

## FINANCE COMMITTEE REPORT

June 04, 2013

A Finance Committee meeting was held Tuesday, June 04, 2013 at 5:30 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JP's Allen, J. Harrison, Jones, Blaty, Curry, Moore, Moehring

Others Present: County Judge Bob Clinard, County Clerk Tena O'Brien, JPs Adams, Anglin, Meyers, Hernandez, and Sandlin, Administrator of Public Safety Marshal Watson, Fire Marshall Marc Trollinger, Comptroller Sarah Daniels, Accounting Manager Mike Crandall

Tom Sissom – Benton County Daily Record

Chair JP Allen called the meeting to order.

### **1. Grants Administrator Report:**

Accounting Manager Mike Crandall stated that he is requesting approval to apply for the Illinois River Watershed Partnership – Rain Garden Project Grant to be used to construct a Rain Garden next to the County Planning & Environmental Building for \$938.72. He stated that the County will satisfy the 25% match requirement with in-kind services.

JP J. Harrison made motion to approve and forward the resolution request to the June 11, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Mike Crandall reported that: 1) the Arkansas Administrative Offices of the Courts – Court Security and Emergency Preparedness 2013 Grant for \$250,000 was not awarded to the county; 2) he is requesting approval for an appropriation ordinance to appropriate \$10,365 received from the State of Arkansas – County Voting System Grant.

JP Jones made motion to approve and forward the appropriation ordinance request to the June 11, 2013 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

### **2. Appropriation Ordinance Request: Sheriff – Boating Safety**

Comptroller Sarah Daniels stated this appropriation ordinance request has been removed from the agenda.

### **3. Appropriation Ordinance Request: Quorum Court, Dept. 18, Fund 010**

Sarah Daniels stated this appropriation ordinance request is to appropriate an additional \$10,000 to Department 18, Quorum Court to cover expenses for the rest of the year.

JP Allen stated in addition to holding more committee meetings, two Justices of the Peace have been added to the court.

JP Curry made motion to approve and forward the appropriation ordinance request to the June 11, 2013 Committee of the Whole agenda, seconded by JP Moehring.

Motion passed by unanimous show of hands vote.

### **4. EMS Discussion**

JP Moore made motion to move Item "4" on the agenda to the end of the agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

### **5. Sales Tax Numbers**

Sarah Daniels reported that the March sales tax receipts are up 5.78% for the month, totaling \$619,765, which is a net gain of \$162,980 for the year.

### **6. Jail Collections**

Comptroller Sarah Daniels reported that \$137,732 has been collected for the month of May and that they are 28.06% above the projected budget through May 31, 2013.

### **7. Fuel Analysis**

Accounting Manager Mike Crandall reported an 11.3% increase in unleaded fuel costs and stated that diesel has increased by 6.4 %. He reported that year-to-date; \$38,411 has been transferred back to the Road Department.

Mike Crandall reported that the Road Department is showing a 52% increase in fuel usage, which is mainly due to the storm damage.

Discussion was held on the Road Department's fuel budget and costs of the storm damage.

### **8. Monthly Fund Summary**

Mike Crandall reported on the Monthly Fund Summary, stating that the General Fund is at 43.82% and 38.24% overall.

### **4. EMS Discussions**

JP Allen stated that at the last meeting the cities were asked to go back and look at their requests and that no changes have been made. He stated that the 2014 subsidy requests from each provider will be discussed individually.

### Subsidy Requests

<u>Agency</u>	<u>2012 County Calls</u>	<u>2012 County Transports</u>	<u>2014 Subsidy Request</u>
Bella Vista	72	43	\$10,000.00
Bentonville	218	170	\$60,000.00
Gravette	364	280	\$73,182.45
NEBCO	372	268	\$204,100.00
Pea Ridge	140	109	\$96,712.59
Rogers	450	375	\$209,302.00
Siloam Springs	391	250	\$416,422.82
Springdale	174	154	<u>\$68,774.37</u>
<b>Total</b>	<b>2181</b>	<b>1649</b>	<b>\$1,138,494.23</b>

Administrator of Public Safety Marshal Watson stated that tonight the 2014 subsidy request is a temporary solution, and that in 2014 a renewal agreement needs to be reached. He stated that the national average is approximately \$800 per call, and that there are substantial costs.

#### **Bella Vista \$10,000**

JP Allen suggested that he would like for each city to be discussed and treated individually. He stated that Bella Vista has proposed a \$10,000 subsidy request for 2014.

JP Jones made motion to approve the Bella Vista subsidy request and forward to the June 11, 2013 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

#### **Bentonville \$60,000**

JP Allen stated that Bentonville has proposed a \$60,000 subsidy request for 2014.

JP Moehring made motion to approve Bentonville's \$60,000 subsidy request and forward to the June 11, 2013 Committee of the Whole agenda, seconded by JP Jones.

JP Moehring stated that he appreciates what the City of Bentonville has done, that their request was not unusual, and that he is happy to support their request.

Motion passed by unanimous show of hands vote.

#### **Gravette \$73,182.45**

JP Allen stated that Gravette has proposed a \$73,182.45 subsidy request for 2014.

JP Curry made motion to approve Gravette's \$73,182.45 subsidy request and forward to the June 11, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

**NEBCO \$204,100.00**

JP J. Harrison questioned if the NEBCO subsidy request amount was pending the July 9, 2013 Special Election results.

County Judge Bob Clinard stated it would be pending election results.

Kara Funk, Chair of NEBCO Emergency Medical Services District stated that the Northeast Benton County Emergency Medical Services ( NEBCO) issue is that as long as money is being taken from the General Fund for services, that the unincorporated areas in Benton County would still like to see there citizens treated equitably.

JP Allen stated that his concern is that the providers will be back asking for what other cities have received, and we are never going to stop on the increases until we have some basis and justification for why the cities need the money to run the service.

JP Moore made motion to accept NEBCO's subsidy request and forward to the July 11, Committee of the Whole agenda, seconded by JP Jones.

JP Jones asked Kara Funk where the subsidy numbers came from.

Kara Funk stated that the numbers were prepared by the NEBCO Fire District Fire Chief and their CPA, and that they were prepared under the guidelines as requested. She stated that they will not know until after the July 9, 2013 Special Election what their numbers will be, but that they wanted to have their input in the process and that the numbers were based on the costs of a projected increase.

JP Allen stated that maybe they should table the NEBCO subsidy request until after the July 9, 2013 Special Election, to see what passes in the election.

Lengthy discussion was held on tabling the NEBCO subsidy request until after the July 9, 2013 Special Election, to see if the voters will decide to raise their annual fee from \$40 to \$100.

JP Jones asked County Attorney George Spence if the county has the authority to contract with an Emergency Medical Service District (EMSD).

County Attorney George Spence stated that the county cannot contract with someone who already does something for the county.

JP Sandlin asked since we are looking at funding something that we already have, is there any reason for this to be addressed before budget time.

JP Blaty stated that she is concerned with the NEBCO's cost per call.

Kara Funk stated that the Fire Chief and their CPA developed the numbers based on the guidelines that they were provided. She stated that the community intent has never been to try to double-dip or get money that the community does not deserve; they are trying very hard to insure the service for our community.

JP Moore stated that he would agree with JP Allen to table the NEBCO request until they have the July 9, 2013 Special Election, and that he wanted to withdraw his motion to accept NEBCO's subsidy request until after the election, seconded by JP Jones.

JP Allen stated that there is now no motion on the floor.

Further discussion was held on delaying approval of NEBCO's subsidy request until after the July 9, 2013 Special Election.

JP Curry made motion to table NEBCO's subsidy request until after the July 9, 2013 Special Election, until the August Finance Committee agenda, seconded by JP. J. Harrison.

Motion passed by unanimous show of hands vote.

### **Pea Ridge \$96,712.59**

JP Allen stated that Pea Ridge is asking for \$96,712.59 and the 2013 budget for Pea Ridge is \$11,000. He stated part of this request will include the ability for Pea Ridge to go from a BLS service to ALS service, and is figured at \$441.61 per call.

JP Jones stated Pea Ridge has the smallest district in the county and they want almost twice as much, and that he could not agree with the projected numbers just so they can go to ALS service. He stated these are projected numbers for them to go to ALS and they do not know exactly what it is going to cost them to on a per call basis.

JP Allen stated that he wanted the committee to keep in mind that the county should be paying for the cost to extend the service from the city limits to the unincorporated area.

JP Moehring stated it is really hard to determine the costs because there are so many different costs and asked if there is no motion made, would it die.

JP Allen stated that he would like to see us have direction for each city entity and that he would not like for it to die with no action. He said that he would like to give direction back to each one of these cities, because if you do not approve the number, it is only fair and would expedite this process. He stated that if they do not approve Pea Ridge's request, he would like to give them some direction as to what would be approved.

JP J. Harrison asked if there is a figure for providing service without going to ALS service.

Administrator of Public Safety Marshal Watson stated that Basic Life Support (BLS) service at \$313.68 per call, with 219 calls, would be \$68,695.92, based on unincorporated run call volume. Marshal Watson stated that Pea Ridge has looked at this quite intensively and that they have had

interest in going with Advanced Life Support (ALS) service for quite some time. He added this number is only being applied to the county calls,

Discussion was held on the increased number of call volume, and approving Pea Ridge's subsidy request.

JP Curry made motion to table until the July 02, 2013 Finance Committee meeting and ask that a representative from Pea Ridge attend meeting, seconded by JP J. Harrison

Motion passed by unanimous show of hands vote.

### **Rogers \$209,302.00**

JP Moehring stated that he does not have all the numbers necessary to make a decision, and made motion that the city of Rogers change their number of estimated calls for 2014 to 419, at \$350 per call, or \$173,250, and that the motion be applied to the next two requests to be discussed, seconded by JP Jones.

JP Moore asked what the \$350 number was based on.

JP Moehring stated it is based more on what the county is willing to pay, that the county has more than doubled what it provided in the current year, and this would actually more than double what we will provide them next year. He stated that the issue that he has is that the county has made very good faith efforts to stair-step our way into making sure the providers are taken care of. He stated that the county needs to be very diligent on what it is willing to pay for. He stated that for the citizens of the county, an equitable way to do this is to stair-step our way into this. He stated that if the subsidy were capped at \$350 per all the projected calls across the board, we would still more than double our appropriation next year. He stated that during next year we need to be very diligent about what the county is paying for; we can come back in 2015 and have a baseline in place. He stated that putting a baseline out there of a \$350 cap, anyone below \$350 per call, keep them where they are, and cap the other cities at \$350 per call.

Tom Jenkins, Rogers Fire Chief, stated that the city of Rogers has answered a question that was asked of it, as to what it takes to provide the EMS service, and we have provided a budget of our services. He stated if the money that the city of Rogers is asking for is too great for the county, he is sympathetic with that, but that he cannot solve the problem for less than what has been proposed. He stated that they have to hire people and purchase another ambulance to put on the street. He stated there may be another solution out there, or another provider who can protect the area.

Lengthy discussion was held on the subsidy request provided by the City of Rogers, the number of calls, and transports projected for 2014.

JP Moehring stated that he is asking for a little indulgence in the fact that we are stepping up significantly, and in the case of Rogers, it is 2 ½ times the current year's appropriation and this particular motion takes Rogers up another 2 ½ times, or an 85% increase. He stated what he is asking for is a compromise from the City of Rogers, and that this is a very complicated issue.

Donald Warner, Rocky Branch resident, firefighter and emergency medical responder, stated that for 2013 there is currently no contract for EMS service in the area. He stated when the Rogers Fire Department resources are gone there is no one to respond to the county. He stated that twice this weekend there was no medical ALS response to the Rocky Branch area. He stated the residents out in the Rocky Branch area do not know that the city of Rogers is not required to respond to them, they think that Rogers is their provider, and that Rogers is required to respond to them. He asked the court to understand their concerns that someone will be there to bring them in. He stated if the City of Rogers does not accept this offer, then the court needs to have some idea of how they are going to fix this.

JP Allen stated the county is making good faith efforts and increasing the dollars invested to the service providers, and that anyone can look at the budget dollars that are there. He stated that there are no state laws that require the county to do this, that the county is doing this because we think that it is the morally right thing to do; the county is trying to do the best thing for its citizen. He stated it is his position that if we offer what we think is a good number, and continue with the spirit of increasing that funding, if the city chooses not to provide service to someone then that is the city's choice. He stated that we have shown a good faith effort to increase our funding every year, and that a few thousand dollars should make the decision whether or not to service somebody.

County Attorney George Spence stated that there are contracts drawn already, which could be changed a little bit, but that they are basically to provide ambulance service for an area.

Marshal Watson stated that there is one thing that he wants the court to understand as they look at the City of Rogers, that the Rogers proposal was not "x" amount of dollars in order for them to continue to provide the service as is; that they have come forth and said that in order for the City of Rogers to continue to meet the needs of the county residents they need to hire "x" number of people, a full time staff, and "x" amount supplies. He stated that what we are hearing from Rogers is that they have additional costs that they wish to incur in order to continue to provide the current level of service to the county, based on the increased run volume in the county and in the city. He added that the City of Rogers proposal is slightly different, it is not "x" amount of dollars to continue the service as is, but that they will incur additional costs for providing the service in the future in the county.

JP Moehring stated that what he is asking for is a compromise with the cities.

JP Allen stated that he is concerned about areas that are not getting service, and what that service will cost the county in 2015.

Marshal Watson stated there were two occasions that an ambulance resource from the City of Rogers was not available to respond to the unincorporated area. He stated it was not that they would not have responded, it was simply the fact that all municipal resources were tied up and unavailable to make a run into the county. The potential existed for a call in the unincorporated area of Benton County, where a Rogers's asset would not have been available, and in that case

we have had to rely on mutual aid agreements, and the county would have called another provider to provide service.

JP Allen stated that he is glad that was clarified, and that the county should be considering that when looking down the road in 2015 or 2016, and if it gets to the point that these cities are asking for above and beyond what it would cost the county to provide the same service, then they will have to look at that.

JP Moore stated that we cannot leave our citizens unprotected.

Mike McFadden, Director of the Beaver Lake Fire Department Board, stated that Rogers provides all of the ambulance service in the area, and that he wanted the committee to be aware of the fact that they have had meetings with the City of Rogers, and that they have been put on notice as of July 1<sup>st</sup> that we will fall into the limited escalation of the availability of the ambulances. He said they are one of the larger population areas serviced by the City of Rogers, that they are happy with the service, and quite frankly the prospect of having less ambulances available scares him. He added that not having ambulance service beyond January of 2014 makes the situation even worse. He stated that he wanted to strongly urge this committee to accept the City of Rogers' 2014 proposal to give us some time to figure out what we are going to do in the future. He added we do not want to find ourselves in a situation where we do not have ambulance service for our area.

Jeff Dunn, Beaver Lake Fire Department Board member, urged the committee to accept the city of Rogers proposal.

After further discussion, JP Allen called for a vote that would support the motion made by JP Moehring for the city of Rogers to reduce their 2014 subsidy request for EMS service.

Show of hand vote was recorded as follows:

3 Yeas:	Curry, Jones Moehring
4 Nays:	Moore, Allen, Blaty, J. Harrison

Motion failed.

JP Moore made motion to accept the City of Rogers' proposed 2014 subsidy request in total and forward to the July 11, 2013 Committee of the Whole agenda, seconded by JP J. Harrison

Motion passed by show of hands vote.

6 Yeas:	Allen, J. Harrison, Jones, Blaty, Moore, Moehring
1 Nay:	Curry

Motion passed.

Meeting recessed.

Meeting reconvened.

### **Siloam Springs \$416,422.82**

JP Allen stated Siloam Springs is requesting \$1065.02 per call or \$416,422.82 for 2014.

JP Moore stated that the City of Siloam Springs has a contract with West Siloam Springs of a flat fee of \$1000 per call to service West Siloam Springs, Oklahoma. He stated that Siloam Springs has the largest area to cover and handles the second highest number of calls. He added Siloam Springs has Emergency Medical Technicians (EMT) on duty 24 hours a day, and all fire fighters are EMT's. He added another unique situation about Siloam Springs is that Highway 412 runs through it and that it is a major artery, so there is also a very high potential for accidents in which numerous ambulances could be called.

JP Moore stated that he would support the 2014 Siloam Springs subsidy request of a flat \$1000 per call based on 391 calls in 2012, for \$391,000, and made motion to approve and forward to the June 11, 2013 Committee of the Whole agenda.

Motion died for lack of second.

JP Allen stated that Siloam Springs' request is for \$1,065.02 per call, based on the 430 projected calls for 2014.

Greg Neely, Siloam Springs Fire Chief, stated they have reduced their budget by 18%, or a total of \$670,000, before they ever began to calculate the 80% that is dedicated to EMS. He said they then began to extrapolate the 17% or 18% dedicated to the county, which comes to \$416,422.82 which is a very real number, and that number does not change. He stated that the \$1,000 number was arrived at because there is another contract in place whereby a contract was negotiated with an entity to provide EMS service to an area outside of its jurisdiction, and that they will provide EMS service for the \$1,000 per call for \$391,000.

Further discussion was held on the 2014 subsidy request number presented by Siloam Springs.

JP Sandlin stated that she agreed with JP Moore's suggestion, to pay Siloam Springs subsidy request and work on the numbers for the next year.

JP Jones stated that he does not understand how Siloam Springs resources are dedicated; that it feels like the county is subsidizing both fire and EMS, and that is his concern at this point.

JP Hernandez stated that he is concerned with Siloam Springs going from \$52,000 to \$416,422.82 and how they came up with that number.

JP Curry stated that he just could not accept Siloam Springs' calculations, and that he could not justify \$1,000 per call. He stated that the city still has to have the same level of manpower and equipment available whether the city ambulances run outside the city or not.

David Cameron, Siloam Springs City Administrator, stated that the city would not need to maintain the same level of equipment and would save in other areas by not operating outside the city. He stated that the city has to call in personnel to man fire trucks when the department's ambulances are busy, and there have been times when Springdale ambulances were asked to

stage halfway into Siloam Springs in emergency situations. He added if Siloam Springs ambulances are not running outside the city limits they don't need four ambulances and the same size staff. He added that this is not a money-making proposition.

JP Curry stated that he could not justify paying \$1,000 per call.

David Cameron stated that they believe that the number that they have given is accurate, and the best that they can do.

JP Allen stated that a red flag goes up with the Siloam Springs subsidy numbers because they are so much higher than any other city.

JP Curry made motion that Siloam Springs provide EMS service at \$500 per call.

Motion died for lack of second.

Mike Crandall stated that \$1065 per call is their expense; have they subtracted the revenue coming in from insurance, and are they asking the county to pay the difference.

David Cameron stated in the spread sheet that was provided, all revenue including grants was deducted from our expenses, and it takes into account all reimbursements and payments received.

JP Allen stated that if the City of Rogers per call cost is increased by 76% to \$750 per call, and that amount per call is applied to the 430 calls projected by the City of Siloam Springs, that totals \$322,500, which is a significant increase over last year's subsidy.

JP Moore stated that is only a difference of \$68,500 in the amount they are requesting, and there is no point in making that motion.

Further discussion was held on a fair number to offer the City of Siloam Springs.

JP Allen made motion to approve \$1,000 per run using the 2012 call numbers of 391 for \$391,000, and forward to the June 11, 2013 Committee of the Whole agenda, seconded by JP Moore.

Motion passed by show of hands vote.

4 Yeas:	Allen, Moore, Blaty, Jones
3 Nays:	Moehring, Curry, J. Harrison

### **Springdale \$68,774.34**

Mike Erwin, Springdale Fire Chief, stated the formula used for the subsidy requests is the same formula that was used in Washington County for several years, and is the same formula that is being used moving forward in Lowell and Bethel Heights.

JP Jones made motion to approve and forward to the June 11, 2013 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

## **9. Other Business**

None

Mike Crandall announced that the next Finance Committee meeting will be held July 2, 2013 at 6:00 p.m.

Meeting adjourned at 9:17 p.m.