

FINANCE COMMITTEE REPORT

November 06, 2014

A Finance Committee meeting was held Thursday, November 06, 2014, at 6:00 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Allen, J. Harrison, Jones, Chiocco, Curry, Moore, Moehring

Others Present: JPs Sandlin, Meyers, K. Harrison, County Judge Bob Clinard, Circuit Clerk Brenda DeShields, Treasurer Deanna Ratcliffe, Prosecutor Elect Nathan Smith, Assessor Glen “Bear” Chaney, Coroner Daniel Oxford, County Attorney George Spence, Chief Deputy Richard Conner, Administrator of General Services John Sudduth, Administrator of Public Services Jeff Clark, Administrator of Public Safety Marshal Watson, OEC Director Mike DeRose, Director of Information Technologies Eddie Mahar, Accounting Manager Mike Crandall, Human Resources Manager Barbara Ludwig

Media: Tom Sissom

Chair JP Allen called the meeting to order.

Public Comments

None

Grants Administrator Report

Accounting Manager Mike Crandall reported that the State Homeland Security Program (SHSGP) grant, the Law Enforcement Terrorism Prevention Activities (LEPTA), the 2014 GIF Grant for Collector, the 2014 GIF Fire Protection Grant for Pleasure Heights Volunteer Fire Department, the 2015 Highway Safety Funding for Selective Traffic Enforcement Program (STEP) and the 2015 GIF Northwest Arkansas Economic Development District – Sheriff’s Department Chaplain’s Division have all been awarded. He stated that they have applied for the 2015 Arkansas Administrative Offices of the Courts – Alternative Dispute Resolution Grant for \$15,000 to implement an Alternative Dispute Resolution program for Domestic Relations and Probate Court.

Sales Tax Numbers

Mike Crandall reported that August sales tax receipts were up 7.22% over last year for a year-to-date increase of 1.56%. He added that overall, we are up \$95,369 for the same period last year.

Jail Collections

Mike Crandall reported that Jail Collections were \$60,299 for October and \$1,459,074 for the year. He stated that \$1.5 million was budgeted for 2014.

Fuel Analysis

Mike Crandall reported that the Road Department is at 71% of their fuel budget, while the Sheriff's Department is at 91% of their budget. He stated that average unleaded fuel costs have increased 12% to \$2.65 per gallon and diesel decreased 4% to \$2.92 per gallon. He added that \$85,597 has been transferred back to the Road Department.

Fund Summary

Mike Crandall reported on the Monthly Fund Summary, stating that 83.33% is the target and that the General Fund is at 81%, all other funds are at 72.59%, and the overall budget is at 76.47%.

Overtime Analysis

Mike Crandall reported that through twenty-two pay periods out of twenty-six, overtime usage is at 50.90%.

Personnel Services Available

Mike Crandall reported that the county has saved approximately \$465,595 in personnel costs this year.

Appropriation Ordinance Request- Dept. 0100, County Judge, Fund 3752

Mike Crandall stated that this appropriation ordinance request is to appropriate \$1,400 in grant revenue received for the BC Veterans Treatment Court Grant.

JP Jones made motion to approve and forward the appropriation ordinance request to the November 11, 2014 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request – Dept, 0418, Jail, Fund 3760

Mike Crandall stated that this appropriation ordinance request is to appropriate \$12,500 in grant revenue received for the Chaplain's GIF Grant. He added that the funds will be expended in the 2015 expense budget.

JP Moehring made motion to approve and forward the appropriation ordinance request to the November 11, 2014 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request – Dept. 0418, Jail, Fund 1000

Mike Crandall stated that this appropriation ordinance request is to appropriate \$230,525 from un-appropriated funds to cover the increase in jail utilities.

JP Allen stated that this is a rather large increase, but utilities are what they are.

Chief Conner stated that they are looking at new aspects to decrease the costs for utilities in the jail.

Lengthy discussion was held on suggestions and precautions that could be made to cut the costs of the utilities in the jail.

JP Moehring stated that he was concerned the Sheriff's Office waited until this late in the year to advise the Quorum Court of the increasing costs. He added that as they start to see these trends, it would be good to come in with some information.

JP J. Harrison made motion to approve and forward the appropriation ordinance request to the November 11, 2014 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request – Dept. 0400, Sheriff, Fund 1000

Mike Crandall stated that this appropriation ordinance request is to appropriate \$5,290 from un-appropriated funds for I Phone upgrades. He said that \$5,290 was received from recycling the old phones.

JP Jones made motion to approve and forward the appropriation request to the November 11, 2014 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request – Dept. 0301, Ambulance Service, Fund 3450

Mike Crandall stated that this appropriation ordinance request is to appropriate \$70,000 from un-appropriated funds that the Tax Collector collects for EMS dues for the NEBCO Emergency Medical Service District. He stated that NEBCO bills the County for their salaries and benefits.

JP J. Harrison made motion to approve and forward the appropriation request to the November 11, 2014 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request – Dept. 0113, Accounting/Human Resources, Fund 1000

Mike Crandall stated that this appropriation ordinance request is to pay \$14,200 for the final billing from Innoprise Software for the financial software contract which converted the old financial software to the new.

JP Jones made motion to approve and forward the appropriation request to the November 11, 2014 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance Request – Dept.0113, Accounting/HR, Fund 1000

Mike Crandall stated that this appropriation ordinance request is to appropriate \$1,000,000 from un-appropriated funds to cover the cost of health claims expenses for the remainder of the year.

Human Resources Manager Barbara Ludwig stated that the health program has had a catastrophic year for claims. She stated that the plan had claims of more than \$609,000 from seven people and that there will probably be about \$1.3 million in prescription drug claims by the end of the year.

Lengthy discussion was held on the rising health care costs for the county employees.

Barbara Ludwig stated that she had looked at some different alternatives to recoup some of the losses and recommended; 1) charging employees a \$25.00 a monthly premium; 2) a \$50.00 funding increase; 3) deleting long term disability; 4) recommending that there is a spousal carve-out; 5) deleting coverage for gastric bypass surgery. She added that these recommendations would generate \$807,205 for 2015.

Lengthy discussion was held on the recommendations and how they would affect the budget.

JP Jones made motion to approve and forward the appropriation ordinance request to the November 11, 2014 Committee of the Whole agenda, seconded by JP Chiocco.

JP Moehring stated just as the previous request made by the Sheriff's Office that he is concerned that as they start to see these trends, it would be good to come in with some information. He stated as we have these types of request coming in we then have a heads up as the year goes on.

Motion passed by unanimous show of hands vote.

JP Moehring made motion to move the employee health care policy recommendations made by Barbara Ludwig for discussion to the Monday, November 17, 2014 Finance Budget committee meeting, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

JP Curry stated that his question is, when can we no longer afford employee insurance?

JP Jones made motion to amend the agenda to add the Election Commission appropriation request for discussion, seconded by JP J. Harrison.

Discussion - Appropriation Ordinance Request – Dept. 0109, Election Commission, Fund 1000

Election Commission Coordinator Kim Dennison stated that because we are having a runoff election there is not enough funds in their budget to pay salaries. She stated that she is requesting an appropriation ordinance for \$30,000 to pay the Election Commissioners and poll workers salaries. She reported that the projected costs for the November 04, 2014 election is \$90,000, and the runoff election is approximately \$21,000.

JP J. Harrison made motion to approve the appropriation ordinance request and forward to the November 11, 2014 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Appropriation Ordinance 2014 Tax Levy for Collection in the Year 2015

JP Jones made motion to forward an appropriation ordinance request for the 2014 Tax Levy to the November 11, 2014 Committee of the Whole agenda, seconded by JP

Discussion - Jail Fee Increase

Lengthy discussion was held on a draft resolution produced by the Association of Arkansas Counties asking the state to increase what it pays for housing state inmates in county jails.

JP Allen stated various courts throughout Arkansas have adopted annual budgets anticipating and relying upon the State of Arkansas to fulfill the Constitutional obligation and promptly pay its just debts for housing state inmates in county jails. He stated that the draft resolution asks that the Governor call a special session of the Legislature to deal with the problem. He said that the issue can be dealt with in the regular session set for 2015, which would avoid the expense of a special session. He stated the Legislature has got an upcoming regular session, and that it needs to be addressed there.

Further discussion was held on the draft resolution to immediately remedy state corrections unfunded mandates.

JP Moehring made motion to approve and forward the draft resolution to the November 11, 2014 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Meeting adjourned at 7:02 p.m.