

FINANCE/BUDGET COMMITTEE REPORT

December 6, 2011

A Finance/Budget Committee meeting was held Tuesday, December 6, 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 Sandlin, K. Harrison, Hawkins, and King, County Clerk Tena O'Brien, Assessor Glen "Bear" Chaney, Coroner Daniel Oxford, Collector Gloria Peterson, Treasurer Deanna Ratcliffe, County Attorney George Spence, Comptroller Richard McComas, Accounting Manager Sarah Daniels, Grants Administrator Richard Redfearn, Administrator of Public Safety Marshal Watson, HR Manager Barbara Ludwig, Circuit Judge Mark Fryauf

Tom Sissom – Benton County Daily Record

Chair JP Allen called the meeting to order.

Comptroller Richard McComas reported that the proposed 2012 Budget has been revised to include:

1) A \$12,000 salary increase for the Coroner; 2) a 10% salary increase for the County Clerk's Administrative Assistant; 3) and a 5% salary increase for all county employees and Elected Officials.

Richard McComas reported that the 2012 Budget Recapitulation has a beginning balance of \$17,500,000, which includes \$1.8 million in Capital Projects for bridge projects, with total revenue of \$40,467, 072 versus total expenses of \$40,568,453. He stated this also includes the 5 new positions in the Sheriff's Department and Juvenile Detention Center that have been added to the budget.

JP Douglas stated this looks a lot better than he thought that it would, but he has a problem with gross revenues being \$101,381 less than expenditures. He stated that he does not think that it is good to pass a deficit budget, and they need to find \$101,381 somewhere and make the budget balance before adopting it.

Richard McComas stated that he has reduced Jail Collections to \$1,750,000 from the 2011 Jail receipts of \$2,036,000, adding that this year's receipts were \$436,000 over what had been projected.

Richard McComas stated that the 2011 Revenue is at \$43 million, but had been budgeted at \$40,712,000. He said there is always more revenue received than what is budgeted, because they make very conservative projections. Richard McComas added that this is taking into consideration the \$215,000 that has been added for new employees.

Discussion was held on a decrease in jail collections, due to the possibility of fewer state prisoners being housed.

JP Moore stated that recent legislation could shift the cost of incarcerating prisoners from the State to the counties, so there will be fewer prisoners paid for by the State. JP Allen stated that they have been told it would be wise to keep the figures where they are.

Richard McComas stated that he has estimated 2012 Sales Tax revenue to be the same as 2011, at \$6.5 million, based on the numbers running close to a 2% increase this year. He stated that Sales Tax growth

is at 1.7% through November, with 7 months showing an increase in revenue and 4 months showing a decrease. He stated that the county will exceed the \$6,330,000 projected for 2011, and will reach \$6,530,000 in 2012.

JP Jones stated that he agrees with JP Douglas, and does not like to budget more than what is projected for revenue, but that this is still a projection of gross revenue. He added that over the years the county has always exceeded the revenue projection, and he is okay with the .25% discrepancy.

JP Allen stated that they can adjust the budget throughout the year without dipping into reserves, and that \$100,000, or .25%, is close to what they have budgeted.

Further discussion was held on balancing the budget, being .25% over, reducing expenses, and adding additional personnel.

JP Douglas stated that he agreed that balancing the budget to within .25%, (or \$100,000 out of a \$40 million budget) does not seem like that much until you look at the principle of it. He asked where it stops, and added that we do not want to end up like Washington, D.C.

JP Allen stated that that the county has always been conservative, and is not going to be at risk of defaulting on any obligations.

JP Douglas stated that there are other issues that could affect the budget, and suggested that the committee discuss them further and then come back for a final review.

Wage Adjustment Request: Administrative Assistant – Tax Collector

Collector Gloria Peterson stated that discussion was held at the November 15, 2011 Finance Committee meeting regarding the inequity of the salary of her Administrator Assistant. She stated that the person in that position has been employed by Benton County since 2005, and when she was promoted in September of 2007, the Salary Administration Policy set her pay at the minimum of the range for that position, and since the promotion occurred in September of 2007, she missed the mid-year salary adjustment, and because of those two events, her current salary is not at 90% of midpoint of the range. She stated that she is asking to include in the 2012 Budget an increase in her Administrative Assistant's salary which will bring her to 90% of midpoint of the range, which will have a budgetary impact on County General of \$420.

JP Moore made motion that the wage adjustment for the Tax Collector's Administrative Assistant be included as presented in the 2012 Budget, seconded by JP Harrison.

Motion passed by unanimous show of hands vote.

Salary Adjustment Request: Office of the Coroner

JP Allen stated that the amount of the Coroner's salary increase was reduced from \$16,000 to \$12,000 at the last Finance/Budget meeting, excluding any other raise.

Coroner Daniel Oxford stated that he appreciates any kind of consideration and trusts that the Quorum Court will be fair in its decisions and treat the Elected Officials equally.

JP Jones asked the Coroner if he had gone to HR Manager Barbara Ludwig or Richard McComas and asked for this raise.

Daniel Oxford replied absolutely not; that he had first heard about it in a conversation with the County Judge, and that Barbara Ludwig had brought the issue up at the JESAP meeting. He stated that he knew the issue was being discussed, but he had never said anything about it, and trusts that the county government will be fair.

JP Allen commended the Finance Committee, Quorum Court, and the Accounting Office and staff for all of their hard work.

JP Winscott made motion to forward the revised 2012 Budget as proposed to the December 13, 2011 Committee of Thirteen agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

Finance/Budget meeting recessed.

Regular Finance meeting convened.

Appropriation Ordinance Request: Circuit Judge Mark Fryauf

JP Allen recognized Circuit Judge Mark Fryauf. Judge Fryauf stated that all of the existing Juvenile Detention Center furniture will be used at the new Juvenile Justice Center facility, and that the furniture in his office belongs to him. Judge Fryauf presented a revised request for \$21,996.41 for new furniture for the Judicial Offices/Court Facilities at the new JJC, and stated that the original estimated total was \$12,500. He stated that the new office furniture will be used for the Trial Court Assistant and the Orders Clerk, and that the existing furniture from those offices will go into the Attorney/Client Counseling rooms and the other existing furniture will be used throughout the facility. He stated that the major costs will be for chairs in the jury room and the jury box. He stated that the county is building a wonderful facility for the Juvenile Justice System and that it would be a mistake to not put durable, lasting, and proper furniture in the facility.

JP Douglas stated that he has problems paying \$656 each for 12 jury chairs; they are dealing with the citizens' money.

Judge Fryauf stated the jury chairs are a superior quality, durable product and that he was trying to buy better quality furniture that would last longer.

JP Winscott stated that this \$22,000 package is a combination of requests for the Juvenile Director, Probation Offices, and the Juvenile Court.

Lengthy discussion was held on the costs and different types of chairs that would be functional, as well as comfortable for use as a jury chair.

JP Allen stated that he wanted to remind the committee that these chairs will be used by citizens of Benton County.

JP Moore made motion to forward the appropriation ordinance request of \$9,500 as submitted to the December 13, 2011 Committee of Thirteen agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

Grants Administrator Report

Grants Administrator Richard Redfearn announced that he is leaving Benton County at the end of December to take a similar job with the Sam M. Walton College of Business at the University of Arkansas.

Richard Redfearn reported that the Planning and Environmental Departments are requesting approval for the County Judge to apply for the Illinois River Watershed Partnership Grant to construct a demonstration rain garden, with no county match.

JP Douglas made motion to authorize the County Judge to apply for the Illinois River Watershed Partnership Grant and forward to the December 13, 2011 Committee of Thirteen agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Richard Redfearn reported that Benton County has been selected as one of the final four applicants being considered for the CNG Fueling Station program grant, and that he would be making a presentation to the Arkansas Energy Office on December 16, 2011. He said if Benton County is awarded the CNG Fueling Station program grant, the Quorum Court will have 30 days to accept the award.

Richard McComas expressed his appreciation to Richard Redfearn for his good work and stated that he hates to see him go. Other members of the committee expressed their appreciation to Richard Redfearn for the work he has done.

Appropriation Ordinance Request: Emergency Services -LETPA Grant

Richard McComas stated this request is to transfer \$466 from Supplies to Capital Expenditures, in order to balance the budget for the LETPA Grant.

JP Douglas made motion to approve and forward the appropriation ordinance request to the December 13, 2011 Committee of Thirteen agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request: Emergency Services – SHSGP Grant

Richard McComas stated this request is to transfer \$7,801 from Supplies to Capital Expenditures in order to balance the budget for the SHSGP Grant.

JP Douglas made motion to approve and forward the appropriation ordinance request to the December 13, 2011 Committee of Thirteen agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request: Juvenile Probation

Richard McComas stated this appropriation ordinance request is to appropriate a \$500 State Grant to the Juvenile Drug Court.

JP J. Harrison made motion to approve and forward the appropriation ordinance request to the December 13, 2011 Committee of Thirteen agenda, seconded JP Jones.

Motion passed by unanimous voice vote.

Appropriation Ordinance Request: Sheriff's Department

Richard McComas stated this appropriation ordinance request is to appropriate the money that the County receives from various organizations for the reimbursement of overtime costs in the Sheriff's Department.

JP J. Harrison made motion to approve and forward the appropriation ordinance request to the December 13, 2011 Committee of Thirteen agenda, seconded by JP Jones.

Motion passed by unanimous voice vote.

Appropriation Ordinance Request: Road/Capital Projects

Richard McComas stated that this appropriation ordinance request is to take care of the transfers that are made throughout the year from the General Fund to the Road Department, Reserves, and Capital Projects.

JP Jones made motion to approve and forward the appropriation ordinance request to the December 13, 2011 Committee of Thirteen agenda with a do pass recommendation, seconded by JP J. Harrison.

Motion passed by unanimous voice vote.

Sales Tax Numbers

Richard McComas stated that he has estimated 2012 Sales Tax revenue to be the same as 2011's, or \$6.5 million, based on the numbers running close to 2% this year. He stated that Sales Tax growth is at 1.7% through November, with 7 months of increased revenue and 4 months of decrease. He stated that the county will go above the projected \$6,330,000 this year, and will reach \$6,530,000 next year.

Jail Collections

Richard McComas stated that with next month's collections, over \$2 million has been received in Jail Collections, with \$218,200 already collected in December, for a total of \$2.36 million this year.

Fuel Analysis

Accounting Manager Sarah Daniels reported that to date, the Road Department is at 110% of their budget and the Sheriff's Department is on target at 87%. She reported that average costs for unleaded fuel have increased 25% over last year, with a 33% increase for diesel. Richard McComas stated that fuel has been budgeted at \$3.20 per gallon for 2012, and they are hoping to see a savings by having the West Side Road facility open.

Monthly Fund Summary

Sarah Daniels stated that at this point in the year, budgets should be at 92%, and that the General Fund is at 82%. Richard McComas reported that \$6,708,525 remains in the General Fund.

Other Business

None

JP Douglas announced that a Legislative Committee meeting will be held Monday, December 12, 2013 at 6:00 p.m.

Richard McComas stated that the proposed Budget Ordinance will be placed on the December 13, 2011 Committee agenda, and that the only change that will be incorporated into the budget will be the wage adjustment for the Collector's Administrative Assistant.

JP Allen announced that the next Finance Committee meeting will be held Tuesday, January 3, 2012 at 5:30 p.m.

Upon motion and second the meeting adjourned at 7:47 p.m.