



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Tuesday, December 22, 2020

3:00 PM

Municipal Center, 300 S. Church

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### SPECIAL CALLED WORKING SESSION

#### 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. Other Business

*Chairman Joe Hafner explained that today's Special Called Finance meeting is a working session only. Notes votes or motions will be taken today.*

*Councilmember Dr. Charles Coleman explained that he talked with Chairman Joe Hafner and Finance Director Steve Purtee with some concerns that he had with regards to the salaries in the 2021 draft budget. He thanked both for the answers that they gave him. What I have to say is more of a statement and a concern, and I brought this up at the Finance meeting that was held on December 8, 2020 as well. When I was first elected to the council we knew the salary for each employee because it was presented as line items in previous budgets. I know that we have been told that we can call up to City Hall and talk with certain people to get answers to our questions, and that's okay. I just think that when the budget comes to us, the salary's need to be presented in line item form stating each employee's name with their salary. I get a lot of questions from the people in the community about salaries, and I am sure that the rest of you do as well. I'm not saying that you all have to agree with me on this, I am just saying that we all need to do something about this so that we all see the salaries. Sometimes the public knows more about what is going on at City Hall then we do, and we were the ones that were elected to review this. I have asked for this several times, and I am going to keep asking for it until it is done whether I'm on the Council or not. The Johansen salary plan is antiquated. They need to come back and explain to us how the salaries are determined. I am not satisfied with how this is determined and never have been. I think the city employees like the secretarial staff as well as other employees are just not making the salary that they need to be making. I understand that we have a budget, but I also understand that the public keeps asking me questions about salaries and I am unable to answer those. I think that we probably could have gotten the tax that was presented to the citizens back in August if people knew what we were actually doing. I am going to make the statement again, that it bothers me when certain people make the statement that we can call City Hall to get the answers, and when I do I get the run around. I told someone the other day that I am not a person that just fell off of the truck yesterday. I am not a watermelon that just rolls off of the truck. I try not to get in this position where I have to be so blunt like I*

*am today, but something needs to be done. I need a little bit more clarification, I have looked through the budget that we have now and I still have concerns. Number one: what are the salaries? Number two: what can we do to get the secretaries as well the rest of the other employees more money? The third, I think and then I will stop, doing something regarding the Johansen Group, or another group that can tell us how we can keep up-to-date on salaries during the year. I have heard about the 2% as it relates to salaries, but I am still unsure of what that means. I just need to know a little bit more about this so that I can be more involved and engaged with the community when asked about this. Again, I want to thank Finance Director Steve Purtee for going over the questions that I had today.*

*Chairman Joe Hafner explained that the current salary plan has been in effect since late 2016, and that it needed to be updated. This has been discussed with Mayor-elect Harold Copenhaver. I agree with some of the points that Councilmember Dr. Charles Coleman talked about and think that the Salary Plan review will need to continue in 2021.*

*Finance Director Steve Purtee explained that the budget process began in early summer 2020. Thanks to that work and the Finance Committee we were able to further appropriate an additional \$3.4 million in spending. That in turn was able to relieve some of the pressure for the 2021 budget. At the same time that was occurring we were reviewing the whole budget process. We took the opportunity to restructure the summary format a little bit. It is real important for us to look at our with regard to operation and maintenance, and then relative to all other funds. Those other funds would be those categories where we might derive benefits from in various ways, specifically the A&P Commission, but they will not impact our O&M directly. Additionally we were in that August, September timeframe, and that is when we began the budgeting process. We started projection our revenues and expenses and comparing that to what our anticipated results would be for 2020. Then we began to further support the 2021 budget process by collect the data from all of our outside service vendors such as the providers for our employee benefit programs. At the same time we were doing this we were preparing budget booklets for the Directors to review for their departments. They provided their input and request relative to the 2021 budget. We also at that time reconciled all of our outside purchase orders to make sure we knew the timing of those to gage how they would appear in the 2020 budget or if some would have to flow over into the 2021 budget. In October be began meeting with our Directors, we conducted sessions with each of them to discuss their request and specific needs. Over the next 6-weeks we reviewed this information and had numerous follow-up meetings, we developed our schedules for fixed asset request, capital improvement projects, as well as minor equipment needs.*

*After determining all of that Finance Director Steve Purtee said, we began the process of meeting with Mayor Harold Perrin to go over the information that had been collected. Mayor Perrin developed what would be reasonable levels that we could consider for those major categories. From all of that work we developed the first draft of the budget and then presented it to Mayor Harold Perrin, and began actually building the draft that has been provided to you. Following the election Mayor-elect Harold Copenhaver he was invited to begin participating in that process, and providing input as well. Following repeated refinement of the budget we finally submitted the 2021 budget draft to the City Council, and it still continues to be a working document.*

*Finance Director Steve Purtee explained the first slide, budget overview. You can see that our total revenues are projected to be \$64.8 million. What I like to do is compare that to our current budget. Very simply our \$64.8 million compared to this year's*

*budget of \$64.5 million. We are projecting an increase of about \$300,000 in revenues overall. One category to keep in mind with regard to revenues is that we had significant grant programs that never made it to fruition relative to our industrial park railroad program. Again, we expected that later in the year but never came to pass, and that is reflected in the revenue section as well. Total expenditures projected for the 2021 budget is \$72.6 million, this compares to the \$73.4 million for our 2020 budget. We are seeing an improvement in that category of about \$800,000. The end result is a deficit. We are projecting a total all deficit program of \$7.8 million for the 2021 budget. That was projected to be \$8.9 million for the 2020 budget. The conclusion to that is we have an ending fund balance of \$25.0 million for all funds, and will have an excess fund balance of \$12.2 million once the year concludes.*

*The reserve analysis, we want to look at this on an O&M basis as well. Chairman Joe Hafner said, just to clarify the \$7.8 million deficit that Finance Director Steve Purtee mentioned, our O&M fund is actually a surplus of a little over \$510,000, and then the capital improvements and that is where the deficit really comes from. Finance Director Steve Purtee said, that is correct, and \$28.3 million. As you do know we have a required reserve requirement relative to representing 15% of our un-appropriated expenditures through O&M, and that is going to be just a little over \$8 million in required reserves that we would be setting aside. After this the conclusion is that we will have about \$20.2 million in excess fund balances for our O&M category. This is where we bring into the mix of those capital improvements net that we are projecting for 2021. We can see that those are just a little over \$8 million, so this is going to leave us a little over \$12 million in the excess fund balance. We always look to look at this as regard to coverage ratio. If I were O&M expenditures before fixed assets were projected at \$4.2 million our coverage will be about 2.9 months, or just a little under three months operations. Basically the conclusion of that is that we do very well in O&M when we start trying to do capital improvement projects.*

*Projected O&M revenue is expected to be a little over \$54.4 million. Obviously the only one of any significance is the franchise fees. We've talked about that; obviously the interest rates are not as good as they have been. So, we do expect a downward trend in that category. We do expect in the year of 2021 about \$2.5 million in favorable variance of over in previous years budget. For Sales tax for 2021 we are expecting it to be \$36 million. That is up 5.8% from this current budget of \$34 million. We already have our results in for 2020, we received those earlier today and we will end the year with \$35.9 million in sales tax revenues. You can see that our conservative approach to revenues is exactly where we projected it to be. Looking at State Turnback we are projecting \$4.6 million this is about 8% higher then what we budgeted for in 2020. Our numbers came in at a little over \$4 million. So, we do expect a pick-up in that category of about 4% year over year comparing 2020 to 2021. State Highway ½ percent sales tax projected for 2021 is over \$1.6 million. That is about \$100,000 greater then this current year's budget of \$1.5 million. We came in at the end of the year on target for that.*

*Looking at expenditures, the flip side of the ledger card, we can see that we are projecting these O&M expenditures of over \$53 million, and we are projecting that is going to be up about \$1.3 million compared to last year. Obviously the lion's share of that is in personnel. Looking at O&M expenditures by classification you can see that Law Enforcement by far carries the weight of our expenditures, followed by Fire Projection, and the others follow. Chairman Joe Hafner said, just one comment on the Law Enforcement you can see that it did go down by a little over \$776,000 compared to last year's budget. Finance Director Steve Purtee said, yes, and if you all will recall we appropriated about \$1.5 million for radio purchases. That is an expenditure that will not*

repeat it's self in 2021. Councilmember Dr. Charles Coleman asked if any new fire stations would be built. Finance Director Steve Purtee said, no sir, it does not.

Finance Director Steve Purtee explained when looking at significant budget year changes you can see some key categories that we thought were important to pull out in this. We expect to spend a little over \$650,000 on sidewalks. \$250,000 of that is a repeat of our 2020 budget with what occurs relative to our ADA lawsuit settlement. The JETS CARES grant is providing us an opportunity to spend about \$340,000 on sidewalk improvement, and our Engineering Department is expected to spend about \$60,000 in the earmarked fund from the revenue in lieu of sidewalks. We will spend that on improvements as well. The two retirements we are expecting to manage are Mayor Harold Perrin, and City Clerk Donna Jackson, that will be about \$103,000. On this slide you can see the department increases as well. Councilmember Dr. Charles Coleman asked a question in regards to the E-911 upgrades, does that include the phasing into 5G, and is that going to increase the budget? Chief Rick Elliott said that is included in that E-911 upgrade. Finance Director Steve Purtee said the final bullet point on the significant changes slide is simply our increase in our health insurance, and we did see a 5% increase in that.

Chairman Joe Hafner said before we get into the next few slides regarding salaries does anyone on the committee have any questions. Councilmember Bobby Long said I saw on the \$7 million proposed deficits, when you look at the budgets over the past several years deficits were projected, but were not deficits or not as bad. Can you explain the swings? Chairman Joe Hafner explained that part of our deficits come from capital improvement items, and I think that due to some delays in projects and the money not spent, or that it has been postponed for a little bit. So, if you delay two three significant projects that will have a big swing in your deficit. Obviously I think O&M related sales tax comes in a little better than what we budgeted. We've been very lucky even in years like this our sales tax continue to be strong. Finance Director Steve Purtee said that is exactly on target. If you will recall on that report our sales tax revenues are up about \$2 million compared to what we budgeted. We've got a net favorable position of \$7 million. When that is broken down into categories it equates to \$2 million of that represents sales tax, \$1.2 million is tornado insurance claims, and in addition to that we did receive our COVID grant of \$2.66 million. Adding all of those up we are down about \$1.4 million in O&M expenditures. All of that being said we are in the neighborhood of about \$8 million better than our budget projections through November those are kind of extra ordinary things. The one thing that probably does equate to a true budget improvement is our sales tax revenue which is about \$2 million and then holding our expenses to about \$1 million then budget currently.

Councilmember Bobby Long said, I guess that leads me to my next question at what point can we expect balanced budgets? I know that this happen a couple of time last year right after that we had several things come up, and some of those appeared to be foreseen. Do we know of any expenditures right now that may not be included in the budget, but we know are going to happen? You also mentioned that there is no provision for a new Fire station; I know that we have heard it time and time again that we can't just build it and staff it all in one year. My understanding is that we have land available to us to build a Fire station right now, and even if we started building today we possibly couldn't even staff it until the end of next year or possibly into 2022. So at what point do we need to look at in our capital expenditures and say what do we forego in order for us to keep our great ISO rating? Finance Director Steve Purtee explained that if there was something that we were aware of relative to we anticipate it would be included in our 2021 budget. We did take the opportunity to revise the budget, if you recall if you work back through the detail it went up about \$630,000 relative to that

capital improvement project, i.e. the shooting complex that we do not expect to be completed by the end of this calendar year so we did carry that forward and you see that in the capital improvement detail budget. One of the other thing we wanted to do was take some noise out of the budget relative to our grant programs and that is why we further enhanced that with regard to understanding those anticipated grants that are not part of revenue or expenditures but they give us a barometer of what we might expect to occur in 2021 or later. Regarding the Fire station I think you are correct, that is something that needs to be given thought. Mayor Harold Perrin commented in visiting with Fire Chief Kevin Miller he told me that he is looking at two years on the ISO rating before they come back to do another rating. My goal this year was to purchase land somewhere in the area that he feels like we need to that when ISO does come the land will already be purchased and paid for depending on how revenues come in. Also, the size of the facility that would be there would be fashioned after the last one built and that will save money in architectural fees.

Finance Director Steve Purtee explained the proposed salary expenditures. Obviously we are going to continue the grade and step program and that will impact our O&M budget of about \$256,000. We do plan on establishing two new net positions, 9 positions are being regrades, one other attempt in this exercise was to attempt to minimize the hiring and retention pressure we are feeling in the streets, sanitation, JETS, animal control, etc. Basically what we are proposing that we eliminate job grade 106. That hourly rate start at \$11.84, minimum wage is going to \$11 per hour starting in 2021. With the continued pressure that we are having on our open positions, we currently have about 12 positions open and 10 of those are relating to the departments I just mentioned. What we are proposing to do is elevate this grade 106 employees to a 107 grade that hourly rate goes from \$11.84 to \$12.40 per-hour at step 1.

Councilmember Dr. Charles Coleman ask if that was still a part of the Johansen Pay Plan, or is that part of a tax related issue we are having as far as upgrading people in departments. Finance Director Steve Purtee said to Councilmember Dr. Charles Coleman simply what we are doing is taking the Johansen material and you all we recall that we have grades that start at 106 and go all of the way up to 133 with 21 steps that was passed in 2016. Councilmember Dr. Charles Coleman said, right, and that is the thing I have a problem with. That was in 2016 and we are going into 2021. I'm not sure those numbers are correct and that is why I keep pushing them to get back here before we get into a jam down the line where don't have the funds or we make and finish up a budget and have to go back and change a bunch of things in a budget that was approved. Finance Director Steve Purtee said I understand what you are saying, and I think what we might be chatting about is the absence of a Cost of Living increase and that was not part of that plan.

Chairman Joe Hafner said once you implement a salary plan I don't think it that it is something to revise after one year, or two years. I mean you make tweaks to it and we have done that through the years by adding some positions and regrading some positions. When you are talking about potentially redoing the plan after three or four years is the time to do that. That is why I mentioned earlier that is one thing that will be on Mayor-elect Harold Copenhaver's plan. I understand that there is a lot of things to discuss about it One thing that I did was ask City Clerk-elect April Leggett to do was pull the minutes from the 2016 where the Johansen Plan was discussed so I could kind of get an understanding on a lot of the different issues that was talked about, why it was handled as a step increase instead of a COLA adjustment and stuff like that. Because that obviously stuff we need to look at and tweak where necessary. That is going to be part of a very broad discussion over the next few months. Someone like Johansen or Johansen will be involved in something like that. Mayor Harold Perrin said

*the Johansen Group take the Arkansas Municipal League surveys, they do the all of the surveys for all of the cities then take that plus other things in the market with other clients that they have and put all of this together and come back with the COLA and other things you are talking about. Things that we are talking about here will have to be amendments to our plan, once you make a change to that plan you have to adopt those changes through the Finance Committee and the Council.*

*Councilmember Dr. Charles Coleman "thanked" Mayor Harold Perrin for his explanation of the Johansen Plan. To hear that we are getting updated information from the Johansen Group to help us along the way. But, once again this is the first time that I have heard that. I still stand by my statement in that there might be other places that can help us in comparing salaries. I appreciate all of the time Mayor Harold has put into this, and he probably has put in more time and effort than any of us. But, at the same time we as a Council is still accountable to the city people to answer their questions and sometimes what I am hearing is that when people call certain offices to get information they are kind of pushed to the side. Mayor Harold Perrin said, I understand and what people need to understand is that it is not the top end of the salary that we are having issues with it is the bottom of it that is creating the problem for the city.*

*Human Resource Director Dewayne Douglas said that it is correct that we still use the Johansen Group salary plan and software, and we get annual updates. They do the AML (Arkansas Municipal League) survey as well and we use that as a reference. Back in 2016 when we implemented the pay plan that we are under, Johansen told us then we annually had to look at that and try to keep it updated. Well, we have not moved our scales since 2016. According to market it has gone up 10% to 12%, just in minimum wage. So our scales have not moved even though we are getting a 2% step the scale itself has not moved and that is what is causing the compression on the beginning salaries, and why we are not able to hire anyone on that lower job grade. If we are not going to update our scales annually along with a COLA we are eventually going to have this issue and this problem. Councilmember Dr. Coleman said that is what I was trying to state. I may not be as financial apt as some but I am not a dummy either. If we don't keep up with certain items it is going to cause us a problem things like this are very irritating to me. Human Resource Director Dewayne Douglas said that the Johansen Plan is a good plan it's just that we as a city need to look at it and revise from time-to-time. Councilmember LJ Bryant said I have just one comment and somebody feel free to correct me if I am wrong. There have been a number of times that I have seen on our Facebook that JETS has had to run limited routes, I can only imagine that is due to a shortage of drivers. My point is that when we have job openings like that it can impact our services. We forget that all of our City Employees play really important roles, so that can impact the services that we provide to our citizens.*

*Finance Director Steve Purtee explained that last bit of information on this slide. We are projecting that we are going to entertain 14 additional part-time employees for the calendar year 2021 that should take some pressure off as well and the total budget impact for that is \$238,000. Councilmember David McClain said so I am trying to understand the re-grading of nine positions. Is that something we are about to go over? Finance Director Steve Purtee said that is exactly what this next slide is over. Those top seven positions are new positions or transfers from existing positions. In other words these positions currently don't exist in the current Administration. So, we will be presenting to you later to adopt the plan to add these job titles. All of the job descriptions have been prepared and scored through the Johansen scoring model and you can see the impact there. Again I think it is important that these are two new net*

positions in the Mayor's office. That next group are eight individuals that through our consultations with the Director's we determined that these positions exist in our salary administration plan it is just because of the involvement of their duties, maybe they are doing a little more than they set out to do relative to the job description or their responsibilities exceed what was established earlier we are updating these job descriptions. The total impact to the budget will be about \$374,000. You can see that the primary area here is the elimination of job grade 106 and then elevating those loser tiers 107-109 in the pressured areas.

Chairman Joe Hafner asked at this point if Mayor Harold Perrin or if Mayor-elect Harold Copenhaver had anything they wanted to add. Chairman Joe Hafner also said I know one thing that was mentioned is that the Mayor's office was adding two new net positions. But, I believe the plan is actually to end up with a plus-one position, the approved head count would be two, but the actual field count would be one. Finance Director explained the actual movement of head count for 2021 if this is approved we will have zero head count for calendar year 2021. That is offset or balanced improvement or an increase of two-net head count in the Mayor's office. It is balanced by one open position in grants. Community Development Regina Burkett is doing an analysis to determine whether or not she will fill that position. Secondly, Chief of Police Rick Elliott is relinquishing a full time position so that he can have two part-time positions with regard to his records division. That is the balance of the FTE (Full-Time Equivalency), or head count.

Mayor Harold Perrin said the Mayor-elect Harold Copenhaver will be living with this budget. We've had a lot of discussions about this budget. What he has set-up and you will see in the job descriptions a lot more responsibility has been given to both of these positions. If it is to be changed you all need to do it now and I think it would be good because this is going to be his first year in.

Mayor-elect Harold Copenhaver "thanked" Chairman Joe Hafner for yielding the floor to him. The first thing I would like to say is that I am going to look forward to working with all of you, and I appreciate all of the hard work and due diligence that Mayor Harold Perrin has put in on this as well as Finance Director Steve Purtee, and Chief of Staff Mike Downing with other staff, and this Finance Committee. I am going to be looking forward to working for you as well as with you just in the coming week or so. I just wanted to kind of stress, and I know there have been a few questions here. But, first of all I want to say congratulations for a balanced O&M budget, it's obvious that as a community need to increase our revenue. It is important that we have to adapt in change, this is a time to reflect. Mayor Harold Perrin was given the opportunity 12 years ago to make a change in his leadership and how he was going to lead the community forward. Obviously that worked for him. He and I have had multiple conversations with regard to what we have ahead of us as a community. It is important that we look to see how we can return on our investment. We have a Chief of Staff currently, basically what we are doing redefining Chief of Staff in a CAO role, which is a Chief of Administrative Officer, lowering that salary. That position is obviously going to play a different role than what a Chief Operating Officer would do. This role is going to be impacting with other services, such as private partnerships in our community, as well as economic projects. One of the questions earlier was about possibly adding additional Department Heads and they would fall under this role as well. I think it is important for you all to know that I have not yet worked with any individuals, and so it is my job to evaluate personnel, and to be able to look at everybody over of a period of time then we can come back to the table and say "now this is the direction we need to go with the personnel, the staff we have that would be the best for our community to move forward.

*So, these are the requests and Chairman Hafner is correct from the standpoint we are approaching it from net two new positions, but at this point we are only filling one of those positions because I believe we are going to try to do everything we can to streamline as much as we can with assistance. But, it would be a net one new position.*

*Councilmember John Street said Sergeant Larry Rogers is retiring from the Jonesboro Police Department and he is going to be heading Animal Control as a civilian. Is the Jonesboro Police Department going to lose that position? Finance Director Steve Purtee said that he and Chief of Police Rick Elliott had a conversation earlier today. What we have looked in our budget for a number of years now is that we had a Sergeant position in our Police Department that was directed to take charge of Animal Control, while that department is a function, or reporting arm to the Police Department, and seemed like a logical move back in 2017. Since that time that individual's budget has been reflected in the Police Department's budget but his duties have been assigned to the animal control division. For 13 years, the Police Department has operated without that rank position of Sergeant, but I do understand and appreciate Chief Elliott's concerns that he was expecting that to be a springboard to possibly re-look at how his Patrol Officers work and certainly I can't speak for Chief Elliott, but I do understand and share his concerns. Again, very simply the budget just reflects what has been in occurrence for 13 years now.*

*Councilmember David McClain commented on the seven positions that are being re-graded. I'm just trying to get some clarity on the Senior Finance Director, Background Tech, Animal Control Director, all of those. Could you give me a little clarity on why these positions are re-graded or what they are re-graded for? Finance Director Steve Purtee said; "certainly" What we have here is 15 re-grades. Those re-grades were relative to utilizing the current job description, updating those based on the current essential duties that these individuals are performing in their current roles. Keeping in mind that these positions half of them do not exist in the Salary Administration Plan, the other near ½ do exist, they just do not exist at the job grade indicated. So, going through the Johansen study and looking at the relative duties and responsibilities for these relative to their management of assets, the reports that come under them. Their significance of impact on either revenue or expenditures; those various things were all rescored through this study. And then these new job grades there indicated as the 2 grade on this sheet here shows where those positions would be moving, so that was that process. Very simply I will speak to Senior Finance Director, long pause; I apologize about that, pause again. I am appreciative of Mayor Harold Perrin, another pause.*

*Chairman Joe Hafner explained that he will speak to the Senior Finance Director position. We went through a little bit of change thought the CFO (Chief Financial Officer) to a Senior Finance Director, Finance Manager, and we had a lot of turnover. Steve Purtee stepped into a really difficult position when the previous person in this role had to leave. I can tell you for the type of work that he has done, and the timeliness in which he had to do it he was under-compensated for the amount of responsibility and the size of the budget, and the city finances that he has to manage.*

*Councilmember David McClain explained that he was not trying to discount anyone, my questions is there is a number of how much the numbers went up for all, not just the Senior Finance Director. I am not picking on Steve, on anybody I am just asking where we got the regrading from. Chairman Joe Hafner said, I think that came from what the Human Resource Director was talking about earlier, when he said that it was software*



*that is part of the Johansen Group. Human Resource Director Dewayne Douglas said that he would make a comment. I agree what you said about Finance Director Steve Purtee. Susann Allen was our CFO, and then Bill Reznicek stepped in that role after her. Mr. Reznicek then left, and Office Manager Trever Harvey took over as Finance Director at a much lower pay grade because he had no experience at all and Deanna Hornbeck stepped into the Office Manager role, which was eventually changed to Finance Manager. When Mr. Harvey left the cities employment, Finance Manager Deanna Hornbeck moved into that role. Then Steve Purtee came and stepped into the role of Finance Director after Deanna Hornbeck moved out of state. Mr. Purtee was willing to do that even though we had quite a bit more experience in finance management, with the agreement that maybe over time we could correct this under compensation in the budget process. That is kind of how that Senior Finance position comes about. We think it is time to basically compensate Finance Director Steve Purtee for his experience and what he brings to the table. Councilmember Davis McClain said, so the rest of them are just based on experience as a whole, and what they are overseeing, things of that nature is how we got the grade. What is the top grade point? Human Resources Director Dewayne Douglas said 133. Mayor Harold Perrin explained that also in the role, or in that title Steve Purtee will be the Treasurer as well by state statute. I want to make sure that is clear because we have to meet every quarter and go over what is known as the bank depository account and some other things that are required by law. He will have to sign off on bond issues or other things of this nature. Councilmember David McClain said, last thing, and help me understand. The Mayor's office will have new gains, based off of what is proposed. They will have a Chief Administrative Officer, Chief Operations Officer, and Administrative Assistant. Or we will not have a new Administrative Assistant, which gives a total of three correct?*

*Chairman Joe Hafner said let me see if I can explain it the way I understand it. Right now we have a Chief of Staff, and two Administrative Assistants. My understanding is the Chief of Staff position will go away. Which means negative one, there is two Administrative Assistants, one of those would technically not be filled at this point, and that is minus two. So when you do minus two plus a Chief Administrative Officer, or Chief Operations Officer, and maybe the Administrative Assistant that is plus three, minus two is a net one gain at this time.*

*Councilmember LJ Bryant said I just wanted to be clear. I think understood what you said, that we are positive one, but really there is still an existing position, it would be a net two if both positions were filled. Chairman Hafner said correct. Mayor-elect Harold Copenhaver said that is correct also.*

*Chairman Hafner said I think that one thing confused us is when the proposed budget binder was given to us it only showed one department being under the Chief Administrative Officer. I think that had to do with the timing of when the binder was put out and the fact that it really had not been fully discussed among all of the staff about how potential responsibilities would be delegated to that position, and which departments would report to that person. Mayor Harold Copenhaver said you are correct. Human Resource Director Dewayne Douglas, Finance Director Steve Purtee, and myself have gotten together to rectify a lot of that. Human Resource Director Dewayne Douglas has an updated statement with regard to that, and I think that Councilmember Bobby Long had a question about that as we. The role of the Chief Administrative Officer will be one of things we will be addressing as time goes on. Again this going to be an economic impact role, development role, they will be working with other Department Heads, as well as with the Chief Operating Officer. This is going to allow us then for additional transparency with the community, and additional revenue*

*projects making sure that when we begin projects we end them; it is just staying on top of things so the return on investment with the CAO role will be ten-fold.*

*Councilmember Bobby Long stated that was one of the questions he had. I am not sure what the paygrade of the AA (Administrative Assistant) is. But, I would assume that it is significantly lower than the pay grade of a COO, or even CAO. We are actually doing away with a Chief of Staff and implementing two high level, high pay grade positions. I just want to make sure; you know these roles had to have been field in the past. It seems we are taking away, even though we are having a net of just one, we are actually revising one high level position, making two new high level positions, high paid positions, and I just want to make sure of what Department Head are going to be reporting to these people, and the work that they are going to do. Of course Human Resource Director Dewayne Douglas can address the fact that when you do look at revisiting job descriptions, job duties and things like that it's not necessarily what new roles they tend to fill, but how often do they fill those roles, and is it worth the compensation that would go along with that high grade individual. So, even though we may be losing one AA position it seems like we are just revamping a Chief of Staff, and putting two new high level positions in play, and then possibly hiring another AA. Can you address who was in those previous roles and why do we need two now instead of one? Why do we need two high level positions along with a Mayor?*

*Mayor-elect Harold Copenhaver asked to address Councilmember Bobby Long's concerns. When we looked at that I believe the Chief of Staff was at a 133 grade. This is actually at a 131 grade with no step in it so that was a savings in that role. We as a community, and we are going to be seeing a census increase, obviously you can see yourself that we have a deficit and we have got to find ways to increase the revenue of our community. As a leader and Mayor I am asking for this opportunity to have Faith in what I am bringing to the table with this position as it will change accordingly to what I will need it to do, and stay within the Johansen philosophy as well. But there is plenty of work to go around, and our community is growing, but more importantly this is building trust in the community and that is the reason for my request.*

*Councilmember Dr. Charles Coleman said I have another statement. I don't particularly have a problem with this. I think that I am hearing the communication with the city, as I have spoken of before needs to be more attainable. We can talk about transparency amongst ourselves and we can say the word transparency, and I do believe that Mayor Harold Perrin did a great job but I think at the same time he did twenty jobs at one time. So, a lot of the time he was not available to do certain things, we need people that are going to be able to talk with people on a day-to-day basis. , and talk on their level not above their level. I hear this all the time when people come to the city to ask questions they still do not understand what people are talking about because of the level in which they explain things. I am hoping Mayor-elect Copenhaver that is part of what you are saying to me, is that correct? Mayor-elect Harold Copenhaver said that is correct. Chairman Joe Hafner said if I may. I think these two positions will serve very different duties. You know I think of a Chief Operations Officer as someone that has got the background and will be working with the departments like Street, Sanitation, and Parks etc. and will keep city services going as well as making sure we are maintain the staff needed to do that. When I think of a Chief Administrative Officer their role might be in the areas of Finance, Human Resources, Information Systems, Grants, etc. those are more Administrative Roles within the city. Like in Mike Downing's role as Chief of Staff is dealing with why someone's trash didn't get picked up, he may have missed a meeting with the ASU Chancellor Kelly Damphousse about improving relationships out there, you can spread positions way too thin to where you are not getting a return on investment. I am open to see how this Chief Administrative*

*Officer role works. I think it can provide a benefit to the city, a lot of the things that Mayor-elect Copenhaver mentioned like working on private and public partnerships, finishing projects many of those things are areas where we need more focus.*

*Councilmember LJ Bryant said my main concern is leaving the Grant's position open, as far as talking about producing more revenue for the city. I just have a major concern with increasing the head count in the Mayor's office by 66% and increasing the salaries in the Mayor's office by 33%, particularly in our second binder we've got a list of so many things that were requested by other departments that we didn't get to.*

*Finance Director Steve Purtee explained that the salary bridge page is basically a re-cap of all O&M activities relative to these departments. You can see that on the left had side it begins with the 2020 budget and basically it will reconcile our bridge over to the 2021 budget. Moving into the Capital Improvement section our Directors requested collectively a little over \$7 million in expenditures. We are recommending to fund about 70% of those projects and are asking to carry over those 3-unfinished projects you can see the detail of those in your detailed budget. Our projected budget for 2021 is expected to be a little over \$8 million, and our 2020 budget was over \$7 million. The Capital Improvements Summary just recaps that information relative to each of those funds. You can see our street fund and our general fund. Basically in the street fund you can see that we are finishing up our final \$7.8 million piece of the STIP project, we will have expenditures \$1,455,000 relating to those three open projects.*

*In Parks, we have about \$2.5 million for our Parks projects as we have indicated down in the detail about \$1.8 million of that represents continuing our work out at the Shooting Sports Complex. We have \$2 million in Facilities projects, and again that basically is in response to a Maintenance Shop, or Maintenance Facility, and then our Animal Control addition, and a generator purchase for that office that needs that for safety reasons. Councilmember Dr. Charles asks, in that Parks and Recreation, is any of that money for extending parks on the Northside of Jonesboro, or maybe Southwest Jonesboro? Finance Director said that on page 15-16 you can see the Parks detailed plans. Councilmember David McClain said that he was glad to see the work done at the pump station out at Joe Mack Campbell Sporting Complex. The bike-ped plan with University Heights, is that connecting is that all a part of the connectivity from ASU to downtown? Finance Director Steve Purtee said yes. Mayor Harold Perrin commented on the one for the University Heights was done with the TAP grant we received. Going into the fixed asset items, there are about 6-pages of detail that you all can review, and I'll be glad to answer any questions you may have regarding these. Chairman Joe Hafner said I always know it's hard for Department Heads when making those request because part of the natural budgeting process is going back and making adjustments to items that have been requested. If we would have fully funded all of the requests our deficit would have been higher. Mayor Harold Perrin said the main thing I like on that is we ask the Directors we need to take \$10 out of your budget, we ask them if you could get one or two which ones would you choose, and we always try to let them have the priority in making that decision of wants verses needs. Chairman Joe Hafner said a budget is a plan. We obviously had no idea when the 2020 budget was done we would have a pandemic and a tornado to deal with.*

*In other items of consideration not included in the 2021 budget Chairman Joe Hafner reiterated again that these are not included in the 2021 budget. Basically what you will see on this page is four items that we felt warranted some discussion. It is just kind of a place holder for future conversations. Chairman said if you have any questions on the items that were gone over today don't hesitate to call or email as you have done in the past. Councilmember LJ Bryant thanked Finance Steve Director for his assistance. I*

*think we have got to decide on Elected Officials raises, I think in prior years we've handed them out individually and as individual items but I do think we need to do something there particularly of the full-time Officials. Mayor Harold Perrin commented that. In visiting with Mayor-elect Copenhaver, and what I've heard today is very clear and that one thing he will be doing is he will be getting the Johansen Group back in here to look at all employees. As far as Elected Officials, I am certainly not going to speak for him on that but they need to be done at the same time but on a different plan. We had a group with some of the Finance Committee that was going to meet on that, and then we had the pandemic and tornado to deal with so they never met. You might look at getting that Committee up and going to help look at that. Mayor-elect Harold Copenhaver said yes, that is something that will be done later. Mayor Harold Perrin said increasing that right off the bat does not look good in the eyes of the public.*

*Councilman John Street also thanked Steve Purtee for his hard work on the budget, and Councilmember Dr. Charles Coleman also thanked Finance Director Steve Purtee for listening to his gripes.*

[COM-20:079](#)

WORKING SESSION OF THE FINANCE & ADMINISTRATION COMMITTEE ON THE CITY OF JONESBORO 2021 BUDGET: QUESTION & ANSWER SESSION  
(No motions or votes to be taken)

**Attachments:**     [2021 Revised Budget](#)  
                              [1 2021 Draft Budget](#)  
                              [2021 Capital Improvement Request](#)  
                              [2021 Fixed Asset Request](#)  
                              [2021 Minor Equip Request](#)  
                              [2021 Budget Meeting](#)  
                              [2021 Budget Meeting](#)  
                              [Long email 12212020](#)  
                              [Purtee email response 12222020](#)

**4. Adjournment**

**A motion was made by Councilperson John Street, seconded by Councilperson Charles Coleman, 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