



Legislation Text

File #: RES-05:461, **Version:** 1

A RESOLUTION ESTABLISHING CRITERIA FOR THE USE OF THE CAPITAL IMPROVEMENTS FUND

WHEREAS, the 2005 Operation and Maintenance Budget for City of Jonesboro, Arkansas, currently reflects a \$2.9 million decrease in city reserves; and

WHEREAS, approximately \$1.7 million of this deficit results from the need to replace police cars, a fire truck and other equipment at or beyond their useful lives which otherwise would result in increased maintenance and repair cost and cost associated with additional equipment downtime to the city; and

WHEREAS, the City Council of the City of Jonesboro in 2000 recommended to the citizens, which the citizens approved, a ½ cent municipal sales and use tax for “capital improvements of a public nature” as defined by A.C.A. § 26 -75-203 with its main use designated for street and drainage improvements; and

WHEREAS, A.C.A. § 26 -75-203 defines “capital improvements of a public nature” to include “real property, personal property, or mixed property of any and every kind, including without limitation ... vehicles, equipment, fixtures, machinery...of every kind.”

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS, THAT:

Section 1. The main priority for the use of the ½ cent municipal sales and use tax for “capital improvements of a public nature” remains street and drainage improvements.

Section 2. To reduce the deficit and to avoid the need to cut services or request a city-wide sales tax increase, no more than 25% of the previous year’s ½ cent municipal sales and use tax for “capital improvements of a public nature” revenues will used to purchase the following specified capital equipment beginning in 2005 and each year hereafter:

- 1) Emergency vehicles, and
- 2) Vehicles and equipment ½ ton or larger.

PASSED AND ADOPTED THIS 7th day of June, 2005.