

Greene County Citizen Sales Tax Accountability Board
Semiannual Meeting Minutes – July 21, 2022

Attendees:

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| <ul style="list-style-type: none">• Bernie Dana• Bob Davis• Conrad Griggs• Britton Jobe• Casey Pyle | <ul style="list-style-type: none">• Rusty MacLachlan• John Russell• Chris Coulter• Robert Jehle• Justin Hill | <ul style="list-style-type: none">• Cindy Stein• Rob Rigdon• Jeff Scott• Tina Phillips• Mike Cagle |
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Conrad Griggs opened the meeting, and began with a discussion of the minutes of the previous two Board meetings from January 20th and May 13th of 2022. Casey Pyle made a motion to approve both sets of minutes, with Bernie Dana seconding, and the motion passed unanimously.

Conrad then moved into a discussion of the 2021 Annual Report and Review of Mid-Year 2022 Activity. Mike Cagle began by indicating that the report provided both revenue and expenditure amounts as provided for in both the original Resolution from 2017 and the modified Resolution of 2019 together with the actual revenues and expenditures for 2021. Expenditures in the Annual Report were broken down into five main classifications of spending which were a part of the original Resolution, these five categories being Environmental Initiatives, General Revenue Stability, Community Projects, the Justice System, and Capital Projects.

Conrad paused at this time to allow for an expanded explanation of the trunked radio system (a part of Justice System spending) for those members who might not have known what functions it served. Mike and Jeff Scott discussed the system in brief, explaining that the now-upgraded system along with radios purchased using American Recovery Plan Act (ARPA) funds will allow several County departments along with other jurisdictional emergency agencies to maintain contact with one another both within the County and across other geographical areas of southwest Missouri, with the radios having GPS capability to allow dispatch units to track responder locations when away from their vehicles.

Mike then discussed GR II revenues. He noted that the year-to-year comparative increase in revenues over the previous two fiscal years has been attributed to an overall increase in the tax base, and that the most recent analyses of revenue receipts indicate that the rapid growth rate increase has started to decline and return to a more historically normal growth rate. Jeff said that while the current annual comparative growth rate is still nearly 8-9%, the County will continue to budget and view projected Resolution revenue based on a historically typical growth rate of 3%. He said that the large and unexpected increase in revenues has also been offset by some unexpected expenditure increases, such as the increase in jail staffing above that which was expected when the Resolution was modified in 2019, and by the reduction of some expected revenues, such as Federal boarding.

Bob Davis pointed out the table on page 10 of the Annual Report, which shows anticipated revenues and uses of revenues for the next seven years, through 2029. He said it was an excellent illustration showing the anticipated 3% growth in revenues. He then asked how sales tax would be addressed if the economy was to go into a downturn or a recession. Jeff said that part of the Resolution plan was to have annual drawdowns of cash balance by having bond payments made on level principal, which saves the County from substantial interest expense. This will cause bond payments to decrease from year to year, allowing sales tax revenues to catch up to and surpass operating and debt service expenditures.

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Jeff said that in addition to this, the Budget Office has proposed watching several critical numbers on a regular basis, including sales tax revenue, Federal boarding revenue, and personnel vacancy savings. He said that the number of Federal inmates housed in the jail drives the boarding revenue figure, and that the Budget Office has budgeted these revenues based on assurances that these inmate levels would remain at specific levels. Part of the Resolution plan is to have the increase in Federal boarding revenue from a larger facility assist in covering the promised Resolution spending.

John Russell also mentioned that the County is currently re-negotiating the contract with the US Marshals' Service which should increase the per diem rate on Federal inmates based on the additional services the new jail can now offer. Jeff pointed out that the Resolution plan currently anticipates the low point for cash balances in the year 2030, but this low cash point has also always been anticipated as part of the Resolution plan. It was expected that cash balances would grow in the first years of the tax, then begin to be spent down as bonds were issued and debt service obligations began to be paid. In addition, the Resolution also called for the building of operating cash reserves, which will have more than \$16 million in cash available as backing for operations at that time, should a cyclic economic situation be such as to cause potential concern.

Conrad then asked for clarification on jail construction, and about whether construction on the Sheriff's Office was complete. Rob Rigidon answered by stating that construction was finished, and that current work at the Sheriff's Office and jail consisted of warranty work as staff began making use of the facility and came across items that needed additional attention from the contractor. Conrad asked if anyone was aware of what the current inmate count at the jail was, and Chris Coulter responded that the count was at 845, and that it had been in the 800's for several weeks running. Bernie noted that this was considerably lower than where levels had been expected.

Chris responded that the Courts were now back up and running at full capacity, which was helping with the processing of the inmate population. Bob pointed out that the video court rooms which had been installed in the jail must be cutting down on the need for transporting inmates to and from court, and Chris responded that all parties involved (the 31st Judicial Circuit Court, the Prosecuting Attorney's Office, and the Sheriff's Office) were happy with the way these rooms were being utilized. It was also pointed out by Jeff that one of the purposes for the GR II tax was to address the various choke points in the justice system which were contributing to the overall inmate population problem, and that the lower inmate rate helped to show that these programs were being helpful in managing the issue.

Mike then proceeded to a discussion of expenditures, beginning with Environmental Initiatives. He said that spending in this category has stayed consistently under Resolution allotment each year, while utilizing water quality specialists and storm water engineers on-staff who continue to address issues throughout the County. The Environmental department has provided many services to regions which have endured storm water issues which would the County could not have afforded to otherwise address prior to the approval of the GR II tax, up to and including storm water buyouts of properties which have shown to be historically unsustainable for housing residential dwellings.

Mike then continued on to discuss General Revenue Stability. He indicated that spending in this category shows as higher than accounted for in the Resolution, but that this is due to the need for additional staff in Information Systems, which have been committed full-time to the operations of the new jail and the technologies necessary to keep it running and in communications with other County departments. Mike said that the size of the new jail facility has essentially made it a second County campus, which now requires the additional general support staff to maintain daily administrative operations. This has

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applied to additional staffing for both Information Systems and Building Operations. Jeff noted that these support staff could be classified as jail staffing, since they are pledged exclusively to jail operations, but that they have instead been classified in the General Revenue Stability section of the Annual Report in order to maintain consistency with previous reporting.

The next category of spending discussed was Community Projects, which includes spending on mental health initiatives, partnership law enforcement units consisting of the Family Justice Center (FJC) and the Fugitive Apprehension Unit (FAU), local municipal projects, animal control, and animal shelter construction. Animal shelter construction has not yet occurred, although it was scheduled in the Resolution to occur within the first two years of the tax. Jeff said that the County will continue to budget annually for this cost, approximately \$1.45 million, so that funding will be available once construction is slated to commence.

Mike pointed out that he asked Jamie Willis (the FJC Director) to provide a report on FJC services which it has provided to the community, and commented that he has heard from other people in the community about the excellent work the FJC has done in the area of domestic violence. John pointed out that the surveys returned from many of the clients which the FJC has served consistently come back with the highest possible scores and the people continue to praise the FJC for what it does. Bernie also agreed to the quality of the report as provided by Jamie. Mike indicated that Dan Patterson had pledged FJC operational savings against its Resolution allotment to pay for costs of the Tefft building renovation, so that all FJC services could be housed in a central location. Mike informed the Board that as of the end of 2021, the Tefft renovation cost had nearly been recouped in full.

Mike next discussed expenditures in the Justice System category, which includes additional staffing for the expanded jail, staffing in the Prosecuting Attorney's Office, Court-ordered wraparound services, and spending in the Commission-controlled Pretrial department. Mike stated that the savings to Resolution in this category are due mainly to vacancy savings arising from the slowed pace of hiring of new jail staff. Jeff pointed out that we have planned vacancy in the budget each year based on historical turnover rates, and that this planned savings then gets plowed back into the ability to appropriate other items at budget time. The Budget Office then monitors accumulated vacancy in excess of this planned amount after each pay period, to ensure that the County is not spending into that expected savings which has already been appropriated in the budget to other items, as well as to determine how much in additional savings in excess of budget has been accumulated at each point in time through the year, for potential uses in other areas as needed.

Mike pointed out that one of the more significant spending categories in the area of treatment courts and the efforts to mitigate excessive inmate population has been the increased use of electronic/GPS monitoring. Mike said that while this particular expenditure line item has increased, it is still a significantly smaller cost per person to use electronic monitoring than to hold the same person as an inmate in the jail. He said that Natalie Gomez, who is the Pretrial department head, has done an excellent job with the number of inmates her staff monitors. Chris indicated that the current count of people on electronic monitoring is about 200, and that the County uses a third party for the actual monitoring. He added that Pretrial typically makes contact with inmates within their first 24 hours in the jail to determine if they are potential candidates for monitored release. Jeff pointed out that Pretrial has a ratings process to determine whether inmates would be considered safe to release with monitors, so that dangerous individuals aren't being indiscriminately turned loose.

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The final category of expenditures discussed was Capital Projects. Mike said that the spending attributed to this category consisted primarily of the cost of debt service obligations, which includes both the payment of interest and the repayment of bond principal. Actual project costs are accounted for in the areas of the ledger in which the bond funds are held, while the cost of bond repayments occurs in GR II. Other expenditure items included in this category are the cash costs of payrolls for both the GR II Project Manager and the Jail Advance Team. Mike noted that actual spending in 2021 was substantially lower than the amount as given in the 2019 modified Resolution because at that time, in 2019, it was uncertain how payments would be structured for the final bonds needed to complete the jail project. Jeff pointed out that payments were ultimately structured so that in 2021 and 2022, payments for newly-issued bonds consisted of interest only, with principal payments fully kicking in during 2023.

Mike then noted that while the accumulation of operating reserves didn't fall into one of the 5 categories of expenditures, it had always been a part of the overall Resolution from the beginning. He said that the County continued to add cash to both the operating reserve and a 27th pay period reserve which would handle those rare years when an extra pay period might mean an extra total personnel cash expenditure of \$2-3 million, and that this reserve would prevent such a year from turning into an undue hardship for the County.

Jeff pointed out the reconciliation of cash for operations, which appeared in the Annual Report, showing the amounts held in the operating reserve, emergency reserve, 27th pay period reserve, liability insurance reserve, and the bond repayment reserve. There was also a second detailed table providing the breakdown of the bond reserve among the various bonds for which the reserve held funding at the end of 2021. He also noted that the County maintained this bond reserve via monthly cash transfers, so that the funds needed for payments at the respective due dates was immediately on hand, a practice which Moody's Investor Services had previously noted was a good practice for the County to maintain.

The next section of the report to be covered was a broad overview current 2022 spending activity through the end of June. Mike noted that there were always going to be some expenses occurring at either the beginning or end of the year as opposed to evenly throughout, so the figures presented in the accompanying table were only provided as a snapshot in time of ongoing activity, and that there were no significant surprises to be reported on activities thus far. Mike also briefly discussed another table in this section showing a general breakdown of the jail construction budget, along with current spending, expected remaining spending, and the anticipated total project savings of about \$1.9 million. He then referred to the table on page 10 as previously pointed out by Bob Davis, which showed that 100% of expected GR II sales tax revenues would be committed to ongoing jail operations and the repayment of debt obligations through at least the next seven years.

Attention was then directed to the final page of the report which contained the verbiage of a resolution to dissolve the Sales Tax Oversight Board. Mike indicated that the wording provided in the Annual Report was essentially verbatim to a resolution previously provided by Bernie in a prior year when the subject of dissolution was discussed. After no further discussion on the issue, Casey Pyle moved for the adoption of the resolution upon acceptance of the Annual Report, and was seconded by Britton Jobe. The motion passed unanimously. Conrad then asked for a motion to accept the Annual Report as the Report of the Board, which was provided by Casey and seconded by Britton. This motion also passed unanimously.

Conrad then took a few moments to express an opinion that he felt should be included as part of the minutes of the meeting. He felt that in regards to the various law enforcement taxes currently in place

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around the County and its municipalities, consideration should be given to replacing them with a single encompassing tax in such a way as to get all the various law enforcement agencies on the same page with its directives and goals to get all the collective agencies to work together better. As an example, Conrad mentioned sex trafficking. He related that his concern was that sex trafficking has grown to such a degree that it was not just a criminal network run by known or suspected mobs, but by mom-and-pop operations which have proliferated to an much more dangerous degree. He cited the example of his own granddaughter who experienced an incident in Springfield which featured similarities to suspected practices of criminals who have targeted others for the purposes of kidnapping and/or sex trafficking. His desire is that with these criminal practices on the rise, together with all the reported increases in random violent crimes, that all the various law enforcement agencies should consider building a consortium of agencies which focuses on a collective purpose and a unified plan. He said that it might take a while to create the model, but it would be worth it.

Conrad concluded by thanking all the administrative staff for their work in preparing the data, and making sure that the information would be on the website for all the citizens of the County to review. Bob also said that he knew that there was a lot of work that went into the preparation of this sort of volume of data over and over again, and that he was appreciative of the efforts of staff to provide it to the Board. Jeff said that the administrative staff have always worked at the direction of the Board and that it was our pleasure to provide the information to the Board. Conrad pointed out, as an example of the usefulness of the information, that the public was relatively quick to accept the change in plans for the jail from an expansion of the current facility to a new construction in a new location. Conrad attributed this to the transparency of information like that prepared for the Sales Tax Oversight Board, which helped to make the reasons of the change understandable to the public.

A motion to adjourn the meeting was made by Conrad and seconded by Bernie, and passed unanimously. Conrad then adjourned the meeting.