

SPECIAL FINANCE COMMITTEE REPORT

March 7, 2011

A Special Finance Committee meeting was held Monday, March 7, 2011 at 5:30 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, JP's Sandlin and Carr, Comptroller Richard McComas, Administrator of Public Services Gary Black, Administrator of Public Safety Marshal Watson

Tom Sissom – Benton County Daily Record

JP Allen called the meeting to order

PUBLIC COMMENTS:

None

Proposed Appropriation Ordinance Request: \$10,000 for Demolition Costs – Public Service Building (Old County Health Department)

JP Allen recognized County Judge Bob Clinard.

County Judge Bob Clinard distributed a Construction Budget Scope Summary and Takeoff Worksheet. He stated that the committee had asked him to come back with an overall budget for the renovation of the building. He stated that using the best of his knowledge in the construction business of what needs to be done, he has developed a Takeoff Worksheet which details the work to be done and the costs involved. He reported that a Bonds and Surety will be included in the bid package for the sub-contractors because the bids will be over \$20,000. He stated that he had also included a contingency of 10% in the budget. He stated that an employee from the Maintenance Department could oversee the work, and that Sheriff Ferguson has agreed to furnish inmates for the labor, and they can do most of it, including the demolition and final cleaning. He stated that striping and painting the parking lot, termite inspection and treatment, and the landscaping has also been budgeted. He then explained that the demolition includes removing the existing millwork, metal wall studs not used in the new floor plan, acoustical ceiling and grid, flooring, hollow metal doorframes, and obtaining dumpsters for debris removal. He said that the county will reuse all hollow metal frames, wood doors, hardware, and millwork.

Judge Clinard stated that the roof needs to be replaced with a single-ply roof, and that the HVAC would include one or two new rooftop units with relocating ductwork and ventilation to be done as necessary. He stated there would also be a fire alarm system, voice & data cabling, and a security system installed. He stated that the expense for the architect work has not been figured in the budget numbers. County Judge Bob Clinard stated that the total estimated cost for the renovation is approximately \$488,160.

Discussion was held on the renovations, improvements, and square footage allotted to the various departments that will be relocated to the Benton County Public Services Building.

JP Allen stated that he thought it was wise to have budgeted for all of the materials even though some of them may be salvaged from the existing building. He stated that the reason for this meeting is to consider the request for \$10,000 for the demolition, but the other issue they need to consider is what this commits us to. He said he also wanted to know what to expect before they commit to working on this building, what they expect to spend on this building, and where they are now in terms of the overall budget.

JP Douglas stated that the renovation of this building was never included in the 2011 Budget, but he wanted to point out that this building will have payback in lease savings. He stated that moving the Election Commission will save \$60,000 per year and there is talk about moving the Assessor's Appraisal Department, which is another \$32,000, per year for a total of \$92,000 in savings.

County Judge Bob Clinard stated that moving the Public Defender, Election Commission, and the Assessor's Office to the Public Services Building would save \$150,000 a year in lease payments. He added that the long-term plan is for the Public Defender to move to the Public Services Building and the Assessor's Appraisal Department would then move to the Public Defender's building, which the county owns. He said that there should be minimal remodeling there, unless something is found to be wrong with the building. He added when the Juvenile Justice Center is complete, the Juvenile Probation Department will go there, and the Prosecuting Attorney can move into the present Juvenile Probation offices.

JP Allen stated that the costs have been estimated at \$488,160, which does not include architects' or mechanical fees which they might incur, and recognized Comptroller Richard McComas to speak to the committee about the projected reserves.

Comptroller Richard McComas briefed the members on the estimated available funds by the end of 2011. He stated that the county should end the year with a balance of approximately \$19.2 million in operating funds, minus 10% for statutory reserves, which he estimated at \$6 million for 2012, which leaves \$13.2 million in unallocated reserves to begin 2012. He added that he projects that the county's Capitol Projects Fund will have about \$1.3 million left at the end of 2011.

JP Moore stated that the county would be ending the year with \$1.2 less than the beginning balance. Richard McComas stated that they had anticipated that the county would have to put money into the Capital Projects Fund to finish the Juvenile Justice Center.

JP Allen stated that the county does have money, but that they should wait to see how property taxes come back in June or July, and that he wanted to get a firm grasp of everything that the county has committed to.

Richard McComas stated some of the other costs that the county will have in addition to this building will be the new West Side Road Department building, with \$400,000 needed in addition to the grant, new road graders, and replacement of the Colonel Meyers Road Bridge.

Lengthy discussion was held on the purchase of new road graders.

County Judge Bob Clinard stated that they need 10 new road graders at a cost of about \$200,000 less the money received for the 10 used road graders that will be sold. He stated they can budget the money in order to buy instead of lease, and then be smart when they trade them back in.

JP Sandlin questioned the purchase of fire trucks.

JP Moore stated that they are buying two pumpers and one tanker per year at this time, and if they continue doing that, they will be fine.

Richard McComas stated that there is \$370,000 in the Fire Department budget and \$487,000 in the Road Department budget this year for buying dump trucks and pick up trucks.

County Judge Bob Clinard stated that it would be more accurate to prepare a list of possible plans and estimated costs of the work to be done and come back to the Finance Committee.

JP Jones asked County Judge Bob Clinard to bring back a list of projects coming up to the next Finance Committee meeting.

JP Jones made motion to approve the appropriation ordinance request of \$10,000 for demolition costs at the Public Service Building and forward it with a do pass recommendation to the March 8, 2011 Committee of Thirteen agenda, seconded by JP Douglas.

Motion passed unanimous voice vote.

Richard McComas asked if the committee wanted County Judge Bob Clinard to come up with a list of projects and what the county needs to spend money on in the future, and would they want to consider employees.

JP Allen stated that the employees have not received a raise in the last three years, but that he wants to see the county's revenue estimates later in 2011 after the countywide property reappraisal is done.

JP Moore stated that the county needs to consider the employees, and even if we decide not to do a raise, that we need to do a bonus. He added that the raise would be an ongoing expense and a bonus is not, but they need to do something.

JP Allen stated that the wise thing is to not encumber the county in the future because of not knowing what gas prices or the economy are going to do, or the how the appraisals are going to come out. He added that it looks favorable to do something, at least a bonus.

JP Moore stated that after the county goes through the budget process next year that they would have a better idea of where they are and can see more clearly, perhaps with something around Christmas.

JP Sandlin stated that the Personnel Committee would be in favor of doing something, and that it is high time that the county consider a raise for its employees.

Richard McComas stated when the committee gets the midyear requests that they would consider the county's employees first.

Upon motion and second the meeting adjourned at 6:21 p.m.