



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, May 9, 2017

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Present 5 - Ann Williams; John Street; Darrel Dover; Joe Hafner and David McClain

Absent 1 - Charles Coleman

3. Approval of minutes

[MIN-17:051](#)

Minutes for the Finance Committee meeting on April 25, 2017

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this matter be Passed . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Darrel Dover and David McClain

Absent: 1 - Charles Coleman

4. New Business

Ordinances To Be Introduced

[ORD-17:023](#)

AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 GENERAL FUND BUDGET IN ORDER TO CREATE A PART-TIME SALARY LINE ITEM AND REMOVE A FULL-TIME POSITION FROM THE FINANCE DEPARTMENT

Chief Financial Officer Suzanne Allen stated that the Payroll Clerk, Jennifer Flowers quit and they moved up Cathy Cathey from Collections. One of things that we have been discussing is how to gain more flexibility with our departments so we would like to make that position two part-time positions. It will save us some benefit money. By doing so, occasionally if we need someone to work an extra day to help out another department to cross-train, we would be able to do so. That is what we would like to do.

Councilman Street asked if this was budget neutral. Ms. Allen said that it was actually saving some money. Chairman Hafner said it was saving money from benefits.

A motion was made by Councilman John Street, seconded by Councilman David McClain, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Darrel Dover and David McClain

Absent: 1 - Charles Coleman

ORD-17:025

AN ORDINANCE AUTHORIZING THE CITY OF JONESBORO TO AMEND THE 2017 CAPITAL IMPROVEMENT BUDGET TO ADD \$54,220 FOR TRANSMISSION LINE STRUCTURE RELOCATION FOR PARKER ROAD EXTENSION JOB 100807

Chairman Hafner said this was a strange circumstance so he would let Mayor Perrin explain it.

Mayor Perrin said when we began looking at the project with the Highway Department on Parker Road to extend down to Washington, the Arkansas Electric Cooperative on the left hand side had a major transmission line which had to be moved back or they would not put the road thru. We started trying to talk with them. Mayor Perrin said he finally got in touch with the CEO of the Arkansas Electric Cooperative to see if he could get this done free. He said no, that he could not do that. Mayor Perrin said he thought that would roll over into the project itself. It was kept out separate and it did not stay in the job. Everything was fine until we got a bill two or three weeks ago in 2017 for a project that was done in 2015 which is two years old for \$54,220 to move that transmission line.

Chairman Hafner said that the way he understands it, for clarification purposes, when you stay within the job, if it would have stayed within the job, it would have been paid by the Highway Department. Mayor Perrin said it could have been. The problem with that is in those contracts you have to be careful. Sometimes, they exclude right-of-ways so moving that right-of-way, moving that transmission line may not have been in there. That would have been something that we talked about with the Highway Department.

Mayor Perrin said he went to Little Rock and met with AHTD Deputy Director Lorie Tudor to see if they could pay for the \$54,220 out of the federal funds. She said the funds had been exhausted for that job. Mayor Perrin said you get a job number by the Highway Department and there is a dollar amount in there and you use it all up. The bottom line is that it cannot be paid for because the federal funds for that job have been exhausted. That means everything we had in there was paid out on the job from where we started out on Strawfloor all the way to Washington.

Councilman Dover asked if this was from the Arkansas Electric Cooperative and we are paying them for moving that line. Mayor Perrin said this is an invoice from the Arkansas Electric Cooperative for them moving the line. Arkansas Electric is expecting us to pay which we will have to pay the \$54,220. We tried to get it free, but we could not do that.

Councilman Street asked why it took them so long to bill us for that. Mayor Perrin said that was a good question and he did not know. They set on that thing for two years. The bill on this was in 2015 and we got it about three to four weeks ago. Chairman Hafner said for two years there was no communication about it and we thought it was a dead issue. Mayor Perrin said there was no communication. He said he thought it was a dead deal. They hadn't talked to us and then all of a sudden we got a bill.

Councilman Dover asked if we had to go back and readjust our budget for that year

since that was when the work was actually done. Councilman Street said we are just paying them now. Chief Financial Officer Suzanne Allen said she would assume they would not have to go back, but she will double check that. Mayor Perrin said he thought the auditors would want you to pay it this year. He said that it will be highly documented that this was for a job done in 2015.

Councilman Dover said he just wanted to make sure they document the fact we didn't receive the invoice until two years after the work was done. Ms. Allen said we have that documented in a variance. Mayor Perrin said that it is not good business to hold an invoice for two years and not send it. He said he may put a letter with the check going to the Arkansas Electric Cooperative and let them know how he feels about it.

Councilman McClain asked if this invoice was for them moving some lines for us. Mayor Perrin said yes. It is the big transmission line on Parker Road. It wasn't just one pole. It was for a huge tower. Councilman McClain asked if this was coming out of our reserves. Mayor Perrin said yes.

A motion was made by Councilman Darrel Dover, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Darrel Dover and David McClain

Absent: 1 - Charles Coleman

Resolutions To Be Introduced

RES-17:053

A RESOLUTION TO CONTRACT WITH THE JONESBORO JETS

Attachments: [JETS Agreement](#)

Councilman Dover said this was a typical contract that we do with the JETS swim team. Chairman Hafner said this contract is for the swim team that uses the city pool. The JETS team pay the city a \$5,000 fee to have certain practice times and to hold meets. Mayor Perrin said we have met with the Coach and Ashley Ditta on that. They were trying to keep up with all of the kids and paying per head, but she said they would like a flat figure per month and write one check for it all.

Councilman Dover asked if City Attorney Carol Duncan would look at this. Mayor Perrin said she has already looked at it.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Darrel Dover and David McClain

Absent: 1 - Charles Coleman

RES-17:056

A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH CRAIGHEAD COUNTY AND THE CITY OF JONESBORO TO ESTABLISH GUIDELINES AND EXPECTATIONS AS IT RELATES TO THE EDWARD BYRNE MEMORIAL JUSTICE (JAG) AWARD THROUGH THE U.S. DEPARTMENT OF JUSTICE

Attachments: [Memorandum of Understanding - Craighead County - JAG](#)

Grants Director Kimberly Marshall said that when they apply for the grant, it is typically a formula grant. Because we are attached to the jurisdiction, Craighead County is also the other component. They don't send in any documentation of their crimes so technically we get the funding. We have to have an agreement with them that they are allowed to use our equipment and they are going to allow us to use the funds. This is kind of a Memorandum of Understanding. We are supposed to have this. We used to have a letter. The DOJ said they want a formal Memorandum of Understanding between the City and Craighead County. Right now, we cannot spend our funds until this is enacted. Hopefully, this will carry on. It is very vague in that it says projects, but it doesn't say what projects. So, we can use it every year.

Councilman Dover asked if the funds are comingled between the City and the County. Ms. Marshall said that right now they are just us. If the County gets bigger and they start reporting their crime statistics, then they will give us more money, but then it will start becoming a split.

Councilman McClain said what has this been used for in the past. Ms. Marshall said that this year we purchased software for officers to go into black boxes after a crash to check and see what was going on to make sure there was no problem with the vehicle or if they were on the cell phone or doing something they shouldn't be doing to find out the fault of an accident. We also starting purchasing our e-ticket system. We have the software that we got from the Arkansas State Police so now they can scan and write e-tickets. Right now, we have only purchased 14 of the scanners and printers that we need for the vehicles. This money can be used for this for a future date.

Councilman McClain asked if the City only had 14 for all of our Police Department. Ms. Marshall said we only purchased 14 because that was all of the funds they had for this year. She said there will probably be about 121 cars that have this because that is how many patrolmen that we have at this time. It might be 123. Not everyone needs the scanners and the printers because they are not patrolmen.

Mayor Perrin said like on Friday nights when he rides that they have so many cars out and only about 4-6 cars that are working speed control for the e-ticket. The rest of the units are for other crimes so they would not have a need for that. What we want to eventually do is get a lot more cars with e-tickets because they have to come in on their shift change and take that carbon copy and file it. People with records have to come in the next day at 5 or 6 to get ready for court and process that. Once you get an e-ticket, it's in there.

Councilman McClain asked if it was possible to use this same type of funding in the future for cameras that recognize license plates. Ms. Marshall said she thought so. She said they would have to check because there are certain items that we cannot expend on JAG funds. There might be other funding for that. They are real specific on what we can use the funds for. You can't buy body piercing armor, batons and helmets for riot gear. We can't buy armed vehicles. You can buy a lot of things. It is based on what they decide we can purchase. Councilman McClain asked about cameras of any sort. Ms. Marshall said they were going to do body cameras, but that was a lot of money. This grant runs about \$30,000 per year. It is not a lot of money.

Mayor Perrin said that CFO Suzanne Allen, Chief Elliott, and several of us have been working on acquiring body cameras. We have been looking for the last year and a half and interviewing companies on this. Chief Financial Officer Suzanne Allen said that we met with a company who is offering a free one-year trial to outfit all 130 officers. It happens to be the company they were most impressed with when they did their trials. They have worked with several companies. We are looking at bringing

that up at the next Public Safety Committee meeting and entering into an agreement with them to utilize the equipment for a year for free. Councilman Street asked if that included data storage and everything. Ms. Allen said yes, it is everything. Mayor Perrin said that it also includes redacting. Ms. Allen said yes, it includes redacting. This company is called Axon. They have been acquiring the different pieces to pull together to have the number one rated system including the redacting software. The Police Officers were very excited about the equipment. Mayor Perrin said he read in the contract that if one goes out or messes up that they replace it. Ms. Allen said they have a three-year replacement. Councilman McClain asked if they made tasers. Ms. Allen said that is correct. She said the cameras come with tasers.

Ms. Allen said we don't know how much it will bottleneck our T-1 lines. We haven't gotten to that point yet. Councilman McClain asked where the footage would be stored. Ms. Allen said that it is evidence. It is on the cloud. It is evidence.com and the police officers would dock their cameras. Every camera comes with a docking station. They did discuss whether they would like to dock them at home versus a wall of docking units. If they dock them at home, they would be using their own internet services. At this point, they have been looking at agreements and none of that has been put into writing. Councilman McClain asked if that would be reliable docking their units at home if their internet was to go out or is the footage stored on their camera until they can dock it at the Police Station. Ms. Allen said that question didn't come up, but she assumes it would stay on the camera. It takes 2-3 hours to download. The camera batteries last 12 hours. Our police officers are on eight-hour shifts. There are two different types of cameras and we can have the option of either. One is located on top of the ear and the other is located in the center of the chest. Mayor Perrin said it will be up to the Chief on which way to do it.

Ms. Allen said they discussed the police officers that work second jobs that they could have two different cameras which would allow a camera just for their second job and one just for their services for the Jonesboro Police Department. Councilman McClain said he thought that was a great idea for transparency and for overall footage. Mayor Perrin said we have wanted to do this for a long time and this gives us another year to look for funding and see if we want to do it and the pros and cons about the body cameras. Sometimes they are a liability and sometimes they are an asset. Mayor Perrin said he sees them more of an asset than a liability. Ms. Allen said they said it would take around three months to deploy once an agreement was signed.

Councilman McClain asked what the cost would be for everything after the first year. Ms. Allen said they have discussed this, but haven't gotten the actual numbers from the company. They think the cost will be between \$130,000-\$150,000 a year. Councilman Street asked if the Department of Justice was going to provide grants for that. Mayor Perrin stated they did for a while and then they pulled the funding. Ms. Allen said they did it for one year.

Grants Director Kimberly Marshall said they have body camera grants for small, mid-size, and large cities. You have to be over 250,000 in population for the large. They give them every year. Initially, they pay for the camera and you can put in for the storage costs. There is a way of doing that so you can get another free year. That should take care of the camera cost. Ms. Allen said that the cameras have to be updated every three years. Ms. Marshall said the grant is only for one year.

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Darrel Dover and David McClain

Absent: 1 - Charles Coleman

5. Pending Items

Mayor Perrin stated that for the last two to three months we have been in discussion with Abilities Unlimited on Recycling. We entered into an agreement with them to recycle. They are picking up the recycling every week. They cannot afford to continue to do that on a weekly basis. Our contract is up in June of next year. We have analyzed options that we can look at. If we partner with them and they do it on a weekly basis just as is now, and the partnership would be that we can provide fuel, tires, anything major on the three trucks they use, anything over \$500, then we could pick up that cost. We estimated that would run somewhere around \$36,000 per year. The second option is if you do it weekly as it currently is, and you give them cash and don't partner, they have asked for \$49,200. The next option is that the City take back that contract and start doing it themselves. We have estimated that it will cost about \$67,200 more than what we are paying now. The other option is that we stay with Abilities Unlimited and that we go twice a month and there would be no additional cost to the city until next year in June. They do anticipate coming back for more money next year. Mayor Perrin stated that we have a lot of homework to do on what we are going to do on this. Jonesboro has been picking up recycling every week since we started recycling. We will come back, analyze this some more, and get you some information so you can really look into it. Mayor Perrin said he will come back with a recommendation and the Council can then decide what they want to do.

Mayor Perrin said that they need this done by July. If we go to twice a month, there is going to have to be a lot of education to the public of getting stickers put on their trashcans that say here is your trash day and here is your recycling day. We would have to do press releases. We would have to do a lot of things. We would have to amend the contract. We have talked to City Attorney Carol Duncan about that. There are a lot of things we have to do on this. It is top priority on pending. We just left the meeting and the best thing to do was to bring it here today and let you know what we are looking at. Mayor Perrin said he just wants them to think about it.

Councilman Dover mentioned that at one time the City was contemplating purchasing big cans for strictly for recycling that the truck could pick up. He also thought there was a grant they could get for recycling containers. Mayor Perrin said yes. Chairman Hafner said that if you go with recycling bins, you would have to supply them for every household. Mayor Perrin said that is what the grant said. Chairman Hafner said by the participation and the volume numbers he has seen is if there is a 20-25% participation rate, the average household is recycling about four pounds per week. That is participating households with about 4-5 pounds per week. You don't want to buy a big cart and put 4-5 pounds in it. Councilman Dover said unless they are free. Chairman Hafner stated that you still have the cost to go and pick them up.

Councilman McClain asked what the costs were for smaller bins. Councilman Dover said there are different sizes. Councilman Hafner said he has a little bit of experience in this field. If you buy 1,000 small bins, you pay \$6.50 for them. They would be big enough for the recycling and you could provide them to the households that want to participate. We have contracts where we do it twice a month and they seem to work fine. Like the Mayor said, it goes back to education. There are a lot of things to look at. Recycling is a tough field because the commodity prices are low right now. There is not a lot of participation. It is a needed service because you want to be friendly to the environment and there are other reasons to do recycling. It is just a tough field. Chairman Hafner stated he is going to give the Mayor a number to someone who has been in this business for a long time and they can give the Mayor some information.

Right now with our volume, the big carts are not a cost-efficient option.

Councilwoman Williams stated she was shocked at how expensive the blue bag system is. Chairman Hafner said that is something good about the bins because they can be used over and over. Councilwoman Williams asked how much the city was spending on blue bags. Councilman Dover said he thought it was \$30,000. Councilman Street said he thought it was \$40,000. Councilman Dover said the other thought process on going to something like a bin is that it might encourage more people to participate. Councilman Street said he thought twice a month was a good answer. They put their recycling out every two to three weeks. Chairman Hafner said you see bags out there now that might only have a few things in them and it is totally wasting a bag. It is not a good use of that. Councilman Street said some people put them out every week that only have 8-10 cans in there. Councilman Hafner said the bag is free to them. Mayor Perrin said he walked his neighborhood and only saw one neighbor that had his bag all the way to the top. He said he does need that number and he would like to talk to that Mayor and company over there to see what they have done. As administration, we need to make a decision pretty quick.

Chairman Hafner stated the employee handbook update is still being worked on. Human Resources Director Dewayne Douglas was out and therefore not able to present the changes.

Chairman Hafner said that on the Reserves, we have talked about the percentage and how much we need to have in restricted funds and how much can be used for discretionary. They have started working on that. They are not to a point yet where they can present it. There are some questions they want to get answered. They are progressing on that.

6. Other Business

Mayor Perrin said that we have to send ADEQ a letter of credit for \$23,000 since we closed the landfill. The Finance Department bid that out and Centennial Bank came back at 5.25 for the \$23,000 but we only have to pay \$230. All they are charging us is 1% of the face value.

Councilman Darrel Dover motioned, seconded by Councilman John Street, to suspend the rules and place RES-17:058 on the agenda. All voted aye.

Mayor Perrin said that we have to send ADEQ a letter of credit for \$23,000 since we closed the landfill. The Finance Department bid that out and Centennial Bank came back at 5.25 for the \$23,000 but we only have to pay \$230. All they are charging us is 1% of the face value.

Councilman Dover asked when the city is supposed to be out from under this. Mayor Perrin said that it is all based upon the methane gas readings. We check it weekly and have to record all of that. We still have a few wells that are burning hot. That is a Class I and a Class IV put together. Had it only been a Class I or so, we would probably already been out of it. The projection on it is probably another ten years or more. Councilman McClain asked if that was how long we have to provide that letter. Mayor Perrin said yes. Councilman Dover said and to monitor it. Chairman Hafner said that is the interesting thing about landfills in that once they are done, you still have the obligation to continue monitoring it and making sure everything is line and that it is closed properly.

Mayor Perrin said that we probably have already spent a million dollars on clay capping it. You have to cap it and put the wells in. You have to have a building for

your monitoring system for all of the gauges. There is no question why this is saying if we told you go out and do something it is going to have to cost at least \$500,000 and we are going to let you get by with only giving us 20% of that in an irrevocable letter of credit. We are lucky that it is only costing us about \$200 a year to do this.

Councilman Street said that we have minimized that cost by doing our own monitoring of the wells. Mayor Perrin said we were paying a company to do that. They trained our people to do that and now we do it ourselves. Councilman Street said we saved ourselves quite a bit by doing that, but it's just a slow process burning that methane gas off. We even have to put propane to it to ignite some of it because there is not enough to burn on their own. But, it's just going to take a while.

RES-17:058

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ)

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

Aye: 4 - Ann Williams; John Street; Darrel Dover and David McClain

Absent: 1 - Charles Coleman

Councilman McClain asked about the Revenue Enhancement fees and when it might come to Finance for discussion. Mayor Perrin said they have a meeting scheduled for next week that we are going to look and take all of the comments that were made on those two public hearing meetings. We will massage those, come back, and analyze it with our people. We should have it back to you within a month. We are trying to get it in before June, but it's not going to happen. Probably by August, they will have it done. The question there is going to be when are they going to be effective. He thinks in their discussion, they were going to make them effective this year. There was not a lot of discussion on the fees for campgrounds and things like that. Those were just minor. The only ones that had major discussion were business licenses, categories, and the Stormwater. We are still investigating that on the Stormwater to see what we are going to do. We flew to Hot Springs to look at theirs. They did a great job at putting a package together for their council of showing what it is going to cost. An operating exigent balance sheet was on their operation before they ever done it. They took it in sections of the city. They started in certain sections. That is why you will see next Tuesday night that I have a Map done for you. A big map that shows you every vacant commercial and every vacant residential. All liens inside the city are on the map. We now know where we want to go if we want to go with that on certain sections as well as our land bank. If we do a land bank, we will know where to go in some of those areas too.

Chairman Hafner asked if they see a scenario where all of these fees once approved would be enacted and the Stormwater would be done at a later date. Are you going to try to keep them all together? Mayor Perrin said he thinks they will have to be separate. He thinks the Stormwater obviously has to be separate from that. He thinks what they are going to bring back to this committee is only the usual and customary fees and they only went up very little. He said he thought it was \$300,000 a year for everything we do. In his opinion, they are not near ready on the Stormwater to present anything to you. There is a whole lot more digging to do on that. We are

getting real close on the land bank. The land bank is just establishing that and having commissioners to operate that. Then we would have to allocate some money over into that if we wanted to acquire some property or if we wanted to accept some property. There are a lot of details. City Attorney Carol Duncan has set in every one of our meetings here and she has all of that documentation. Everything is highly documented on this. What he is doing is taking land that the city is mowing or we have a lien on is to get that property and purchase that property to get developers to build a home on that. Put it back on the tax books. We have \$3,500 for a down payment through CDBG. Let's get this back on the tax books. Let's give this a home to someone who really needs a home. That is what his whole goal is. They have done a good job of that in Little Rock. You have to go slow on that.

Councilman McClain asked what the hesitation is on the Stormwater on moving that forward. Mayor Perrin said we are trying to identify our hotspots like on this last rain we know of two hotspots that happened. One was in the paper today and that was on Mary Jane which is in the Fairview Addition. His first reaction on that was that the detention pond was probably not dug deep enough and the slant on that. He has the Engineering Department taking the plans from Associated Engineering to look at that and see if that is the case. And to get back with the guy from Nashville that helped design that and see if that is it. City Engineer Craig Light has been working with the Nettleton School District and the Highway Department to possibly run some pipe all the way over and underneath that all the way out to Love's Truck Stop. The total cost on that is \$1.2 to \$1.5 million. That could stop a lot of that drainage in the Fairview Addition. We are looking at the hotspots right now and there are only about two left as far as when something real big happens.

Chairman Hafner said there is still question on the Stormwater about how it would be billed and collected and also what it would be based on. That is probably another reason why it is going to take longer than on the other fees already in place that we are just wanting to change. Mayor Perrin said the Hot Springs fee is based on footage of real estate that you own. It is not a flat fee. Everybody in Hot Springs pays a certain amount. It may be \$3 for a residential house or something like that. When you get into commercial when you get into that you get into industry where you have a lot of stormwater runoff and they pay a whole lot more than the residential fee. We learned pricing while we were there. We learned how to set it up. We learned the profit and loss and projections to show you all before we ever vote on it. If it did go thru, is how do you collect it. That is going to be a big deal for us. After that, if the money comes in about 12-18 months after that, then someone needs to make the decision. We probably need to bond that money and go ahead and start doing that retention pond, that regional detention pond. Then, you get into the big deal that the Corp of Engineers has been telling us about that you need 200 acres over in North Jonesboro. To ever get all that property out of the flood plain, you are going to have to have 200 acres. We are pushing every way we can with the Corp. It is just a slow process.

Mayor Perrin said we could have the Revenue Enhancement ready in two weeks if we just have the usual reasonable and customary fees.

Councilman Street said we still have to have some type of partnership with the County because the City by itself is not going to be able to fix that. It is going to have to have the County as a participant whether it be recreating some of the old drainage districts or what, but every single parcel in this county should be in a drainage district. Water comes in here from the North and it goes out to the South. The County doesn't dig out ditches, but until those ditches are cleared, he will guarantee that the water is going nowhere. We have to have a big picture plan to really have an effect on this.

Mayor Perrin said we have been talking with the Corp. He said he and the City Engineer Craig Light need to meet with the new Colonel. Mayor Perrin has asked Senator Boozman to give them more money in Memphis. We asked once before and he did that and he came over here and thanked us for it, but a lot of that money now is going to Vicksburg and Oklahoma City. Memphis doesn't get hardly enough to even plan much less do anything. Now we've got that big one where we need to get that creek all the way up to here. They are moving very slow based on the money they got.

Councilman Street said that Little Bay Ditch will be the best relief we can get as fast as they can get it in. Mayor Perrin said the County is going to have to get in this business with us and the drainage districts. He plans on calling another meeting with the drainage districts in the next few weeks as well as trying to bring the Colonel from the Corp back over here and talk again. We have already had one good meeting. Some districts will give a little money for diesel to clean up our ditches. When he pulled the books to see how much they were collecting, they were collecting quite a bit of money.

Councilman Street suggested talking to Alec Farmer with AHTD. He said they organized drainage districts in the Eastern part of Craighead County. Mr. Farmer put them all together. They actually clean up some ditches. You might visit with him. He knows that he has some good ideas.

Mayor Perrin said he thinks Mr. Farmer was at their last meeting. They had a high number of drainage districts there. To create a drainage district itself is so long and drawn out and political, it would be easier if the City and the County would somehow get together, work out an agreement or MOU, and get this thing going. Mayor Perrin said he thinks you can get grant money a lot quicker if you have a City and County working together. When he was looking at aquatic parks, there was a bond issue and they had plaques on the wall that said City and County. Mayor Perrin said that we are collecting liens now because you cannot pay your taxes unless you pay your liens to the City. We will have an ordinance later on that you can't buy your business license unless you pay your real estate taxes.

Councilman Dover said he has pushed hard to get this reserve issue settled. He does not think we are going to be able to fee ourselves out to do everything we want to do. Somewhere down the road, we are going to have to have some sort of sales tax in some form or fashion. He thinks it will be much easier to sell if we do our homework and identify how much we want in our reserves and have a six months to a year plan of presenting this to the public. He doesn't think you can generate enough revenue at a nickel and dime or a dollar fees to do what we really need to do. Mayor Perrin said that you can't do it. Councilman Dover said to get that you might be better served to sell the public on a short-term sales tax rather than fees. The sales tax also applies to those who live outside our city but use our infrastructure to help share the burden.

Mayor Perrin said you will never pay for a shooting range and an aquatics center on what you have coming in now. We have 6.5% in state, 1% in county, and 1% in city sales tax. Our sales tax is not growing up that fast. About eight years ago, the legislature passed the portability tax where items are sold here, but delivered to other places. The other places get the sales tax. It is point of delivery, not point of sale. You are going to have to do it on public safety or project specific. If you want this, here is the cost, here's the operating cost, and here is what it is going to cost you on that deal. Blytheville is already at 10% on their sales tax and asked for ½ cent today. We are at 8.5% total. We are the lowest in the state of Arkansas. We don't even have a prepared food or hamburger tax. You can go up on you're A&P tax 100 more basis points because you now have 1,000 acres of parks. You all could vote and increase

the 3% to 4% on the A&P tax tomorrow. If that brings in \$200,000, it is bringing \$650,000 now on 3%, but it has to be dedicated to parks. That would be \$200,000 that goes to the Parks Department that comes off of general funds that we don't have to budget for.

Councilman Dover said we need to identify the areas that people would accept a sales tax for which would then free up money in the general fund to do other things rather than saying we want a flat tax just to do what we want with. We need to be very project specific. Whatever money it would generate would free up the money spent on Public Safety to do some of this infrastructure. Chairman Hafner said any future taxes have to be earmarked. Mayor Perrin said he agrees 100%. He said they have done a lot of work in the last week on the reserves. We have done a risk assessment that Chairman Hafner had sent us some information on. The study that we have done so far on risk assessment based on us being on the New Madrid Fault, having two tornadoes, ice storm, and all of those, right now we are at 15%. When you do all of those pages and add them up, it goes to a Category and tells you what you should keep in reserves. It is between 25-30% in required reserves. We are at 15% now so you would double the required reserves which means you would take that and put it over in no touch. The balance of that would be discretionary which you could pull down to do some of these things like we did a while ago on one of those items. He thinks that is why a lot of questions have come up on the council floor about where is that coming from. It is a good question. What's it going for? Why wasn't it in the budget? Mayor Perrin said a budget is only a budget and there will be things that come up. Councilman Dover said the discussion needs to be started because it is going to be a long process. Mayor Perrin said the Chairman has been pushing us and we got it going.

7. Public Comments

8. Adjournment

A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Darrel Dover and David McClain

Absent: 1 - Charles Coleman