

January 10, 2006

FINANCE/BUDGET COMMITTEE REPORT

A Finance Committee meeting was held Tuesday, January 10, 2006 at 2:30 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville.

Committee Members Present: Moore, Stephenson, Summers, Wolf

Others Present: JP Bill Adams, Richard McComas, Michele Anderson, Travis Harp, Michelle Crain, Elizabeth Bowen, Kathy Bannister, Jim Ecker

Media: Joe Askins – Morning News, Jennifer Turner – Benton County Daily Record

JP Tim Summers called the meeting to order at 2:30 p.m.

PUBLIC COMMENTS:

None

1. County Attorney/Grants Administrator Report

Grants Administrator Kathy Bannister stated that they are asking for a Resolution to authorize application for a matching grant to purchase \$75,400 in GIS equipment which will be used to make GIS data available to the public. She said the grant is for \$37,700 and will be matched by in kind funds, which will be made up of salaries generated and 15% of the value of our current GIS data. JP Summers asked for an explanation of the purpose of the program. Elizabeth Bowen stated that it would allow the public to access GIS data such as aerial photography, road information, elevations, and geographic data through 2004, and they have the 2005 data ready to go. JP Wolf made motion to forward the Resolution request to the next Quorum Court meeting, seconded by JP Stephenson. Motion passed by unanimous show of hands vote.

2. Sales Tax Report

Comptroller Richard McComas stated that they finished the year at \$10,094,020 in sales tax revenue, which is \$94,000 over the revised 2005 projection. He stated that November was a good month, and there were only two months in 2005 that saw less than double-digit increases. He said they have projected \$11 million for 2006.

Comptroller Richard McComas stated that the State of Arkansas is being required to refund nearly \$1.4 million to an unidentified taxpayer for overpayment of sales and use taxes, and Benton County's portion is \$114,334, which will be withheld in 18 monthly installments of \$6,352 beginning in February.

3. Revenue and Recap December 31, 2005

Comptroller Richard McComas stated that the Total Revenue received exceeded the Total Adjusted Revenue projections by \$474,000. He said a lot of that was from interest income from

the money held for Amendment 59 settlements that they had not budgeted. He said that Jail Fees, Delinquent Real Estate, and Late Assessment Penalties were all up, and that \$400,000 in current Real Estate Taxes and \$400,000 in Excess Commissions and Interest were not included in 2005's Final Settlement. JP Summers asked if that meant that approximately \$800,000 in Revenue from 2005 will be on the books in 2006. Richard McComas stated that was correct. Richard McComas stated that the Bank Balance at the end of the year was a little over \$5 million, with another \$793,000 in investments. He said that he subtracted from that the \$612,000 in the Amendment 59 account, because it will be included in the 2006 Budget Recap. He said there was \$25,000 in County Road, and stated that there is \$1.4 million left in appropriations to be spent in 2005, but that they did not expect to spend all of those. He said that left an ending balance of \$3.7 million, and they started the 2006 Budget Recap with \$4 million, but there is the \$800,000 from the Final Settlement yet to be added, and they have already paid the \$894,000 Road Department note. JP Summers asked if that left the final balance at approximately \$4.5 million. Richard McComas stated that was correct. JP Summers pointed out that that included a \$485,000 addition to the Capital Projects Account, leaving a balance of approximately \$1.5 million in that account. Richard McComas stated that the \$11.7 million projection for 2006 Property Tax may be a little high, because they cannot predict how much will turn delinquent at year's end, and that number was higher this year than it has been in the past. JP Summers stated that they should look at adjusting that projection. JP Summers stated that there are challenges coming up in several different areas, including the possible incorporation of Bella Vista. JP Summers asked which notes are currently out. Michele Anderson stated that there are three—the Fire Department note, CenCom/IS, and the Road Department. Richard McComas stated that they were all amortized and budgeted within the various departments. JP Summers asked for a quarterly report on the notes.

JP Summers stated that keeping the fund balances as high as possible would be the key to being able to take care of future building needs that are facing the county.

JP Allen entered the meeting.

4. Planning Department Ordinance

Comptroller Richard McComas stated that they have estimated the revenue that will be generated from the permit and inspection fees that will be implemented in the Planning Department, and they are asking for additional personnel which will be funded by that revenue. JP Summers asked what the estimates were based upon. Richard McComas stated that they were based on 900 septic tank permits issued in the county last year, and they had not included Bella Vista Village or Lost Bridge Village. JP Allen stated that they should try to identify areas that are likely to be annexed and deduct them from the estimate. Richard McComas stated that they had used conservative estimates. JP Summers asked when the first permit would be issued. Richard McComas stated that it would probably occur sometime in February. Richard McComas stated that the original personnel requests had included a receptionist, but they have deleted it to keep the personnel costs within the expected revenue. JP Stephenson made motion to forward the ordinance request to the January 10, 2005 Committee of Thirteen meeting, seconded by JP Wolf. JP Summers asked for an explanation of what functions are being funded. Planning Director Michelle Crain stated that they would be conducting building inspections, including framing, footing, electrical, and final inspection. She said that the Storm Water Manager will not only

be handling storm water issues on construction sites, but will also oversee Road Department construction to ensure that they comply with storm water regulations. She stated they would also be issuing all of the permits and collecting fees. JP Wolf asked when they would be returning to ask for the receptionist, and if they had deleted it due to its lack of importance. Michelle Crain stated that she had deleted the request strictly to keep the personnel costs below the expected revenue. JP Adams stated that with 900 permits being issued, the last thing they needed to do is not have someone available to answer the phone, and asked Michelle Crain what the percentage was of time spent in the field. Michelle Crain stated that she spends approximately 50% of her time in the field, and some other employees spend 80% to 90%. She said there is always someone there to answer the phone, and that this will bring the total number of employees to 10. JP Allen stated that they would probably get more revenue than projected since they used such conservative estimates, and it was possible that the receptionist could be funded later in the year. JP Summers stated that they are taking a shot in the dark, so they should be prepared for the possibility of having to provide some additional funding for the department until they see how the revenue is going to do. Motion passed by unanimous show of hands vote.

5. Other Business

JP Stephenson stated that during the 2005 Budget Process they had discussed hearing from representatives of the Sheriff's Office and Search and Rescue Dive Teams about the possibility of combining the two. JP Summers stated that they would put it on the February Committee of Thirteen agenda. County Judge Gary Black asked to be recognized, and said that he recalled looking into the matter some time ago and was against combining the two departments. He said that he would get the notes he had made and address the Committee in February. JP Summers stated that he would also like to hear from Jeff Hawkins of Northwest Arkansas Regional Planning regarding the County's participation in a cooperative storm water management program. Assistant County Administrator Travis Harp said that he had spoken with Jeff Hawkins, and asked him to send a letter to all of the Quorum Court members clarifying how the program affects the counties.

JP Summers announced that the next Finance Committee meeting would be February 7, 2006 at 2:30 p.m., and that the Committee of Thirteen would be meeting today at 5:00 p.m.

After motion and second the meeting adjourned at 3:32 p.m.