

April 3, 2007

FINANCE COMMITTEE REPORT

A Finance Committee meeting was held Tuesday, April 3, 2007 at 2:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Harrison, Hobbs, Stephenson, Summers, Moore, Wolf

Others Present: JP Hill, Treasurer Deanna Ratcliffe, County Attorney Robin Green, Richard McComas, Travis Harp, Michele Anderson, Kathy Bannister

Media: Scarlet Simms – 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 Report

County Attorney Robin Green distributed copies of the County Attorney's Report that was submitted to the Legislative Audit, and updated the committee on the status of the three lawsuits that the county is currently involved in. She said that the County is appealing the decision in the Freedom of Information suit against the Assessor's Office, solely to dispute the amount of attorney's fees that were awarded. She said the second case involves Benton County Stone's appeal to the Arkansas Supreme Court of the Planning Board's denial of their rock quarry, and the adjoining landowner's appeal of the Circuit Court's denial of their right to intervene. She said she has notified the Supreme Court that Benton County intends to remain neutral on the issue of landowner intervention. She said the third is the Road Tax Lawsuit, and she has filed notice that Benton County intends to appeal the Circuit Court's dismissal of the suit.

There was discussion concerning the Quorum Court's role, if any, in the various litigations. Robin Green stated that she would continue to keep them informed of any lawsuit that exposes the County to financial liability.

2. Grants Administrator Report

Grants Administrator Kathy Bannister recognized GIS Coordinator Elizabeth Bowen who stated that the Information Systems Department has received a \$5,000 grant in the form of software from a company that they are working with on a project in the Assessor's Office. Comptroller Richard McComas stated that it is not a capital asset, so it will need

to be added to the inventory, but will be considered a donation. JP Wolf made motion to accept the donation, seconded by JP Stephenson. Motion passed by unanimous show of hands vote.

Kathy Bannister stated that they are considering two grant applications in the next month. She said one is an LLEBG Juvenile Probation grant for drug counseling, which is due on April 18, so they will have to submit a letter of intent from the County Judge since the Quorum Court will not meet prior to the deadline. She said it is a Federal Grant with a 25% match, and they will apply for 15% from the State, so it will only require a 10% local match which can be in-kind. JP Wolf asked if this will require hiring a counselor, and if it is a renewable grant. Kathy Bannister stated that the counseling is outsourced, and they will have to re-apply for the grant every year. JP Stephenson made motion to forward a recommendation to the April 10, 2007 Committee of Thirteen meeting to authorize the County Judge to submit a letter of intent to apply for the LLEBG grant to provide drug counseling for Juvenile Probation, seconded by JP Summers. Motion passed by unanimous show of hands vote.

Kathy Bannister stated that they may also apply for a Victim Justice and Assistance Grant for a bilingual Victim Advocate position, and is due in May, so they will need a Resolution for the April Quorum Court meeting. She said it will require a 25% match, and may possibly come out of the Prosecuting Attorney's budget. JP Stephenson stated that the county would be responsible for funding the position after the grant expires, but could re-apply for another year of funding. Kathy Bannister stated that was correct. JP Stephenson made motion to authorize the County Judge to proceed with the grant application, and forward the Resolution request to the April 10, 2007 Committee of Thirteen meeting, seconded by JP Wolf. Motion passed by unanimous show of hands vote.

3. Road Department Request

JP Summers stated that after purchasing equipment that was requested in the 2007 Budget, the Road Department has \$71,299 remaining and they would like approval to use it for additional equipment purchases totaling \$39,000. Comptroller Richard McComas stated that there is an additional balance of \$32,220 that they would like to use at their discretion for equipment purchases that may arise later in the year. JP Harrison made motion to forward approval of the purchase to the April 10, 2007 Committee of 13 meeting, seconded by JP Moore. JP Moore stated that he is always in favor of county departments saving money on purchases, and he sees no problem in rewarding them by allowing them to use the money to buy additional equipment. Motion passed by unanimous show of hands vote.

4. Sheriff's Department Request – Live Scan Fingerprint Station

Captain Hunter Petray stated that they can purchase a digital scanner for fingerprinting and listed several advantages over the ink method currently used, including a reduction of time spent on the intake process. He said it will cost approximately \$45,000, with most of the money coming from the SSI-Incentive Fund, and the rest from other line items. JP Stephenson made motion to forward approval of the Sheriff's Department's purchase of a

Live Scan Digital Fingerprint Station at a cost of up to \$50,000 to the April 10, 2007 Committee of Thirteen meeting, and to include the purchase in the 2007 Budget Adjustment Ordinance, seconded by JP Wolf. Motion passed by unanimous show of hands vote.

5. Jail Collections

Captain Hunter Petray stated that most of the entities that pay for the housing of inmates in the County Jail are up to date on their payments through January, but it is difficult to track the State, because they pay by individual prisoner invoice, and the number of invoices they pay varies from month to month.

6. 9-1-1 Administration Request – New Server

Michele Anderson stated one of the servers needs to be replaced in 9-1-1 Administration, and since they did not budget any capital expenditures for 2007, they will move \$6,000 from other line items and will not need an additional appropriation. JP Hobbs made motion to forward approval of the purchase to the April 10, 2007 Committee of Thirteen meeting, and to include it in the 2007 Budget Adjustment Ordinance, seconded by JP Stephenson. Motion passed by unanimous show of hands vote.

7. Sales Tax Report

Comptroller Richard McComas stated that for the first time since 2004, sales tax collections were less than the same period of the previous year, and it is only the third time since 2002 that this has happened. He added that the county's percentage has dropped from 38% to 27%, since Bella Vista is now receiving its portion of the county sales tax, and there still would have been a decrease of approximately \$15,000 even if Bella Vista's portion had not been subtracted.

JP Stephenson stated that he did not understand the decline when there has been so much new retail activity this year. Richard McComas stated that the housing market is way down, which impacts sales tax revenue significantly. JP Summers stated that sales tax has always been very volatile, and there was some bad weather in January which could have affected the receipts. Richard McComas stated that the percentage of growth has been steadily decreasing over the past few months, and they are no longer experiencing the 10% growth of the last 2 years. JP Harrison stated that the car market is also down. JP Moore stated that Washington County's decrease has been blamed on more people from Benton County staying home to shop, but yet we are not seeing that increase.

Richard McComas stated that the City of Rogers is the only entity in Northwest Arkansas that saw an increase. He said that we may see an increase again next month, but probably not the 10% that was projected. JP Summers stated that we may do better on Real Estate taxes, because the tax charge increased from \$148 million to \$180 million.

Richard McComas stated that they are presently \$411,000 to the good, but they are approaching the months without Bella Vista's portion, so that amount will gradually continue to decrease. JP Summers stated that apparently their concerns about sales tax revenue were justified. JP Moore asked if the county is in danger of not meeting 2007 Budget projections. Richard McComas stated that if there is absolutely no growth for the rest of the year, they will come up about \$80,000 short, but he will wait until mid-year before recommending any adjustments to the budget.

8. 2006 Unemployment Tax

Richard McComas stated that the county does not budget for unemployment taxes, but reimburses the State for any payments that are made during the year. He said the 2006 taxes are only \$1,000 more than the 2005 amount, and would have been over \$200,000 if they had used the percentage method. He said it will be an additional appropriation of \$59,989 from the various departments, and they will include it in the 2007 Budget Adjustment Ordinance. JP Stephenson made motion to forward approval of payment of the 2006 Unemployment Taxes to the April 10, 2007 Committee of Thirteen meeting, and to include it in the 2007 Budget Adjustment Ordinance, seconded by JP Wolf. Motion passed by unanimous show of hands vote.

9. Monthly Expenditure Report

Accounting Manager Michele Anderson stated that they should be around 24% through March, but there was an additional pay period in March that caused the salary numbers to be a little higher. She added that Capital is usually a little higher at the beginning of the year because departments have made major purchases. She said County General is at 26.19%, County Road is at 24.40%, for an overall total of 22.96%.

10. Other Business

None

11. Announcements

JP Summers announced that the next Finance Committee meeting will be May 1, 2007 at 2:30 p.m.

JP Moore stated that Gary Ryel passed away suddenly, and was quite an asset to the County who will be sorely missed.

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