

CITY SALES TAX HISTORY

In July 2000, the City of Jonesboro held a special election and levied a .01 cent sales tax.

HALF of that penny was designated for CAPITAL IMPROVEMENTS.

HALF of that penny was designated for OPERATIONS & MAINTENANCE.

During that election, the city forfeited all residential garbage fees, the mosquito control fee, and the city's 2.1 general millage property tax.

CITY SALES TAX HISTORY

**The first full year the .01 cent sales tax was collected was 2001.
It generated \$10.1 million dollars.**

**The same .01 cent sales tax is budgeted to generate \$13.6 million
this year.**

INCREASE: \$3.5 million dollars

2001 O & M Budget: \$26.1 million dollars

2010 O & M Budget: \$33.5 million dollars

INCREASE: \$7.4 million dollars

COST OF OPERATION –VS- ANNUAL OPERATIONS REVENUE

When a city spends more money to operate than is coming in from revenue streams, it is deficit spending. The only way a city is allowed to deficit spend, is to have money in reserves (savings) to cover the difference.

The City has “deficit spent” in O & M versus annual revenues 6 out of the last 8 years...meaning the city has been spending more than it was taking in dating back to 2003.

Those 6 years of deficit spending have all but depleted any EXCESS RESERVES.

DEFINITION OF RESERVES

REQUIRED RESERVES:

Monies in the bank that are unbudgeted and designated by Ordinance to be held in reserve (saved) for emergency spending situations.

EXCESS RESERVES:

The amount of reserves held that are MORE THAN the required reserves.

COST OF OPERATION –VS- ANNUAL OPERATIONS REVENUE

**We are projected to have some \$1.7 million dollars
in EXCESS RESERVES at the end of 2010.**

**If we repeat the 2010 budgeted expenditures in 2011 with no
changes we are projected to DEplete OUR EXCESS RESERVES by
September 2011.**

**If we adopt a 2011 budget that is actually reflective of needed
expenditures, we are projected to DEplete EXCESS RESERVES by
April or May of 2011.**

CITY OF JONESBORO REVENUE STREAMS

The City of Jonesboro has some 172 Revenue Accounts in our 2010 Budget...totaling just over \$48 million dollars.

Of those...103 are RESTRICTED and represent just under \$21 million dollars.

Leaving the City 69 revenue streams that are UNRESTRICTED...representing \$27.2 million dollars for operating expenses.

COST OF PUBLIC SAFETY

Of the \$27.2 million dollars, Public Safety Departments make up \$18.9 million dollars of those expenses.

This represents 69% of the available funds.

Police Department: 39%

Fire Department: 25%

E-911: 4%

Animal Control: 1%

COST OF PUBLIC SAFETY

Of the \$18.9 million dollars in Public Safety spending...

74% is personnel cost

**\$13.9 million in personnel cost of the \$18.9 million total
(Personnel Cost = Salaries, Insurance, Pension, Payroll Taxes)**