

FINANCE COMMITTEE REPORT

May 05, 2009

A Finance Committee meeting was held Tuesday, May 05, 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: County Clerk Tena O'Brien, Treasurer Deanna Radcliffe, Director of Public Service, Chris Glass, Comptroller Richard McComas, Grants Administrator Kathy Bannister, Ed Clifford

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

PUBLIC COMMENTS:

None

Chair Person JP Moore announced that Ed Clifford of the Northwest Arkansas Council is present to report on the Arkansas Natural Resources Commission local match request and asked that the committee take a few minutes to review the request.

Arkansas Natural Resources Commission local match request

Northwest Arkansas Council Co-Chairman Ed Clifford stated they have been working to identify funding to establish a \$30 million Illinois River Watershed Conservation Reserve Enhancement Program (CREP). Per Federal regulations, the U. S. Department of Agriculture requires that state and local matching funds be pledged before Federal CREP funds can be provided, and with \$24 million of Federal funds budgeted and another \$4.5 million of state contributions planned, it is necessary to raise a total of \$1.5 million locally to round out the financing for this initiative. He said local pledges and contributions of \$1.5 million will leverage \$28.5 million of Federal and state funding for this project, and that a private foundation will provide up to \$1 million as a 2 to 1 match against all locally raised contributions and pledges, and that leaves a local fundraising goal of \$500,000 and is asking the county to help. He stated that the council is asking for a commitment of \$5,000 per year for three years. He stated this program is needed to protect the lakes and streams in the Illinois River Watershed and to get the project started.

JP Stephenson asked if the County contribution could be an in kind nature contribution. Ed Clifford stated they could do some in kind contributions, and that Washington county had pledged \$10,000 for three years.

JP Allen made motion to forward to the May 12, 2009 Committee of Thirteen agenda, seconded by JP Wolf.

JP Stephenson asked if the motion was asking for any action.

JP Allen stated that he wanted to amend the motion to be partial in kind and partial cash and forward to the May 12, Committee of Thirteen agenda, seconded by JP Wolf.

Further discussion was held on the Illinois River Watershed Conservation Reserve Enhancement Program (CREPT). JP Hubbard asked if RDA had any responsibility to this project and if there were any funds available from RDA. Comptroller Richard McComas stated that RDA has a budget of \$2,000.

JP Allen made motion to forward to the Tuesday May 12, 2009 Committee of Thirteen agenda, seconded by JP Wolf.

Motion passed by unanimous show of hand vote. (JP Dan Douglas stated that he must abstain.)

Grants Administrator Report: Kathy Bannister

Grants Administrator Kathy Bannister stated that she was not requesting any thing at this time, and that she had provided the May Grants Administration Report.

HIV Clinic Update: Beverly Williams

Beverly William reported on the HIV Clinic task force, and stated that there are now five people on the task force, but that more members are needed, and that Wal-Mart and NWACC are putting someone on the task force. She stated that someone from the medical profession in Fayetteville and a Catholic Priest will be joining. She reported that the have incorporated under the name NWA HIV Community Support Inc. as a 501C, and waiting for a C3 status from the federal government. She added that Paul Justice one of the members, an Attorney has prepared all of the legal work at no cost. She said that the money from the county has made it possible for us to hire two new people and that Dr. McGhee has donated money out of her pocket and that she has made it possible to use the Gifts and Kinds warehouse. She reported that the task force had contacted the Jones Center about the new health outreach program and will meet with them next month. She stated that there is a growing concern of HIV spreading and at this time there are six hundred Marshall Island people in the area. She added that contact had been made with the HIV Minority organization on developing grants for the clinic, and that the task force was looking for a national partner to connect with to make it easier to channel funds to the clinic. She stated that they are developing a new web site and are looking for more involvement from the community by the end of the year. NWACC is supplying a room for meetings in Rogers where they can meet and that a fund raising event has been scheduled for May 18th. She reported that last month the clinic had served 52 patients, twenty-five from Washington County, twenty-two from Benton County and six from Madison County, with an average of sixty patients per month, and that there are approximately six hundred patients in the area.

County Clerk Ordinance Request

County Clerk Tena O'Brien stated that she is requesting \$10,000 out of the County Clerks Automation fund to purchase a new marriage program. She reported that the current marriage program that was purchased in 1992 was written to be printer specific and that it takes the satellite offices a long time to issue a marriage license. She reported that the new program was designed by Tracy Smith of Little Rock and that it came enhanced with a receipt and imaging program. She stated that 31 counties are using this program and that they are very satisfied. She added that she has been having trouble getting customer service support and that Faulkner and Washington counties switched because of the lack of customer support.

Some further discussion was held on the new software program, regarding upgrades available for the program and maintenance. Comptroller Richard McComas stated that \$11,200 will be taken out of the capitol projects account, because the \$1,200 left in the account will not buy any equipment.

JP Stephenson made motion to forward to the May 12, 2009 Committee of Thirteen agenda, seconded by JP Wolf.

Motion passed by unanimous voice vote.

Piney Point Community Project Grant Ordinance

Richard McComas stated that all of the funds were not expended from last year's budget, and that this is a carry over, with no new money involved. He added that the project did not get completed last year.

JP Allen made motion to forward to the May 12, 2009 Committee of Thirteen agenda, seconded by JP Stephenson.

Motion passed by unanimous voice vote.

Sales Tax Numbers

Richard McComas reported that there was a 13% percent decrease in sales tax numbers for the month, but that in 2008 we had almost a \$100,000 increase and that is why this decrease looks so large, but if you compare 2009 numbers to 2007 we are not down that much. He stated that three months worth of data is not enough information to get accurate numbers.

Further lengthy discussion was held on the percentage decrease of sales tax numbers and the 2009 budget. JP Moore stated that the uniform sales tax distribution reporting method that they came up with last year makes a difference in the numbers. JP Allen stated "we probably ought to be looking sooner rather than later, so we do not have to make drastic cuts at the end of the year". JP Moore stated that he had talked with Richard McComas and that mid year would be a good time to look at the budget. JP Wolf stated that we not only need to be looking at this, we also need to be working at a plan. Richard McComas stated that we are looking at the most frugal ways for us to spend our money and that rather than work on a plan with only the first quarter's data we need to wait until the data from the second quarter's sales-tax revenues become available in June.

Jail Collections

Richard McComas stated that Jail Collections were up \$122,000 for the year.

Discussion was held on the increase of jail fine fees to be collected from the district courts from five dollars to twenty dollars. JP Wozniak stated that an Ordinance may have to be passed to collect the additional fee. JP Stephenson stated that it needed to be determined if an Ordinance exists or if an Ordinance needs to be prepared and presented to the Committee of Thirteen.

Fuel Summary

Accounting Manager Michele Anderson stated that we are a third of the way through the year, and departments have used 15 percent of their budget and because of the ice storm, the road department has not used their normal amount, and if fuel costs stay steady, we will be able to return a half million dollars to General Fund at the end of the year.

Monthly Expenditure Report

Michele Anderson stated that departments should be at 33% at this time of year and the General Fund is at 30.38%, the road department is at 52.5% due to the ice storm, and the overall budget is at 41.5%. Richard McComas stated that workman's comp insurance is paid the first quarter up front and by September it is paid up for the year.

Discussion was held on the monthly expenditure report and reimbursement received from FEMA.

Richard McComas stated that we received a check for \$329,000 from FEMA as the first installment on the \$5.5 million dollars in project worksheets turned in and what FEMA determines is eligible for payment in the project worksheets. They will pay 75% of that amount and the state of Arkansas will pay 12.5% of the project worksheets, leaving the county footing the bill for the remaining 12.5%. He added that we will file for reimbursement for the overtime expenditures and equipment expenses with the road department and that it will show up in that line item. He stated that the revenue will show up in the revenue department, and we will be making sure that we get our reimbursements and that we should end up paying about \$750,000 for our share of the cleanup.

1st Quarter Revenue Report

Richard McComas stated that if you look at the total for the General Fund, and if we collect everything that we are supposed to for the year, we would be \$109,000 over for the year and most of the overage is in the final settlement.

Discussion was held on expenditures and ways to cut back. JP Moore stated that he would like to see a voluntary cut in expenditures and at this point, it is not mandatory, but he would like to see the departments come to the court with some ideas. JP Allen stated that we need to be prepared to cut now. JP Wolf stated she would rather be ahead of the fact than behind it. JP Moore stated that he would like to have a summit with the Elected Officials on expenditures and that he would like to see a 5% aggregate cut in expenditures for the rest of the year to offset the possibility of having to make cuts.

Richard McComas stated that rather than work on a plan with only the first quarter's data, we need to wait until the data from the second quarter's sales-tax revenue becomes available in June, and we need to get accurate information rather than guessing. He stated that in June we will have six months worth of revenue and expenditures figures and every year we turn back money in appropriations in the budget.

Further discussion was held on the revenue report and meeting with the Elected Officials.

Richard McComas stated that he would invite all of the Elected Officials to the next Finance Committee meeting.

Other Business

Richard McComas stated that two years ago we started the pilot judge program, with the Bentonville District Court, where the state was paying half of the judge's salary, and the county and municipalities paid the other half. He reported that our state legislature has met and they have given the judges a raise that will take effect in July of this year, and that their salary will go from approximately \$115,000 to \$125,000. He stated that we didn't budget enough for this year, and are looking at an increase of \$5,000 to \$6,000 per judge, that will be the county and municipalities responsibility.

JP Moore announced that the next Finance Committee meeting will be June 02, 2009 at 5:00 p.m.

Adjournment

After motion and second the meeting adjourned at 7:20 p.m.