



Legislation Text

File #: RES-07:2551, **Version:** 1

RESOLUTION FOR DISCUSSION PURPOSES TO BE REFERRED TO THE FINANCE COMMITTEE CONCERNING INFORMATION REGARDING THE PROPOSED 2008 BUDGET

WHEREAS, the City Council of the City of Jonesboro has a constitutional duty to approve or disapprove the mayor's proposed budget each year;

WHEREAS, until September 30, 2007, the City Council had not received financial reports from the mayor's finance staff for approximately 18 months;

WHEREAS, the most recent Legislative Audit Report for the City of Jonesboro indicates that the City of Jonesboro's day-to-day operating reserve balances were \$22.5 million as of December 31, 2005;

WHEREAS, the mayor's Finance Director's report as of September 30, 2007, indicates that the city's operating reserve balance were \$19.1 million, a decrease of \$3.4 million;

WHEREAS, Mayor Formon's 2008 budget proposes an additional \$3.6 million in deficit spending for operating expenditures, but states the city's January 1, 2008 operating fund reserves balance at \$23 million which conflicts with the Finance Director's report of September 30, 2007, by nearly \$4 million.

WHEREAS, the City Council adopted Resolution No. 2003:30 which requires the city to maintain minimum financial reserve balances of 30% of the city's annual operational expenditures as an emergency fund in case of catastrophic conditions caused by earthquake, tornado, or some other natural or man-made disaster; and

WHEREAS, the City Council wishes to express its concern and reservation that continued deficit spending as proposed by Mayor Formon in his 2007 and 2008 budgets will cause the city to reach its minimum emergency reserve limits by 2009 or 2010.

THEREFORE, BE IT RESOLVED by the City Council of the City of Jonesboro that the City Council requests the following information from Mayor Formon and his staff to assist the City Council in addressing Mayor Formon's proposed budget:

1. A list of all new full time equivalent (FTE) positions created in years 2006 and 2007 and proposed in 2008;
2. A department-by-department organizational flow chart showing FTE positions;
3. A list of all new rolling stock equipment purchased by the city since January 1, 2006, excluding police patrol cruisers and fire pumper and ladder apparatus;
4. A breakdown of Sanitation Department expenditures for 2007 into the following categories: landfill, commercial, residential, administration and fixed assets. A further breakdown of administration expenses and fixed asset costs should reflect the allocation to landfill, commercial or residential functions;
5. A determination of the minimum reserve balances required under Resolution No. 2003:30 for emergency purposes based on Mayor Formon's proposed \$23,954,458.00 operating expenditures for

2008;

6. Actual year-end expenditures and account balances for 2006 and projected for 2007;
7. The number of Street Department employees in cities of comparable size including Conway, Fayetteville, Hot Springs, Springdale and Rogers.

Passed and Adopted this 18th day of December, 2007.