

James V. Hargis

917 S. Madison St. –P.O. Box 1226

Jonesboro, AR 72403

**Matters of Concern for Voters in Call for Additional Sales Tax**

I am always in agreement for the people in our free democracy to vote their conscience, and always in an informed/knowledgeable way as to their individual trusts and abilities. I believe that the Police and Fire employees of our City do an excellent job and am confident that they operate with/from superior buildings, tools, and equipment. I know that Mayor Perrin is working diligently to manage and to lead.

We do have the good fortune to live and work in a thriving, prosperous, and well diversified City. We serve a critical role in the commerce of our region. So we are indeed obligated to live up to our charge.

As we vote to take a new tax proposal to the voters I do take it as my obligation in public service to make it clear that this vote is one of procedure only (as the Mayor has asked) just to take this matter to the people for “their” vote, for or against the additional sales tax.

In light of the above, I offer the following items as matters of concern as one weighs the choice of how to vote on the tax:

1. Times are financially hard for everyone.....this is certainly no justification for the City to take a bigger share while others just have to “get by”.
2. We are talking about “moving around” of offices, building and taking on extra expense at a time when extra funds are being sought just for operations.
3. We are not getting clear and consistent financial reports (more so, but not completely). We do not have an independent audit --- and even must have special permission for only one Council person to actually attend the after-action report to the Administration by a political arm of government.
4. We have a rather large fund of retirement benefits currently (with Principal Financial) that apparently cannot be moved by the Authority of the City Council (even though charged with these funds). The Administration is supposed to get this done if the City Council’s actions are controlling and we have waited patiently for over a year for this to be effectuated. This may cost more money for the City, but it is not for Public Safety, but Public Welfare i.e. retirement benefits committed.
5. Rather than “operating” in the economic environment that we are in, we are being asked to sell our property at fire sale prices and build or buy anew at the same time that we (by this proposed tax) are asking for a bigger piece of the pie by the Administration. There seems to be some justification for considering the timeliness or appropriateness of this action.
6. Wages are said to be not good enough in the Police Dept., but we just had one Mayor who may well have influenced a very “out of balance” increase in public safety costs who made a virtual public spectacle of himself trying to parlay that elected position into a job for himself in the private sector, but finagled himself back into his position on the Police Force i.e. the very best

that he could do, and that the level of compensation is not so bad. At any rate, the level of cost for Public Safety is reported to us as having more than doubled between 2001 and 2010.

7. As to the "sales tax" in our City, it is simply a **Piece of the Pie**. The whole pie is the total sales which occur in the City. Some economists have suggested that any increase in tax will result in less sales of that which is taxed. This proposed increase is expected to raise \$24MM in four years. Sales might be expected to be reduced in some way by this in these years to come. And, since the purpose of this tax is to fund operations of Public Safety, it is difficult to see how it would ever go away w/o fiscal discipline, which could start anytime.
8. Fiscal Discipline would be the process of identifying the total amount of Budget Revenues expected and allocating these in order to best get all of the work of the City done within that amount. The cream will rise in this process, as it always has.