

## Committee of the Whole

July 09, 2013

The Committee of the Whole of the Benton County Quorum Court met Tuesday, July 09, 2013 at 6:00 p.m. in the Quorum Court Room, County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

15 JPs Present: McKenzie, Hernandez, J. Harrison, Allen, K. Harrison, Adams, Jones, Sandlin, Anglin, Chiocco, Curry, Carr, Meyers, Moore, Moehring

Others Present: County Judge Bob Clinard, County Attorney George Spence, Administrator of Public Services Scott Stober, Administrator of General Services John Sudduth, Comptroller Sarah Daniels, Administrator of Public Services Marshal Watson, Fire Marshal Marc Trollinger, Information Systems Director Sidney Reynolds, Human Resources Manager Barbara Ludwig,

Media: Tom Sissom - Daily Record

Chair Kurt Moore called the meeting to order.

### **PUBLIC COMMENTS**

None

### **COMMITTEE REPORTS**

JP Allen reported that the Finance Committee had met and that sales tax numbers were up.

JP Carr recognized Kerry Becton, Account Executive, and Chris Salzmann, Regional Director, with ESG Energy Systems Group of Little Rock, Arkansas. He stated that they are here to make a presentation concerning energy efficiency and environmental issues and their effects on buildings in the county.

JP Carr made motion to add the ESG Energy Systems Group presentation to the beginning of the Committee of the Whole agenda, seconded by JP J. Harrison

Motion passed by unanimous voice vote.

JP Harrison made a motion to read all resolutions and ordinances by title only, seconded by JP Curry.

Motion passed by unanimous voice vote.

JP Allen stated that he had met with County Judge Bob Clinard and Administrator of General Services John Sudduth, who requested that the Committee of the Whole hear the presentation first, and then if the members of the committee want to proceed with the proposal, it can be sent on to the Finance Committee for determination of costs associated with the proposal.

Kerry Becton presented a power point presentation on the Benton County Arkansas Feasibility Analysis, which detailed how making improvements throughout the county facilities could be funded through savings in existing budgets. She stated that the Arkansas Legislature has provided an alternate method of funding capital improvements through Act 1980 of 2005, and that the potential savings for Benton County is \$350,000 a year, with a project funding potential of \$4,000,000 over a 15-year program term.

Lengthy discussion was held on the ESG Energy Systems Group presentation, providing energy efficiency, sustainability, and infrastructure improvement solutions to the county, and the potential operational savings by funding the costs for capital improvement projects over a 15-year term.

JP Carr made motion to forward to the August 6, 2013 Finance Committee for further discussion, seconded by JP K. Harrison.

JP Moehring requested that County Attorney George Spence look at the information presented and give the court his opinion at the August 06, 2013 Finance Committee meeting. He added that he would also like to get a couple of other points of view on the subject.

**A. Appropriation Ordinance Request: Environmental, Dept. 38, Fund 010**

JP Allen stated that this is to appropriate \$694 received from the Illinois River Watershed Grant for the associated expenditures for the NWA Rain Garden Project. He added that he is on the Illinois River Watershed Board and will therefore recuse himself from voting.

JP Carr made motion to approve and forward the proposed appropriation ordinance to the July 25, 2013 Quorum Court agenda, seconded by JP J. Harrison

Motion passed by show of hands vote.

1 – Abstain – Allen

**B. Appropriation Ordinance Request: Sheriff, Dept. 05, Fund 479**

JP Harrison stated that this is to appropriate \$71,613 received from the Department of Justice – Violent Gang and Crime Reduction Program for the Project Safe Neighborhood Grant (COPLINK) and \$71,014 from undesignated fund balance in County General for the county's match.

JP J. Harrison made motion to approve and forward the proposed appropriation ordinance to the July 25, 2013 Quorum Court agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

**C. Appropriation Ordinance Request: Environmental, Dept. 38, Fund 010;**

JP Jones stated that this appropriation ordinance request of \$27,000 will be used to purchase a new truck, and to perform repairs and maintenance on other vehicles, and made motion to approve and forward the proposed appropriation ordinance to the July 25, 2013 Quorum Court agenda, seconded by JP J. Harrison

Motion passed by unanimous show of hands vote.

**D. Appropriation Ordinance Request: Sheriff, Dept. 05, Park Patrol Beaver Lake, Dept 17, Fund 350, and Jail, Dept. 67, Fund 970;**

JP Jones stated that this appropriation ordinance is to appropriate funds out of various funds, (Sheriff's Office, Beaver Lake Patrol, and Jail) for the purchase of fuel, equipment, and automobiles. He stated that the Beaver Lake Park Patrol Fund and the SSI Incentive Fund are self-generating accounts, and that they have money in their operating accounts. He added that the Tahoe for the Sheriff's Department will be coming out of reserves in the general fund.

JP Jones made motion to approve and forward the proposed appropriation ordinance to the July 25, 2013 Quorum Court agenda, seconded by JP Chiocco.

Motion passed by unanimous show of hands vote.

**E. Appropriation Ordinance Request: Information Systems, Dept. 49, Fund 010;**

JP Curry stated that this is to appropriate \$85,000 for Option "C" to upgrade, replace, and purchase additional security cameras and other equipment needed for courthouse security, and made motion to approve and forward to the July 25, 2013 Quorum Court agenda, seconded by JP J. Harrison

JP Moore stated that Option "C" has new high definition cameras and will upgrade the existing low definition cameras.

Motion passed by unanimous show of hands vote.

**F. Presentation: Revised Road Plan for 2013 - Administrator of Public Services Scott Stober**

Administrator of Public Services Scott Stober presented a power point presentation showing pictures of the 2013 Spring Flood damage, and stated that the Road Department will have to cut back on the paving plans for 2013, due to the flooding experienced in April and May, and reported on the flood damage summary costs. He stated that the cost already exceeds \$800,000 and that there is still much work remaining to be done.

Labor hours:	\$ 10,257.02
Labor Cost:	\$155,877.04
Equipment Cost	\$483,349.65
Material Cost	<u>\$234,038.89</u>
<b>Total Cost</b>	<b>\$873,265.58</b>

Scott Stober reported that in the original 2013 Road Plan, they had estimated paving 81.14 miles, and that has been revised to 47.9 miles.

JPs McKenzie and Moehring offered appreciation from themselves and their constituents to Scott Stober and the Road Department for the good work completed in their districts.

Meeting recessed.

Meeting reconvened.

**G. Discussion: Emergency Medical Services (EMS) – Administrator of Public Safety Marshal Watson**

JP Adams expressed his desire to see a business plan developed from an outside source which has no interest in either Benton County or the cities.

Administrator of Public Safety Marshal Watson stated that he will be presenting a county-driven, internally developed budget to meet the need for ambulance service as we perceive them to be.

Marshal Watson briefed the Committee of the Whole on the cost of a county-operated ambulance system as an alternative to the county paying for service provided to the unincorporated area by eight fire departments, which at this time includes NEBCO, Bella Vista, Bentonville, Gravette, Pea Ridge, Rogers, Siloam Springs, and Springdale.

Marshal Watson stated that it was requested that he present projected budgets based on ambulance services one with four and one with five ambulances.

He stated that the staff is proposing five ambulances in operating zones that were determined using GIS data: the Northwest zone, located near Mount Olive and Highway 59, although there might be a potential for cost savings by relocating to the Decatur Road Department site; the Southwest zone, with an opportunity to co-locate with the Gallatin Fire Department, which already has an excellent facility in place; South Central zone, which would serve Cave Springs, a portion of Highfill, then on out Highway 264 to cover Pleasure Heights, Hickory Creek, and the unincorporated area near Lowell; the North Central zone, covering the area north of Bentonville toward Pea Ridge, and south along Highway 112 corridor to cover portions of Cave Springs and Highfill; and a fifth ambulance which could potentially be stationed at Prairie Creek. He said they are looking at construction of three facilities – one in the Decatur area, possibly where Mount Olive and Highway 59 intersect; the location near Highway 264 and I-540; and the base of operations which would be located on Highway 102 at the County Road Department site. He said that although he is certain that the county can develop mutual aid agreements with all of the cities, the staff believes that five ambulances would provide the county better coverage in the event of overlapping calls for service, the fifth

ambulance could be on standby to cover any of the other four areas while they are involved in a call. He said this plan would allow them to reach any point in 87% of the unincorporated area within 15 minutes.

JP Allen asked how that response time compares to the service today. Marshal Watson stated that they have not made those calculations, and will get those numbers for the committee, but suspects that the response times will be better than the current providers' simply because of the proposed ambulance locations. JP Allen stated that had been mentioned as one of the benefits of the county providing its own service during earlier discussions.

Lengthy discussion was held on the projected costs for Benton County to establish and operate an Emergency Medical Service (EMS,) and the response times from the four proposed facility locations.

Marshal Watson summarized the estimated annual cost at \$2.1 million for the five-ambulance service, and \$1.8 million annually for the four-ambulance service, with \$3 million in estimated startup costs for either option, including construction, equipment, and personnel.

Marshal Watson stated that funding sources include \$1.6 million from an annual \$100 fee assessed on each of the 16,000 households in unincorporated Benton County, and projected revenue of \$713,844.08 from medical billing. He stated that together, those projected revenue streams would generate an estimated \$2,348,644.08 in the first year of operation, and that they would have enough revenue to pay for the service by the third year of operation.

Further discussion was held on possible revenue from ambulance billing and an annual fee of \$100 assessed to each household in the unincorporated area of Benton County.

JP Allen stated that county government collects taxes and fees, and if someone does not pay real estate taxes there are consequences. He asked if the county would have any recourse, if it bills a patient without Medicare or insurance who does not pay, such as putting the balance due on a tax bill. He added that EMS service is a very important service that Benton County needs to provide.

JP Sandlin stated that the EMS fee is already on the real estate tax statements.

County Attorney George Spence stated that in the case of NEBCO, the fee is on the tax bill, and the Collector will not accept payment for taxes unless the fee is included with the payment. He said he does not believe that can be done with a service charge.

JP Moore stated that he does not look forward to negotiating with the cities every year, and believes that eventually they will be talking about the same amount of money.

JP K. Harrison stated that while he does not advocate creating a whole new department, there will never be a time to start the service any less expensively than today.

JP Hernandez stated that any way you look at it, there will be five more ambulances out there saving lives, and if the county has the means and capacity to do it, then perhaps they should look at implementing the service in phases, because the county's population will continue to grow.

JP Moehring complimented Marshal Watson on the presentation, and said he believes that any other business plan submitted will likely come back fairly close to what has been presented tonight.

He stated that they did make a commitment to the City of Siloam Springs to do everything they could to come up with a formula, but that no matter which type of service they choose, they are going to have to locate a revenue source. He stated that while the numbers submitted by the providers are large, if they were to go back and look at the total requests, including NEBCO, and average them out at a 10% increase per year, it would take until the year 2020 to total the same amount as it has been estimated for the county to provide its own service, and that is without start up costs. JP Moehring said if the requests increase 10% per year, by 2020 the cost to providers would total a little over \$2 million, while the cost to operate five ambulances including the start up costs, totals over \$5 million. He stated they need to consider that the costs are not equivalent, that there is a significantly higher amount of money that it would cost the county to provide EMS service to the county, and that we all have to recognize that our citizens are getting first class service from the cities.

JP McKenzie stated that given all of the information that we have so far, it will cost about twice as much for the county to start its own service compared to what all of the city providers are requesting. He said he is not close to thinking it is a good idea to start up something which would require a whole new administration, when they have good service in place already. He also stated that he does not see any need for further study by an independent party.

JP Myers stated that he expects when some of the cities that made smaller requests see the larger requests funded, they will come back next year with much larger requests. He added that a lot of money is being spent on the Sheriff's Department and security for the Judges; what will they then say to the county citizens, that they are not as important? JP Myers requested clarification of the expected revenue and expense for the county-owned service.

Marshal Watson explained that the \$3 million in capital expenditures would not be recovered, and the service would operate in the negative balance for the first two years of operation, but in the third year, all of the operating expenses would be covered. He added that technically, the county is \$300,000 in the negative, because that is what was spent on funding the ambulance service provided by the cities, and the county received no income.

JP K. Harrison stated that if the county sets its own service, the costs will go down as the fees start coming in, so that will be much cheaper than what we are paying the cities.

JP Allen stated that when looking at the cost comparison, the factor that cannot be put on paper is the likelihood that cities will request substantially higher amounts next year. He said that he predicts those amounts to increase by more than 10% per year, and in fact believes they will be double. He said that he expects the total requests next year to be closer to \$1.9 to \$2 million, which is much closer to the cost for the county operated service. He said the initial investment is no different than investing in any other program or building. He asked if it would not be worth spending two to three million dollars in capital expenditures to purchase ambulances to take care of our people. He said he may not be completely in favor of the proposal, but he definitely feels it has enough merit to move it forward for further discussion.

He said one other factor in favor of a county-owned service, is the uncertainty in budgeting. He said that no city does its budget the same or runs its business the same, so he does not think they will ever reach an agreement.

He added that he is not in favor of a three-member panel; this issue either needs to go to the Public Safety Committee or the Finance Committee at the appropriate time. He stated that he would like to know what the administration wants to do, and what recommendations they would make, and then we need to act as the legislative body – not as administrators; we are the elected officials that oversee the finances.

JP Curry stated that he does not want to see another layer of government being created, or another layer of bureaucracy, and even though it may equal out in the long run, \$3 million in start up costs is a lot of money. He said he also thinks that they are giving some of the cities way too much money.

JP Carr stated that the county needs to pursue a long-term solution to avoid repeating drawn-out discussions. He noted that no one on the committee seems interested in moving forward with the \$100 per household fee, because no one wants to impose more taxes. He said that the NEBCO election might be an indicator of how the public feels about it.

JP Carr also stated that he does not agree with the thought that the providers will double their requests for next year. He stated that the agreements with the providers are in place for 2014; now the question is can the county offer a service at a reasonable cost, or should we continue working with the cities? He added that he is not sure bigger government is the answer, and there is still some uncertainty as to the effects of the new health care regulations on Medicare billing and this segment of the industry.

JP Jones stated that however the service gets funded, whether through paying the cities, charging fees and then paying the cities, or setting up a county operated system, they are growing government, because eventually, more personnel will be needed. He said that if he lived in the unincorporated area, and had to pay a tax, he would rather know that the money was going to the county than to enrich a city's budget, because he personally feels that enough of the county's taxes go to enrich the cities already.

JP McKenzie cautioned the committee to be very careful in assuming that a household tax would be approved, because he doubts that this body would impose it without voter approval, and it will be tough to get it passed. He noted that the previous NEBCO election for an increase in dues to \$40, barely passed.

JP Meyers made motion to set up an investigative panel of three members of the Quorum Court, a representative selected by the County Judge, the Fire Marshal, and others to be named in the future.

Motion died for lack of second.

Marshal Watson stated that he truly believes that government within Benton County will continue to grow; there are already instances when we are maxing out our ambulances, and it is starting to happen more and more. He stated that someone is going to have to grow to meet this demand in the future, although he is not necessarily saying that it will be the county. He stated that adding ambulances and having that availability for the citizens, (not only those who live in the unincorporated area but the incorporated areas as

well) is not necessarily a bad thing. He stated as far as this budget is concerned and how effective it might be, that his numbers compared to those provided by the Ludwig Group Study are roughly within \$50,000 to run four ambulances, and the cost to run five ambulances is due to inflation of personnel and capital, and it is a very viable number. He stated that he sent the projected numbers to the Director of Central Emergency Management Services for review, and that when he received it back there were no red flags or significant issues. Addressing the new health care regulations, he noted that those in the field who know more about it than he, believes that Medicare payments for ambulance runs will be reduced, but in turn, more of the population will be insured, so it will possibly be a wash.

JP Moehring stated that there are several points that may keep the cities in check; 1) the proposed budget for a county-operated service, lets the cities know that the county does have a baseline against which to compare their numbers, so it would be very awkward for the cities to come back and double their costs; 2) the formula should be the baseline; we committed to the cities that we would work with them to find a formula and we have to go through that process. If we do not find one at the end of the process, we will have tried; 3) a financial summary, the EMSD district can still be formed whether we operate our own ambulances or not, we can still form that and pay the cities. He added that the revenue projections at the top are really independent of whether the county runs the ambulances or not; those revenue projections can happen either way.

JP Adams stated that his suggestion of a three person panel was that those people would go outside the county government and find someone to do a business model for the county. He stated if everyone is comfortable with what the County Judge, Comptroller and Marshal Watson has come up with, he has no issue with redrawing the request for a three person panel, but he is not sure we have the numbers we need to make this work. He stated we need to move forward on this issue as quickly as we can; otherwise it will be horrible October through January of next year trying to figure out how they are going to pay for this.

County Attorney George Spence stated that he wanted to make sure everybody understood what an election verses a non election was. He stated in the case of NEBCO, since it was first established in the 1980's, the Quorum Court has automatically referred the question to the voters when requested by NEBCO. He added that the Quorum Court is not required to do that; under the statute they can adopt the ordinance setting fees, and then if the voters want to have a referendum to vote on it, they can go through the process.

Marshal Watson stated this model is totally set up for Benton County to take care of the unincorporated area. He stated there is an opportunity for the county to contract with some of the municipalities to provide them service. He stated that this concept is solely for unincorporated Benton County; this does not take care of the citizens of Decatur, Gravette, Sulphur Springs, Gentry, or anyone else. He stated this is solely paid for by the citizens of unincorporated Benton County, and sponsored by Benton County to support those citizens, and the cities can go to any provider that they want, even Benton County.

JP McKenzie stated that we need to figure out where we stand on this; made a motion to send to the Quorum Court a recommendation that we fund the cities for 2014 at the rates that have already been approved.

JP Allen stated that they were waiting on figures from NEBCO and Pea Ridge and then a resolution will be prepared.

JP McKenzie withdrew his motion.

Comptroller Sarah Daniels announced that the NEBCO election to increase the EMS fee to \$100, passed with 298 votes for and 294 votes against.

JP Moore stated the EMS discussion will be continued at the August 13, 2013 Committee of the Whole meeting.

**OTHER BUSINESS**

None

**ADJOURNMENT**

Meeting adjourned at 9:15 p.m.