

April 7, 2009

FINANCE COMMITTEE REPORT

A Finance Committee meeting was held Tuesday, April 7, 2009 at 5:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Wozniak, Wolf, Brown, Moore, Allen, Douglas, Stephenson

Others Present: JP Sandlin, JP Hubbard, County Judge David Bisbee, Assessor Bill Moutray, Treasurer Deanna Ratcliffe, Comptroller Richard McComas, Grants Administrator Kathy Bannister, Michele Anderson

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

PUBLIC COMMENTS: None

1. Grants Administrator Report: Kathy Bannister

Kathy Bannister stated that she is requesting a resolution authorizing application for a Drug Court Grant of up to \$300,000, on which they are working with Decision Point to obtain some counseling services, and there is no match required.

Kathy Bannister stated that they will also need a resolution to apply for a Justice Assistance Grant for the Sheriff's Office, in the amount of \$60,212, with no county match required. She said the grant will fund a GIS Analyst to enter data on a part time basis for the Sheriff's Department for a period of 18 months.

JP Stephenson made motion to forward a request for both resolutions to the April 14, 2009 Committee of Thirteen agenda, seconded by JP Wolf.

Motion passed by unanimous show of hands vote.

2. Appropriation Request: Assessor Bill Moutray

Assessor Bill Moutray explained that the Equalization Board met to accept a bid for a contract to analyze market data from the last reappraisal in order to look at the possibility of an adjustment of market values for 2009 based on 2008 sales in certain neighborhoods in the county. He said it is necessary to contract for the service because he does not have enough staff to pull from the current reappraisal project to analyze the data. He said that the Equalization Board unanimously approved the proposal of Arkansas Mass Appraisal Group, and will need an additional \$16,000 to cover the cost of the analysis.

The committee discussed methods by which property owners can be notified if the market values of their property are lowered, without incurring the expense of a mass mailing. Assessor Bill Moutray stated that the information will be available through the county's website. JP Allen requested that the media be of assistance in getting that information out to the public.

Richard McComas stated that an additional appropriation may not be necessary, and the Assessor is seeking approval now in case additional funds are needed later. He said that if an adjustment is needed it can be included in the next budget adjustment ordinance, and they will just need to get verbal approval of the expenditure from the Committee of Thirteen.

JP Stephenson made motion to forward to the April 14, 2009 Committee of Thirteen agenda, seconded by JP Allen.

Motion passed by unanimous show of hands vote.

3. Discussion: Assessor's Lease at 110 West Central

Assessor Bill Moutray reported that the lease on the building at 110 West Central will be up in November, and the landlord will need notification by August 1, 2009 if the county intends to exercise its option to renew. He said that they are currently leasing 7,360 square feet at \$8.28 per square foot, and the new lease rate will increase to \$10.53 per square foot. Bill Moutray added that the building is listed for sale at \$1 million, or \$73.52 per square foot, but it is assessed at \$52.78 per square foot, and it has the major downside of no available parking.

Bill Moutray stated that he has looked at the former Hudson Foods building on Highway 102, and it has 5,100 square feet available for \$4.00 per square foot, with ample parking.

JP Stephenson asked about the renovation costs. Bill Moutray stated that Dennis Hayes in the Information Systems Department has informed him that installing fiber optic cables in the building would not be a good option at this time, but that two T-1 lines can be installed at a cost of \$1,000 per month.

JP Stephenson stated that it is something that they should look at, and asked if the building is for sale. Bill Moutray stated that he believes it is, and was purchased by the current owner for \$2.9 million. The committee discussed additional costs that would be added to the lease rate, such as taxes, insurance, and utilities. JP Allen stated that he thinks when those costs are added in, the lease rate per square foot will be close to what we are currently paying on West Central.

County Judge David Bisbee was recognized, and stated that he would like to do an analysis of what the building will cost to lease. He added that they have been looking at moving the fiber optics on West Central underground, but AT&T has made that project more expensive than they originally thought it would be, so this could be a timely move to consider. He said that he hates to move a sizable chunk of county government out of Bentonville, and while he has a personal commitment to the City of Bentonville to keep as much of county government here as possible, he also has a commitment to look after taxpayer dollars.

Bill Moutray stated that he will report back to the Long Range Planning/Buildings & Real Estate Committee.

5. Sales Tax Numbers

Richard McComas stated that the 6.5% decrease from this same time period in 2008 is the largest we have seen in quite some time.

6. Jail Collections

Richard McComas stated that Jail Receipts are still running well ahead of projections for 2009.

7. Fuel Summary

Accounting Manager Michele Anderson stated that at this time of year, fuel budgets should be at 25%, and they will note that the Sheriff's Department is only at 8%, and County Road is at 10.6%. She said that the average cost per gallon was much lower in February 2009 that it was in February 2008.

8. Monthly Expenditure Report

Michele Anderson stated that departments should be at 25% at this time of year, and the General Fund is at 22.93%, and we are at 28.32% overall.

Richard McComas noted that Health Claims are up a little bit this year, due to the number of claims filed, although the cost per claim is lower since we switched to Blue Advantage as administrator of the plan.

10. Other Business

County Judge David Bisbee reported on a meeting held with FEMA and Arkansas Department of Emergency Management officials, in which several issues concerning documentation were resolved. He said that despite being initially assured that reimbursement would occur within a 3-week turnaround, it now looks as if it will be another 6 weeks to 2 months before the county receives any money. He said FEMA and ADEM officials very complimentary of the way the county has handled the clean up in a timely manner, and was very supportive of the county's use of local contractors, and the decision to do our own monitoring. He said that FEMA officials will be doing a random sampling of tickets to confirm that our numbers are good, and he is confident in the system that Richard McComas and the staff have put in place for tracking the numbers. He said that outside contractors will cease work on Friday, April 10th, and from that point the county will be handling all of the work left to be done, including estimating any expenditures for road and bridge damage that are yet to be reimbursed.

JP Moore asked if the delay is going to cause any cash flow problems. Richard McComas stated that it will depend on how the revenue stream does in the next couple of months, but at this time, there is not a problem.

JP Hubbard asked what had triggered the audit by FEMA. Judge Bisbee stated that it was due to the enormity of the event, the fact that FEMA is not used to seeing expenses for so much damage that did not involve the loss of buildings, and that their regulations were not written to cover an event like the ice storm. Richard McComas pointed out that this is not an audit, but a sampling to verify our records, and it is something that is done everywhere. Judge Bisbee explained that they will pull a ticket, and since our paperwork is so accurate, they will be able to go to the site where the debris was collected and actually count the stumps.

JP Hubbard asked if the county is still looking at receiving 87% reimbursement. Judge Bisbee stated that Governor Beebe had asked him early in the process to write a letter requesting additional reimbursement from the Federal government, and he does not know the status of that request. He said that at this point in time, FEMA and the state are still paying 87.5%, and the county is paying 12.5%. He added that much of that 12.5% is going to come from reimbursement for expenses which would have occurred anyway, such as county equipment and county personnel who were used at the disposal sites.

Richard McComas stated that he will review the first quarter revenue and expenditures at the next meeting.

JP Moore announced that the next Finance Committee meeting will be May 5, 2009 at 5:30 p.m.

After motion and second the meeting adjourned at 6:29 p.m.