

FINANCE COMMITTEE REPORT

February 03, 2011

A Finance Committee meeting was held Thursday, February 03, 2011 at 2:00 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Allen, Moore, Jones, Harrison, Douglas, Winscott

Others Present: County Judge Robert Clinard, Comptroller Richard McComas, Accounting Manager Michele Anderson, Grants Administrator Richard Redfearn, Administrator of Public Service Gary Black, Administrator of Public Safety Marshal Watson, Information System Director Sidney Reynolds, JPs Hawkins, King, Sandlin, and Curry

Media: Tom Sissom – Benton County Daily Record

JP Allen called the meeting to order

PUBLIC COMMENTS:

None

Grants Administrator Report

Grants Administrator Richard Redfearn reported on the new Grants Report format, and offered to send the report by email to the committee members prior to their meetings.

Richard Redfearn stated that Amy Houston, Election Coordinator of the Benton County Election Commission, is requesting a grant that is available from the Election Assistance Commission Federal Agency that would allow for assistance for the Logic and Accuracy testing (L&A) which is conducted prior to elections and for post election audits. He said it would be handled by Konach Company, a subcontractor that has been working with the Election Commission. He stated that the total grant would be \$25,000 with no county match required, and the deadline to apply is February 15, 2011.

JP Sandlin stated that since there is such a tight deadline to submit the request, that the information should be sent to the Finance Committee members to review further and that the request should be forwarded on the February 8, 2011 Committee of Thirteen.

JP Douglas made motion to forward a resolution request for the proposed grant to the February 8, 2011 Committee of Thirteen agenda, seconded JP Moore.

JP Jones requested that Election Coordinator Amy Houston of the Election Commission be present at the February 8, 2011 Committee of Thirteen meeting.

Motion passed by unanimous show of hands vote.

Items Forwarded From Personnel

JP Sandlin stated the Personnel Committee forwarded these changes to the Finance Committee, not because of additional monies needed, but because *Schedule 4* will need to be amended and some monies will need to be transferred from one fund to another, and recommended that this request be passed.

JP Moore made motion to forward an ordinance request to the February 8, 2011 Committee of Thirteen agenda, seconded by JP Harrison.

Motion passed by unanimous show of hands vote.

Budget Adjustment Ordinance

Comptroller Richard McComas stated that this appropriation ordinance request is for the reorganization changes in four different departments, transfers between line items, adjustments to various department budgets, and to carry forward some grant funds and capital projects still in progress.

He stated that an amount in the Juvenile Detention Department's 2011 budget was incorrectly entered as \$1,400 when it should have been \$14,000, so that correction needs to be made. Richard McComas stated that \$20,000 has been added to the Information Systems budget to cover the cost of relocation of fiber optics.

County Judge Bob Clinard explained that when the jail was built on Highway 102, the county entered an agreement with the City of Bentonville which allows the county to attach its fiber optic line to Bentonville utility poles, and the contract stipulates that if the city decides to move one of their poles then the county is responsible for the cost of detaching and reattaching the lines. He added that if the fiber optic has to be moved, detached, or reattached due to the request of a third party, then that third party would pay the expenses. He said that since at some point, the city might need to work on the poles, he is putting a line item in the budget to have the fund available to pay for it. He added that the contract is currently being revised to cover all of the poles which have had fiber optic cables attached over the years since the original agreement was entered into. .

Richard McComas stated that the Road Department needs funds in the budget to be able to purchase equipment at auctions, and they will be moving some funds from the "Metal" line item into the "Machinery & Equipment" line item.

Richard McComas reported that they are carrying over \$238,083 from the Energy Efficiency and Conservation Block Grant Recovery that has was not spent in 2010, but will be spent in 2011, and that this is for re-appropriating those funds.

Richard McComas stated that there is also \$112,100 being re-appropriated from the Arkansas Economic Development Commission - Septic Grant that was not spent in 2010, but will be spent in 2011.

Richard McComas reported that two Homeland Security Grants have been received and this appropriation will be adjusting the budgets to reflect the amounts actually received and the correct line items from which it will be spent.

Administrator of Public Safety Marshal Watson stated that during the budget process, they know approximately what the grant award will be, but at that point in time they have not had the

opportunity to visit with the local entities to discuss their needs with them, follow up, and look at exactly at how the funds are going to be spent.

He stated that they are purchasing an Active Shooter System at a cost of almost \$31,000 that will be utilized by the Benton County Sheriff's office in conjunction with other law enforcement agencies throughout the county. He stated that they will also be purchasing items such as replacement batteries, \$14,000 for technical rescue equipment for the Rogers Fire Department, \$6,000 for equipment for the Coroners' office and a chemical detection system at \$48,000 for the Northwest Arkansas Regional Hazardous Materials Team. He added that several radios and accessories that will be going to Gentry, Pea Ridge and Gravette. He stated that ballistic vests and helmets are being purchased for Gravette and additional radios and one vehicle is being purchased for the Department of Emergency Management.

JP Douglas asked if the vehicle being purchased for the Department of Emergency Management is an additional one or would it be a replacement. Marshal Watson stated that they are replacing the vehicle for the Director of the Department of Emergency Management because of high mileage.

Marshal Watson explained that the Homeland Security Funding is based on per capita and individual entities cannot apply for it, so the funds are awarded to the county, which then purchases the equipment. He stated that it has been the practice in the past, that once the grant has been closed out, to allocate the equipment to the entities for whom it was purchased, and remove it from the county's inventory.

Richard McComas reported that the Interoperable Emergency Communications Grant amount had been increased by \$1,839 to equal the amount of the award letter.

Richard McComas stated that \$524,000 which was not spent last year is being appropriated from the Capital Projects - Jail fund to finish the jail minimum-security barracks project.

Richard McComas reported that Rural Services Grants of \$50,000 each were awarded to the Beaver Lake Fire Department and the NEBCO Fire Department in 2010 and were was not spent, so they are being transferred to the 2011 budget.

JP Moore made motion to approve the appropriation ordinance request and forward it to the February 8, 2011 Committee of Thirteen agenda, seconded by JP Harrison.

Motion passed by unanimous show of hands vote.

Sales Tax Numbers

Richard McComas stated that monthly sales tax collections showed an increase of 7.5% over the previous year, with a year-to-date net gain of \$47,104. He stated that he had received information from Arkansas Regional Planning Commission that the Census numbers would probably be released next week. He added that sales tax collections will be affected earlier than what had been anticipated, and by next month the county will lose two months of revenue based on the previous percentage. He said that the new census numbers will change the percentage of distribution, which could affect the county's annual sales tax revenue by as much as \$450,000. He stated that currently the county's share of sales tax revenue equals 27.9% but will go down to an estimated 19.083%. He stated that the current budget had been projected to be \$6,330,000 but could go down to \$5.9 million. Richard McComas stated that this was the sixth or seventh month in a row that has shown an increase in sales tax revenues. He added that the decreases

that will show in the next couple of months will be because of the Census and not necessary is related to a decrease in sales.

JP Jones asked Richard McComas if he could show what the sales tax revenues would have been like at the previous percentage rate so that the committee could compare for a couple of months.

JP Moore asked if the projected revenues would need to be readjusted.

Richard McComas stated that we have had a very small increase over what was budgeted for the percentage of growth and that if the sales tax revenues stays at a 7% to 8% growth, it might offset the decrease caused by the Census. Richard McComas stated that by July they will know if the budget projections are accurate.

Jail Collections

Richard McComas stated that the State and Federal Government have not paid very much of their fees for housing prisoners, but that the fees will eventually catch up to the projected amounts.

Fuel Summary

Accounting Manager Michele Anderson stated that average fuel costs have increased 14% with a 24% increase for diesel fuel. She stated that it looks like the average fuel cost will take quite a jump next month. Richard McComas stated that they did come in under budget in 2010, and that the same amount per gallon was budgeted for 2011.

Monthly Expenditure Report

Michele Anderson stated that expenditures in the General Fund were at 7.76% of the budget and at 5.83% in County Road. She noted that Department 47, Rural Fire Services had some increases in Workmen's Compensation. She stated that in the "Other Services" line items, the increases are due to annual vehicle, malpractice, liability, or property insurance. Michele Anderson stated that Department 23, Non-departmental/Maintenance is at 11.10% due to some rent that was paid January 31st. She added that Department 66, the Hazardous Material Service shows 100% because it is a one-time annual payment for the county's share of the HazMat Plan. She added that the District Courts had been paid on January 31st, and that is why that percentage is high, and that the JDC grant ends in July.

Other Business

A. Appropriation Ordinance: \$40,000 to Purchase Land for a West Side County Road Substation

County Judge Bob Clinard reviewed the decision to move the West Side County Road Substation off of Bethlehem Road because of safety purposes, and stated that after looking at property, it has been decided that Hwy 59 is the corridor that it needs to be located on. He stated that he had contacted Blake Evans with Peterson Farms to see if he would be interested in selling a piece of property owned by Peterson Farms located off Highway 102. He stated that the Mayor of Decatur and the Public Works Director of Decatur have agreed to bring water, sewer, and a fire hydrant to the property at no cost to the county. He stated that the price is \$4, 000 per acre for a total of \$40,000 for 10 acres.

JP Moore questioned if there would be any litigation issues. County Judge Bob Clinard stated that he was sure there would be some, but that they would be dealt with.

JP Winscott asked if the land was located in the Decatur city limits. County Judge Bob Clinard stated that it is, and that the city will bring the water and sewer to the property. He added that gas and electricity are available, and it has not been determined the location of the gas line, but that the city is going to help with getting the gas line across the road. He added that all of the property is usable, and that Empire Electric is going to help with moving a power line that serves one house.

JP Winscott asked if there were any easements on the property. County Judge Bob Clinard stated that there are none that are known, but the first step will be to have a survey done and to secure the zoning.

JP Douglas stated that this location would also provide privacy for the road yard, with better access and utilities.

The committee discussed possible plans for the present Road Department location on Highway 102, and designs for the new Road Department facility. County Judge Bob Clinard stated that they plan to stay within the original budget of \$490,000 -- \$250,000 for the building and \$240,000 for the site preparation.

JP Douglas made motion to forward an appropriation ordinance request to the February 8, 2011 Committee of Thirteen agenda, seconded by JP Moore.

Motion passed by unanimous show of hands vote.

B. Appropriation Ordinance: \$29,000 to Purchase Vehicle for Department 01, County Judge

County Judge Bob Clinard stated that he is asking to purchase a 4-wheel drive vehicle to enable him to get out to check on road conditions during bad weather. He said that there is a 2011 4-wheel drive Expedition available through state bid for \$28,000, which is only \$2,000 more than a local dealer was asking for a 2006. He said that the one he is now driving can be used by the Juvenile Detention Department for transport, because they need a larger vehicle. He said they also currently have a 2005 4-wheel drive Explorer with 75,000 miles on it which he could use, but it is not very big. He said it takes 90 days to get the vehicle.

County Judge Bob Clinard stated that he would like to buy locally, and he had started the process by talking to local dealers, but no one could match what is available through state bid, and he cannot justify spending more money.

JP Sandlin noted that any local purchases would have to go through the bid process, and the state bid is the most economical way to purchase a vehicle, although sometimes the wait can be longer. County Judge Bob Clinard stated that there is one available now.

JP Douglas asked if this will result in one vehicle being taken out of service. County Judge Bob Clinard stated that in discussions with the Elected Officials, it has been pointed out that there is a need for one or two pool vehicles to be available for use by any of the departments, so the Explorer could become part of that pool.

JP Douglas made motion to forward an appropriation request to the February 8, 2011 Committee of Thirteen agenda, seconded by JP Winscott.

Motion passed by unanimous show of hands vote.

C. Road Department expenses due to snow storm

County Judge Bob Clinard stated that to date, the County Road Department has spent \$71,000 in salt and estimated man hours.

Director of Public Safety Marshal Watson was recognized, and explained that during a disaster, the county has the ability to call upon state assets, such as the National Guard, to perform certain tasks, and the Governor's Office then reviews it, and pays for it if they deem it to be a valid use of state resources.

He said that the County has declared a disaster, and the Governor has declared a disaster, and to date the county has spent just under \$200,000 for manpower, equipment, and labor. He said that they have met with the various municipalities who are in the process of gathering estimates of the expenses they have incurred in response to the February 1 winter storm. He said a state disaster allows for a threshold of \$2.00 per capita, in order to receive 30% reimbursement from the state for authorized expenses, which include overtime expenses, equipment based on FEMA cost codes, and materials used in response to the event. He said they are waiting for clarification of whether that is based on the previous population or the new Census numbers.

JP Winscott asked how much of the \$150,000 set aside in 2010 for costs associated with the Juvenile Justice Center project had been spent. Richard McComas stated that none of it had been spent. JP Winscott asked if any action would be necessary to carry that money over to 2011. Richard McComas stated that they may need to later in the year, but that there is already \$5,350,000 in the 2011 Budget. He added that unless the project is completed this year, it may not be spent until 2012.

County Judge Bob Clinard stated that the scheduled completion date is December of 2011, but that the dirt work was supposed to have been completed by January 31st of this year, and it is only about 60% complete, so he anticipates the completion date being pushed into 2012.

JP Moore announced that the Committee of Thirteen meeting will be Tuesday, February 8, 2011 at 6:00 p.m.

JP Allen announced that the next Finance Committee meeting will be Tuesday, March 1, 2011 at 5:30 p.m.

Upon motion and second the meeting adjourned at 3:35 p.m.