in reality we can give. And as well, we have to be aware, the more grants that we apply for, if we all of a sudden received all of them, then how much of that commitment is on our side as well. We have to be aware of that too, so we are.

Chairman Joe Hafner said and another thing before Steve sits down and I open it up to questions here in a minute if you all have any. But the other thing, when I was looking through the budget, some of the questions I asked about, items such as the land bank. You know, we have a budget for the land bank for \$50,000 or whatever the amount is for land improvements and buying land, and we haven't really done anything in the last two or three years. So what do we have to do to get that focus back up? Is it something working the code enforcement or planning to get the land bank more active and reaching the potential or more of the potential we thought it could do? You know, we obviously lost the director a year or two ago, and it's kind of been flying under the radar. There's always extenuating circumstances, so like, for instance, on CDBG. You know, I asked this question yesterday. We've got money budgeted for, you know, whether it be different kind of projects for the general government recreation or the Cares Act, we've got money budgeted, but we haven't spent anything year to date. So are we staying on top of what needs to be done; because the way that that works, as I understand it, they have to spend the money then they have to turn it in

Read

4. Adjournment

A motion was made by Councilperson Charles Coleman, seconded by Councilperson Brian Emison, that this meeting be Adjourned. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman; Ann Williams; John Street; David McClain and Brian Emison

Absent: 1 - LJ Bryant