

FINANCE COMMITTEE REPORT

March 03, 2015

A Finance Committee meeting was held Tuesday, March 03, 2015, at 6:00 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Allen, Moore, Jones, Curry, Easley, Moehring
Absent: Chiocco

Others Present: Prosecuting Attorney Nathan Smith, JPs Anglin, Sandlin, J. Harrison, K. Harrison, Leadabrand, Meyers, Comptroller Brenda Guenther, Accounting Manager Michael Crandall, Jail LT Robin Heath

Media: Tom Sissom

Chair JP Allen called the meeting to order and recognized Prosecuting Attorney Nathan Smith, who stated that when the Hot Check Coordinator position was created in the Prosecutor's Office, it was to be a self-funded position. He stated that because of the increase in the use of credit and debit cards, they are not receiving enough funds from collecting hot checks to pay the salary for the Hot Check Coordinator position, and he wanted to make the court aware of the decline in funds. He stated that they have never failed to make a payday, but that he thinks the day is coming.

After lengthy discussion was held on the Hot Check Coordinator position, the court advised Prosecuting Attorney Nathan Smith to notify them when funds were becoming unavailable to pay for the position.

No further action was taken.

Public Comments

None

Comptroller Report – Annual Finance Statement

Comptroller Brenda Guenther reported that the property tax collected rate for 2014 was 85.85%, and that there was an estimated increase of \$2,115,830.94 in property taxes collected for the year 2014.

JP Allen made motion to move Items 5 and 6 above the monthly reports.

Appropriation Ordinance Request - Dept. 0418, Jail Operations & Maintenance, Fund 3017

Accounting Manager Mike Crandall stated that this appropriation ordinance request is to appropriate monies to complete the Jail Security System Upgrade project. He stated the project was due to be completed at the end of 2014, but will not be completed until the end of March 2015.

JP Moehring made motion to approve and forward the appropriation ordinance request to the Tuesday, March 10, 2015 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands.

Appropriation Ordinance Request – Dept.0108, Non-Departmental & Maintenance, Fund 4000

Mike Crandall stated that this appropriation ordinance request is to appropriate \$200,000 for the Sheriff’s Administration Building Microbial Growth Project. The funds were transferred from the General Fund to the Capital Fund in anticipation of the project.

Lt. Robin Heath with the Sheriff’s Office stated that the work was initially expected to take about 20 days, but that estimate has been stretched out to a couple of months.

Mike Crandall reported that the original bid was for \$116,000 but if more growth is found, the cost could increase.

Lengthy discussion was held on the appropriation ordinance request and the costs involved with the project.

JP Jones made motion to approve and forward the appropriation ordinance request to the Tuesday, March 10, 2015 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous voice vote.

Fund Summary

Comptroller Brenda Guenther reported that the 2014 Monthly Fund Summary through February 28, 2015 shows the General and Road funds with \$3.6 million in un-appropriated funds, and all funds for 2014 at 91.14%. She stated that through February 28, 2015 the target is 16.67% and that the General Fund is at 17.9% and all other funds are at 17.73%, and the overall budget is at 17.75%.

Brenda Guenther reported that the 2015 versus 2014 New Fund Summary Report is comparing January 2015 to January 2014. She reported that \$2,081,122 more has been spent in 2015 than in January of 2014. She stated that when comparing category to category, the budget is fine; the increase is due to capital purchases.

Overtime Analysis

Mike Crandall reported that the first pay period for 2015 covered December 22, 2014 through January 4, 2015. He reported that the General Fund has used 19.70% and All Other Funds 17.47%.

Grants Administrator Report

Mike Crandall reported that: 1) the Walton Family Foundation Grant for Benton County Historic Courthouse Improvements for \$2.9 million was awarded February 25, 2015; 2) the Adult Drug Court Discretionary Grant was awarded and will pay for travel expenses for the team to attend the National Association of Drug Court Professional Conference in Washington, D.C. in July 2015.

Fuel Analysis

Mike Crandall reported that the target is 16.67%, and that the Road Department is at 5.44% of their fuel budget, while the Sheriff’s Department is at 5.60% of their budget. He stated that average unleaded fuel costs have decreased 65.3% to \$1.92 per gallon and diesel has decreased 62% to \$1.99 per gallon, and that \$9,205 has been transferred back to the Road Department to date.

Sales Tax Numbers

Comptroller Brenda Guenther reported that February sales tax receipts were up 7.72% over last year. She added that overall, they are up 8.10%, or \$95,979, for the same period last year. She stated that \$7.3 million had been budgeted for the year.

Brenda Guenther stated that Senate Bill 490 “To Improve the Fairness of Tax Administration” would extend the time to file for rebate of sales taxes. She stated that the bill contains an expansion of the “look-back” provision which would increase the period in which a business can ask for sales tax rebates from six months to three years. She stated that the bill will be on the agenda for Senate Revenue and Tax Committee Wednesday morning. She suggested that the Quorum Court members may want to contact those legislators who sit on that committee to let them know that you have no problem with this bill, except for the expansion of the six-month look-back period to 3 years.

Lengthy discussion was held on the effect that the “look-back” provision would have on county sales revenue.

Jail Collections

Brenda Guenther reported that Jail Collections were \$310,294 year-to- date, and that \$1.5 million was the budget estimate for 2015.

Discussion was held on the increasing the amount of Jail Collections.

JP K. Harrison stated that he has proposed an increase in the fee charged to the cities for holding prisoners in the county jail from \$40 per day to \$45. He stated Washington County now charges \$60 per day to hold prisoners in its jail. He added that the increase would not be in effect until next year’s budget.

JP Allen recommended that an ordinance to increase the jail fees charged to the cities be presented to the April 2, 2015 Finance Committee meeting for consideration.

Appropriation Ordinance Request: Dept. 0801, County Agent/Extension Office, Fund 1000

Brenda Guenther stated that this appropriation ordinance request is necessary to appropriate \$5,000 in County Matching Funds for the Benton County Conservation District. She stated that the funds are matched annually with the Arkansas Natural Resources Commission and that the match was inadvertently omitted from the 2015 Budget submission process.

JP Jones made motion to approve and forward the appropriation ordinance request to the Tuesday, March 10, 2015 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous voice vote.

Appropriation Ordinance Request: Dept. 0414, FY14 Adult Drug Court Discretionary Grant, Fund 3740

Mike Crandall stated that this appropriation ordinance request is to appropriate grant revenues received for the FY2014 Adult Drug Court Discretionary Grant which was recently awarded.

JP Moehring made motion to approve and forward the appropriation ordinance request to the Tuesday, March 10, 2015 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous voice vote.

Appropriation Ordinance Request Transfer: Dept. 0200 Road, Fund 2000

Brenda Guenther stated that this request is to transfer \$86,000 in Personnel Services from the General Fund to the Road Fund for the Administrator of Public Services.

JP Jones made motion to approve and forward the appropriation ordinance request to the Tuesday, March 10, 2015 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous voice vote.

Appropriation Ordinance Request Transfer: Dept. 0418, Community Facility & Equipment, Fund 3014 to Jail Operations & Maintenance, Fund 3017

Brenda Guenther stated this is a 2014 Budget clean-up request to transfer the 2014 Budget for the Communications Facility and Equipment Fund into the Jail Operations and Maintenance Fund.

JP Jones made motion to approve and forward the appropriation ordinance request to the Tuesday, March 10, 2015 Committee of the Whole, seconded by JP Curry.

Motion passed by unanimous voice vote.

Other Business

JP Allen asked the committee if they wanted to do anything about the un-appropriated funds and the extra sales tax, with regards to saving it in the Capital Projects Fund. He stated that the county has \$6.5 million or 10% in statutory reserves and \$16.3 million in un-appropriated funds. He stated that setting aside money for the building project is something the county needs to begin doing.

JP Jones stated that all Capital requests in the 2015 Budget have been met, and that he would like the committee to add a significant amount, in the \$2 million range, to Capital Projects fund.

Mike Crandall stated that the Capital Projects fund balance at the beginning of the 2015 was \$1,125,000, and that adding \$2 million would increase the balance to \$3,125,000.

JP Allen stated that he likes the idea of \$2 million. He stated it is not as if we cannot get it, it just requires a two-thirds vote of approval from the Quorum Court to transfer the money out.

JP Jones made motion to transfer \$2 million from un-appropriated funds into the Capital Projects Fund and forward to the Tuesday, March 10, 2015 Committee of the Whole agenda, seconded by JP Moehring.

JP Jones stated that putting money in the fund now discourages officials from bringing new spending requests to the Quorum Court mid-year. JP Jones added that it also sets the tone that we do not have that \$2 million so they cannot come and ask for it.

Further discussion was held on transferring the \$2 million into the Capital Projects Fund.

Motion passed by unanimous show of hands.

Meeting adjourned at 8:10 p.m.