

January 6, 2009

FINANCE COMMITTEE REPORT

The Finance Committee meeting was held Tuesday, January 6, 2009 at 5:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Kurt Moore, Bob Stephenson, Craig Brown, Tom Allen, Dan Douglas, Jim Wozniak, Marge Wolf

Others Present: County Judge Dave Bisbee, Judge Jay Finch, County Treasurer Deanna Ratcliffe, County Attorney George Spence, Richard McComas, Michele Anderson, Barbara Ludwig

Media: Scarlett Sims – Morning News; Tabatha Hunter – Benton County Daily Record

PUBLIC COMMENTS:

None

1. Grants Administrator Report

Kathy Bannister requested a resolution authorizing application for a Safe Haven Grant, adding that it does not require a county match. She said that this grant was applied for previously, but was not awarded. JP Moore asked for discussion. Kathy Bannister reported that this is a non-profit agency, which gives supervised visitation and safe exchange for children affected by domestic violence issues. JP Wolf made motion to forward to the January 13, 2009 Committee of Thirteen agenda, seconded by JP Stephenson.

Motion passed by unanimous show of hands vote.

2. Adult Drug court Training Expenses

Circuit Judge Jay Finch presented an estimated cost breakdown for an Adult Drug Court Conference to be held in June 2009. He said that the \$200,000 grant they received includes a stipulation that the entire team must attend the conference. He said that they had not received all of the information on the conference before turning in their 2009 budget, so they need an additional \$3,113.40 to cover the expenses, including airfare, travel, meals, and lodging for the nine to ten people who will attend. He said that the total cost for conference is approximately \$19,000, the Drug Court fund now has \$8,000 in grant monies, and \$5,000 in the Drug Court fund, which comes from fines paid by the Drug Court participants. He added that Prosecutor Van Stone volunteered to pay for expenses for the Deputy Prosecutor who will attend, as will the Public Defender. He said that an additional \$1,000 would come from the Prosecutor's office Drug Court procedure funds. JP Stephenson questioned the location. Judge Finch stated that the conference will be held in Anaheim, California. JP Douglas questioned the requirements for training. JP Wolf, questioned benefit of conference. Judge Finch explained the different classes and courses to be taken and the benefits and how this would be a benefit to the county. JP Douglas questioned the need for each individual to attend the classes and courses, and asked if fewer could attend the conference and then come back and do the training. Judge Finch stated that the grant requirements are very specific that the entire team attends. JP Wolfe

questioned the amount of monies to be spent and the amount of monies already invested. JP Wolf made motion to forward to the January 13, 2009 Committee of Thirteen agenda, seconded by JP Stephenson. JP Stephenson said he was in favor as to preserve the grant. Motion passed six for, one against (Douglas)

3. Health Dept Air Conditioning/Heating Replacements.

Michele Anderson presented a request for \$19,100 to be moved from 2008 budget to 2009 budget for replacement of two heating and air conditioner units in the health department building. JP Moore asked Richard McComas to explain why there is not a fund set up for this. Richard McComas stated that the desire of the Court in the past has been to address emergency repairs by taking money out of the reserve fund, instead of having an unknown amount of money set aside. JP Stephenson asked if this had not already been discussed recently. Michele Anderson explained that two of the units were replaced last year, but that the remaining two units just recently went out. She said the appropriation was approved in 2008; they were not able to take delivery in 2008, so the funds need to be moved to the 2009 budget.

JP Wozniak asked why bids were not taken. Richard McComas stated that since the amount was under \$20,000, bids were not required. JP Allen made motion to forward to January 13, 2009 Committee of Thirteen agenda, seconded by JP Stephenson. Richard McComas added that this would be part of the clean up ordinance for the end of the year.

Motion passed by unanimous show of hands vote.

JP Stephenson asked why this has taken over a month, and expressed concern that during the delay they have incurred extra expense in purchasing heaters. Michele Anderson reported the units had to be custom built because of the old ductwork.

4. Road Dept – 2008 Equipment

Richard McComas stated that this money was budgeted in 2008 for equipment, but for the simple reason that the equipment did not arrive in 2008, it needs to be carried over to the 2009 budget. JP Wozniak made motion to forward to the January 13, 2009 Committee of Thirteen agenda, seconded by JP Wolf. JP Douglas questioned why we are buying top-of-the-line vehicles that cost approximately \$25,000 each. He asked if they have specific specs, or could we get something more basic. JP Moore asked County Judge David Bisbee to obtain specs of vehicles. Judge Bisbee replied that he would be more than happy to. Treasurer Deanna Ratcliffe questioned why these were purchased from a dealer in Tulsa and not a vendor here in Arkansas. Judge Bisbee stated that he is going to be checking on the possibility of getting a 2% preference if they can adopt an ordinance requiring all purchases to be made locally. Judge Bisbee stated that it would be fine if the committee wished to table this item until he can meet with the Road Department and get more information, and asked Richard McComas if they are locked into honoring the contract. Richard McComas stated according to the previous County Attorney, they are. Judge Bisbee asked if they could throw out all of the bids and start over. Richard McComas stated that the original contract was awarded to another vendor, but because the original bidder, George Nunnally Chevrolet, was unable to honor contract, it was awarded to the second place bidder, Danny Beck Chevrolet in Tulsa. Judge Bisbee stated that if the Quorum Court does not appropriate the money, the contract is null and void. Richard McComas said that the Road Department came to the Quorum Court and stated that they had made all of their 2008 equipment purchases for less than expected, asked permission to purchase the pickups with funds that were left in the 2008 budget, and agreed that they would not request any funds to purchase equipment in 2009. He said the Court agreed at that time, but since the trucks were not delivered in 2008, the Road Department is asking that the money be forwarded to 2009. JP Allen stated that several members of the committee are new, and have not seen the information on the trucks. He said

he is planning to vote against it because he does not have enough information. Richard McComas stated that the trucks are already ordered and on the way, and this is money that was in the 2008 budget, and just needs to be moved to 2009. JP Allen asked if the purchase has already been approved, and are they just voting to move the money from 2008 to 2009.

JP Stephenson stated that he could not conceive of himself ever agreeing to purchase a \$25,000 pickup that can be purchased for \$19,000 or \$20,000. He said he is also concerned that they did not go through the state purchasing pool. He said he is in favor of tabling the item. JP Moore noted that they already have a motion to forward to the Committee of Thirteen.

JP Wozniak stated that over half of the bids in the state for vehicles last year were from out of state. Richard McComas stated that these are custom built for the road department. Richard McComas stated that he feels very comfortable with the work the Road Department has done, and that they have searched for the best prices. JP Moore said that he feels that this should be sent to the Committee of Thirteen, not necessarily with a recommendation for approval, to give more time to gather more information. JP Moore motion passed with unanimous vote. JP Wolf reminded the committee that this could still be turned down by the Committee of Thirteen or the Quorum Court. Judge Bisbee stated that he would have the specs for the trucks at the Committee of Thirteen.

Motion passed by unanimous show of hands vote.

5. County Attorney

Richard McComas stated that the County Judge and Prosecuting Attorney have agreed to contract for legal services, which will be paid for from Legal Services in County Legal department budget instead of Salaries. He said if they decide to hire a permanent County Attorney, it might be necessary to move some funds in that department. JP Allen asked if it is going to cost about the same, as opposed to hiring a full time attorney. Richard McComas stated that he has no way of knowing that until he sees how much the attorney will be utilized. County Judge Bisbee stated that they are taking 60 days to see how much it costs and how well it works, and they hope that the cost is the same.

6. Sales Tax Numbers

Richard McComas reported an 8.5% increase for 2008, surpassing the projection by \$41,399. He said this represents only 26% of the Benton County 1-cent sales tax receipts. He added that 9 out of 12 months had an increase, and 2 months ago, there was a decrease. Richard McComas stated that the projection for 2009 is \$9,030,000, which is a very small increase over 2008. Richard McComas said that this next month is typically the lowest month of the year.

7. Jail Collections

Richard McComas noted revised projections of \$1,402,000 in Jail Collections, which was \$400,000 more than budgeted, and they have budgeted \$1.2 million for 2009. He said that the County Sheriff has not indicated any changes in how inmates are going to be handled next year. JP Stephenson noted that the city of Siloam Springs is no longer going to incarcerate prisoners, except on a temporary basis.

8. Fuel Summary

Michele Anderson reminded the committee that there is still one month of fuel bills to be added in. She said that the Sheriff/Jail Departments were adjusted to \$515,000 and came in slightly under at \$451,175. She said the Road Department budget was adjusted to \$1 million, and they are already at \$1.1 million. She said that hopefully the \$59,000 estimated for December will come in lower. She noted that the average fuel costs per gallon ended up lower in 2008 compared to 2007 in both gasoline and diesel, and there is \$66,000 in fuel costs that will be added back to the Road Fund from

other departments. She added that the 2009 Road Department budget is \$1,043,000 and the Sheriff's Department is \$600,000.

9. Monthly Expenditure Report

Michele Anderson presented the 2008 Monthly Expenditure Report, which includes the encumbered funds as of December 31. She said they still have telephone, utilities, and fuel which are unencumbered, which leaves \$1.4 million in County General and approximately \$300,000 in County Road. She said their goal is to close out 2008 as quickly as possible, so they will try to have final numbers by the end of February. Richard McComas stated that they will do a cleanup ordinance next month, and one more to close out the year. Richard McComas said that an adjustment will be made in County Legal, because of a vacation time payout to Judge Robin Green. He added that there will be small adjustments in Search & Rescue and CenCom. JP Moore asked what the estimate is for returned appropriations. Richard McComas stated that it is still too early to guess. He said he needs to check with the Road Department on jobs that will have to be moved from 2008 to 2009, and the Employee Health Insurance Fund will need an adjustment of \$120,000, but they still came in under the amount of the funding level. He said the number of claims was higher this year, and there were some larger ones. JP Moore asked how the stop loss policies work. Richard McComas explained that we have an individual stop loss at \$120,000, and a group total of \$3.5 million. JP Moore asked if we have ever hit those figures. Richard McComas reported that they were met the very first year that health insurance was self-funded. Richard McComas added that this is the fourth year that we have not had to increase the funding level, and noted that our insurance provider has been changed to Blue Cross Blue Shield, which will result in some discounts.

10. Other Business

Michele Anderson stated that Juvenile Probation Director Petie Cobb requested funds in her 2008 budget for a Workplace Spanish course, and she is requesting that it be transferred to the 2009 budget. JP Stephenson made motion to forward to the January 13, 2009 Committee of Thirteen agenda, seconded by JP Wozniak.

Motion passed by unanimous show of hands vote.

Michele Anderson stated that an ordinance request has been prepared for all of the adjustments discussed today, but they can wait on it until the questions about the Road Department purchase have been addressed.

JP Moore stated they can leave as is; any changes can be made at Committee of Thirteen.

Richard McComas stated that the pay increase for Quorum Court members was approved in the 2009 budget, but since it was already set out as a separate ordinance, they will need to amend the ordinance so that the pay rate is on record. JP Moore noted that the last pay adjustment was done in 2001. JP Stephenson made motion to forward to the January 13, 2009 Committee of 13 agenda, seconded by JP Wozniak.

JP Moore announced that the next Finance Committee meeting will be Thursday, February 5 at 5:30 p.m., since some committee members will not be able to attend on the regular first Tuesday of the month.

After motion and second, meeting adjourned at 6:25 pm.