

**February 11<sup>th</sup>, 2020 Public Forum to discuss the Proposed ½% Sales Tax increase**

The Garfield City Council met in the Alderman Terry Warren meeting room on Tuesday, February 11th, 2020; for a Public Forum to discuss the Proposed ½% Sales Tax increase.

Mayor Blackburn prior to opening the meeting; started with the Pledge of Allegiance, and a moment of silent reflection and/or prayer.

Mayor Blackburn called the meeting to order at 5:00 pm.

Mayor Blackburn discussed the documents that were available for all in attendance. The documents were to give everyone a better perspective of where the finances and growth of the water system has been and is now. Mayor Blackburn stated, right now, the Water system is covering its day to day operations, yet where the water system is falling behind is on Capital expenses. The growth of the City's water system is not enough and right now the City is still using General funds to help support the water fund. Therefore, if in the future any more big expenses come up the water does not have the money to cover it, which is the reason for the ½% Sales tax being put on as a special ballot item. The monies will be set aside for Water infrastructure related expenses. The City would rather this happen, instead of having to sale/merge the water system with another water system, and/or raise water rates. This 1/2% sales tax if passed, will be where all who spend in Garfield are paying it, not just the residents who live in Garfield. If the sales tax increase passes, it will sunset in 24 months and cannot come back, unless the citizens voted it back in.

Mayor Blackburn opened it up for questions and discussion to those in attendance. First question; how much revenue would this generate for the water system? Mayor Blackburn said if all things remain the same and the 1/2% Sales tax increase passes, it will generate around \$70,000.00 a year. Yet, due to the City losing the border tax, City tax revenue is already dropping, and this is only the beginning, the City will not know the total impact of losing the border town sales tax exemption until time goes along. Mayor Blackburn has been working with Senator Bledsoe and the Arkansas Municipal League on this since August to try and get an exemption for Garfield from this tax change. If this ½% Sales tax increase does not pass, the Council will have to talk about other options for the Garfield water system. The Council would have to look at selling the water system or raising water rates. The City must generate revenue somehow and look ahead for the best of the citizens and the City's well-being. Mayor Blackburn has been in discussion with Avoca about selling the system to them. This would mean we would no longer have to take money from the general fund to subsidize the water system, Garfield would no longer be responsible for it. Citizens voiced concerns about allowing someone else to take over our water system; that would mean Garfield loses all control of their water system, not only the rates, but the quality as well. Mrs. Macaluso asked to share her observation, she stated that this is a no brainer; sooner or later someone is going to have to come up with this money. Mrs. Macaluso said she would rather see this 1/2% sales tax pass, that will allow even those passing through making purchases to help pay for this, instead of putting it on the local Garfield residents. She stated no matter if we get \$30,000.00 or \$300,000.00 whatever we get to keep our infrastructure in shape is what makes since, she said yes she will pay it just as everyone else and with it being such a small amount she won't feel it as much as she would with a water rate increase. Her question to the other citizens who live in Garfield, how much do you love living in the City of Garfield if you vote no for this?

Mayor Blackburn encouraged all those who vote to get out and vote and notify their neighbors. It will take our citizens to be informed

Mayor thanked everyone who came to participate and share their voice.

Mayor called the forum into recess at 5:40 and reconvened at 6:00pm for the regular city council meeting.

Passed and approved this 26<sup>th</sup> day of February, 2020

Mayor, Gary Blackburn *Gary Blackburn*

Date: 2-26-2020

Recorder-Treasurer, Teresa D. Vining *Teresa D. Vining*

Date: 2-26-2020