

FINANCE COMMITTEE REPORT

October 4, 2011

A Finance Committee meeting was held Tuesday, October 4, 2011 at 5:30 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Winscott, Allen, Jones, Douglas, Curry, Moore, J. Harrison

Others Present: County Judge Bob Clinard, JP's King and Hawkins, Comptroller Richard McComas, Accounting Manager Sarah Daniels, Grants Administrator Richard Redfearn, Administrator of Public Services Gary Black, Administrator of Public Safety Marshal Watson

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Chair JP Allen called the meeting to order.

Comptroller Richard McComas stated that an appropriation request for a Copier/Printer in the Juvenile Probation office has been added to the agenda as Item "E".

1. Grants Administrator Report

Grants Administrator Richard Redfearn reported that: 1) Department of Justice – Coverdell Forensic Science Improvement Grant – FY 2011 for \$53,273 for the County Coroners office. has been awarded; 2) Department of Justice – Adult Drug Court Grant – FY 2011 has been awarded; 3) Arkansas Economic Development Administration – Arkansas Energy Office –CNG Fueling Station application was submitted; 4) Arkansas Department of Rural Services – Fire Protection Grant for NEBCO VFD for \$50,000, with no match required from either NEBCO or the county, is pending and is for a replacement pumper truck.

JP Moore stated that NEBCO is aggressive with fund raising efforts and that they are very good about carrying their own weight.

County Judge Bob Clinard stated that Senator Cecile Bledsoe has contacted him about getting a team together to come to Benton County to meet with the rural fire departments, Richard Redfearn, and himself to show them how to get the most when applying for grants for the rural fire departments.

JP Allen stated that he wanted to make it clear that even if the county is awarded the Arkansas Economic Development Administration – Arkansas Energy Office – CNG Fueling Station grant, the Quorum Court would not necessarily accept it. He added that significant matching funds are needed to go with this grant, and that the county is not prepared to start spending a lot of money on CNG until they know more about the program. Richard Redfearn stated that Federal Grants usually have a 60-day acceptance period, and that he would check with Arkansas Energy Office to find out how long the county would have to consider the grant before accepting or rejecting it.

Further discussion was held on the Arkansas Energy Office - CNG Fueling Station program and the CNG Vehicle Conversion program.

County Judge Bob Clinard stated that the county does not have the capability to do a study but that he will have an economic model of the costs and benefits to the county for the November 1, 2011 Finance Committee meeting.

2. Appropriation Ordinance Requests

a) Juvenile Justice Center

Comptroller Richard McComas stated this appropriation ordinance request is to transfer \$11,000 from Supplies (Software & Data Processing Supplies) to Capital Expenditures (Machinery & Equipment) to allow for the purchase of a filing cabinet for the new Juvenile Justice Center. He added that the Circuit Clerk is not asking for additional funds, just transferring funds around.

JP Douglas made motion to approve and forward the appropriation ordinance request to the October 11, 2011 Committee of Thirteen agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

b) Information Systems

Richard McComas stated that this transfer of \$17,000 from Supplies (Small Equipment) to Capital Expenditures (Machinery and Equipment) is to allow for the capitalization of servers, and is not a new appropriation, but just transferring from one line item to another.

JP Moore made motion to approve and forward the appropriation ordinance request to the October 11, 2011 Committee of Thirteen agenda, seconded by JP Douglas

Motion passed by unanimous show of hands vote.

c) Emergency Medical Service Analysis

Richard McComas stated this item was forwarded from the Public Safety Committee meeting with a do pass recommendation.

JP Winscott stated that Administrator of Public Safety Marshal Watson had presented this proposal to the Public Safety Committee for an appropriation of \$30,000 for an Emergency Medical Service analysis for the county.

JP Winscott made motion to approve and forward the appropriation ordinance request to the October 11, 2011 Committee of Thirteen agenda, seconded by JP Moore.

Marshall Watson stated this proposal is from Gary Ludwig, Managing Director of the Ludwig Group, LLC of Hillsboro, Missouri for \$30,000 to do an Emergency Medical Services (EMS) assessment of Benton County. He stated this study would include the emergency medical service needs, costs, and options and would be a five-year plan for implementation for EMS in Benton County.

Lengthy discussion was held on contracting with the Ludwig Group, LLC do an Emergency Medical Services study, and the costs of EMS services provided to county residents.

JP Douglas asked if there were other consultants with just as much expertise who could provide a study for a lower price. Marshal Watson stated that Ludwig Group, LLC comes highly

recommended and that they are located within driving distance. JP Douglas stated that he thinks the county should open the process up for other companies or individuals, and that he would suggest that the normal course is to put out requests for qualifications and that he did not think that this is a proper way to do business.

JP Allen stated that \$30,000 for a study is a lot of money, and that he agreed with JP Douglas.

County Judge Bob Clinard questioned if this \$30,000 is just for one study; could it be for less money; do we need everything that is in this study; and could the county do any of the study in house. Marshal Watson stated this would be a turnkey study that examines all the elements within Benton County and produces the findings.

County Judge Bob Clinard asked if the cost for the study had been negotiated with Ludwig Group, LLC.

JP Winscott stated that he has been told that the City of Rogers is going to quit providing EMS service at some point in the future, and that Emergency Medical Services costs are going to go up for residents of the unincorporated areas.

JP Curry stated that he wanted to amend the motion on the floor to table the appropriation request for the Emergency Medical Service analysis until the November 1, 2011 Finance Committee meeting, seconded by JP Douglas.

Motion passed by unanimous show of hands vote.

Further discussion was held on the different costs for EMS services provided to the cities and unincorporated areas.

JP Allen stated that the committee wants to know if the study could be done for less, or if a modified version could be done at a lower cost. He asked for information from current service providers on how they operate, what their costs and revenue are, and that it be brought to the November 1, 2011 Finance Committee meeting.

JP Winscott stated that Marshal Watson will bring the information requested back to the November 1, 2011 Finance Committee meeting.

d) Juvenile Probation

Richard McComas stated that the lease for the printer/copier in the Juvenile Probation office has expired, and that they have found it is cheaper to purchase versus leasing, and that this appropriation request is to purchase a printer/copier.

JP Douglas made motion to forward the appropriation ordinance request to the October 11, 2011 Committee of Thirteen agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

e) Road Graders

Richard McComas stated this request for \$1,238,000 is for the purchase of nine Road Graders. He added that the Road Department received bids from Hug & Hull, Warrior of Arkansas, and J.A. Riggs, and that the Road Department has requested that the bid from Warrior of Arkansas be accepted.

County Judge Bob Clinard stated a buy-back number is included in each of the bids, as well as in the contract for the nine being purchased. He added that the county needs to get on a rotation for purchasing big equipment. He added that the Road Department has indicated their preference for John Deere graders, because of their driving performance and ease of maintenance.

Lengthy discussion was held on the three-year buy-back program and extended warranties on the road graders and the benefits to the county.

Tim Hooper, Manager of Warrior of Arkansas in Springdale stated that the warranty can be extended at any time, and that Warrior of Arkansas does not up charge the warranty – it is passed along from John Deere, and that the county would have three years to decide whether to extend the warranty.

Further discussion was held on the buy-back program and the trade-in values of road graders for future trade-ins.

County Judge Bob Clinard stated that he is working to get the county on a regular plan to buy a smaller number of graders annually to prevent the county's vehicle fleet from aging. He added that at this time the county has 22 road graders, and that ideally they should be replacing most of them on a three-year cycle.

JP Moore made motion to recommend the bid option from Warrior of Arkansas for the John Deere road graders with extended warranties built into the contract, and to forward the appropriation ordinance request to the October 11, 2011 Committee of Thirteen agenda, seconded by JP Douglas.

Richard McComas stated that the appropriation ordinance as it is now will be forwarded to the October 11, 2011 Committee of Thirteen agenda, and that the extended warranties will be purchased later.

Motion passed by unanimous show of hands vote.

3. Sales Tax Numbers

Richard McComas reported that the county's sales tax numbers have shown an increase in six out of the last nine months, and that \$550,611 was collected last month, for a total of \$4,877,613 in actual receipts to date. He added that the county is on track to exceed the \$6.3 million in sales tax revenue projected in the 2011 budget.

4. Jail Collections

Richard McComas stated that \$1.6 million has been collected in Jail Collections, and that the budget projections have been exceeded. He added that he is hoping that Jail Collections will be around \$1.9 million for the year.

5. Fuel Analysis

Accounting Manager Sarah Daniels reported that to date, the Road Department is at 88% of their budget and the Sheriff's Department is at 72%. She reported that average costs for unleaded fuel have increased 38%, with a 36% increase for diesel. She stated that we are actually purchasing fewer gallons this year than we did last year, but the price is up. She reported that in September, 13,000 gallons of fuel was used in the Sheriff's Department and 21,000 gallons was used in the Road Department.

Richard McComas stated they are budgeting about the same amount for fuel consumption in the 2012 budget. He added that when the Westside Road Department is finished, the county will save some money in fuel costs. He stated that with fuel prices being as high as they are, the Road Department is going to go over budget this year

6. Monthly Fund Summary

Sarah Daniels reported on the Monthly Fund Summary Report, stating that at this point in the year, budgets should be at 75%, and that the General Fund is at 70.00%.

7. Other

Richard McComas reported that Elected Officials have turned in their 2012 budget requests, and have asked for salary increases for themselves and all county employees. He stated that he is in the process of estimating revenues, now that he has the information on revenue collections for the first three quarters of 2011.

Richard McComas stated that any requests made at the Personnel Committee meeting will be brought to the Finance Committee, and that those requests will not be included in the new working budget until the Finance Committee completes the budget process. He stated that the Finance Committee will hold its first Finance/Budget meeting on October 25, 2011 at 5:30 p.m.

Richard McComas stated that the information on the salary study survey prepared by the Ludwig Group will be available for the Finance Committee prior to the October 25, 2011 Finance/Budget meeting, and that Blair Johanson with the Ludwig Group will be giving the report.

Upon motion and second the meeting adjourned at 7:22 p.m.