

FINANCE COMMITTEE REPORT

June 4, 2015

A Finance Committee meeting was held Thursday, June 4, 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, Chiocco, Easley, Moehring

Others Present: JP's J. Harrison, K. Harrison, Sandlin, Meyers, and Leadabrand, County Judge Bob Clinard, Assessor Linda Hambrick, Administrator of General Services John Sudduth, Comptroller Brenda Guenther, Accounting Manager Mike Crandall, Environmental Services Program Director Teresa Sidwell, Benton County Solid Waste District Director Wendy Cravens

Media: Tom Sissom

PUBLIC COMMENTS

None

PRESENTATION/DISCUSSION:

Convenience Center – Expansion of Services

Benton County Solid Waste District Director Wendy Cravens stated that the District currently partners with Benton County to operate the convenience center located in Centerton, with the district providing the facility and the county assisting with the cost of disposal.

JP Allen noted that the Public Safety Committee had forwarded the proposal to end the semi-annual clean up events and replace them with expansion of the availability of the convenience centers.

Wendy Cravens stated that convenience centers could be operated at a much lower cost than the two cleanup events. She said the court had asked the Solid Waste District to come up with a proposal to expand the use of the convenience centers while staying basically within the same amount of money as was spent on the cleanups. She said they are planning a 6-month pilot program, with two locations, (Rogers and Siloam Springs) in addition to the one in Centerton, and they are asking the quorum court to authorize them to use the six months to compile usage and cost data so that they can then report back to the quorum court on a monthly basis. She said they plan on coming to the quorum court during the 2016 budget process to request that the pilot program be extended for another six months, because a full year of data would be more useful due to the cyclical nature of waste disposal. She stated that the two additional locations were chosen due to their populations, with the hope that they could draw people in from the surrounding rural areas, because they the ones who really need this service.

Wendy Cravens explained that the two centers would be staffed by a county-funded District employee, working Tuesday and Thursday in Rogers, Wednesday and Friday in Siloam Springs, and alternating Saturdays between the two locations.

She said the proposal is for Benton County to cover the cost of the hazardous waste disposal with no cost to the residents, or to charge a small user fee to help offset the expense.

Environmental Department Program Director Teresa Sidwell stated some of the stipulations for the program are that the District will expend its existing budget for hazardous waste disposal first, then the county will begin to pay, the county will pay for the employee, and for solid waste disposal, which it already pays for. She said they county would also agree to assign work program participants and volunteers to help with the program.

Teresa Sidwell said that the cost of the two 2014 cleanup events in addition to subsidizing the Centerton convenience \$142,000, and the 2015 budget estimate of \$172,000 includes one spring event, the full year subsidy of the Centerton location, and subsidizing the two proposed locations in Rogers and Siloam Springs for six months. She said that the projected cost for the convenience center pilot program in 2016 is lower, because it will not include the additional cost of the cleanup events.

Teresa Sidwell stated that the court will need to decide if it wants to continue with the fall cleanup for an estimated additional \$50,000, and whether to keep the \$5.00 user fee or waive it.

Lengthy discussion was held regarding how to inform the public, the problem of discarded used tires in the county, the question of whether or not to continue with one-day clean up events, the possibility of using the 2015 fall cleanup to publicize the new pilot program, and the cost of hazardous waste disposal.

JP Allen pointed out that the numbers that have been presented are based on starting the pilot program on July 1.

Teresa Sidwell noted that the cleanup events have grown to the extent that they are at the point of extending beyond the capabilities of the staff and location to handle it all in one day, and the continual operation of the convenience centers would be a solution to that.

JP Allen questioned whether money had already been allocated for two clean up events in 2015. Director of General Services John Sudduth stated that there is \$47,000 left for the cleanup, and it may be enough, but they cannot know for certain until the event takes place and all of the costs come in. He added that the realistic start date would be a few days later than July 1st, since it will not go to the Quorum Court until the end of June.

JP Moehring made motion to hold the fall cleanup, begin the convenience center pilot program on January 1, 2016, and to include funding for the convenience center and one additional cleanup event in the 2016 budget, seconded by JP Chiocco.

JP Allen stated that a resolution could be drafted stating the court's intent to fund the convenience center program, so that the staff could begin collecting the necessary documents and equipment prior to the 2016 budget being adopted in December of this year.

Motion passed by unanimous show of hands vote.

JP Moore made motion to have a resolution drafted for the next Committee of the Whole agenda stating that January 1, 2016 is the desired startup date for the convenience center pilot program, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Courthouse Facilities Bond Financing

Jill Drewyor of Mitchell Williams Law Firm explained how a sales tax can be used for financing the proposed courts facility, and the legislative and election process that will need to be followed to enact it. She noted that one option that has been mentioned (re-allocating the cities' portion of the current countywide 1-cent sales tax if the cities agreed) is not allowable under current Arkansas law.

Discussion followed regarding current interest rates of bonds, the "pay-as-you-go" option, the designation of proceeds depending on which statute the bonds were issued under, and the difficulty in anticipating what voters would approve.

JP Allen stated that the purpose of this presentation was to get the legal opinion on what taxing and bonding avenues are available, just as they heard from Crews & Associates about real estate taxes, and different levels of sales taxes from the financial point of view.

The committee recessed for five minutes.

Committee back in session.

COMPTROLLER REPORT

Comptroller Brenda Guenther gave the Comptroller's Report through May 31, 2015, listing the activities of the Depository Board has taken in investing county funds, and the county's cash balance to date.

Brenda Guenther presented a comparison of compensation for various boards in the county, including the quorum court, Equalization Board, Planning Board and the Election Commission. She said one of the members of the Equalization Board has requested that their per-meeting pay be increased from \$100 per meeting to \$125 per meeting.

Equalization Board Chair Jim Durham addressed the committee, stating that the board's compensation has not been increased in over 20 years, at which time the rate was increased from \$50 to \$100 per meeting, and they would like for the committee to consider an increase.

JP Allen stated that they would discuss it at the next Finance Committee meeting.

FUND SUMMARY

Brenda Guenther announced that Accounting Manager Mike Crandall has tendered his resignation, so this will be his last Finance Committee meeting. JP Allen thanked Mike Crandall for helping the county get through some difficult times prior to the new Comptroller's arrival.

In presenting the Monthly Fund Summary, Mike Crandall noted that five months into 2015, the target is 41.67% and the General Fund is at 43.82%, primarily due to some recent capital outlay, and All Funds are at 40.74%. "Personnel" is at 41.14% with 11 out of 26 payrolls completed.

Mike Crandall noted that those line items which are over the target are highlighted in yellow on the report, and explained that the Road Department is over in the "Personnel" line item due to the extra time spent repairing recent storm damage. He added that those same storms are the reason for the Supplies line item being under target, because they are behind on their paving schedule and have not used very much asphalt.

MONTHLY REPORTS

Overtime & Premium Pay Analysis

Mike Crandall stated that Overtime and Premium Pay Analysis now includes the STEP Grant overtime pay, holiday worked hours, comp time payouts, and Coroner calls.

Grants Administrator Report

Mike Crandall noted that the one change from last month's report is the request for an Arkansas Department of Environmental Quality Recycling Grant for \$25,000 which will go through the Benton County Solid Waste District, requires no match, and will be used for equipment to collect recyclables such as tires, appliances, clean up illegal road side dumps, and to have onsite at recycling events. He said that they are awaiting decisions on approximately \$350,000 in grant applications, and currently have about \$4.5 million in active grants.

Fuel Analysis

Mike Crandall stated that Fuel budgets are at 41.67%, the Sheriff and Jail are at 22%, and County Road is at 20.75%

He said that unleaded fuel was \$3.34 per gallon in May 2014 and averaged \$2.34 per gallon in May 2015, which is a 29.94% decrease; in May 2014 diesel was \$3.04 per gallon and \$2.07 per gallon in May 2015, for a decrease of 31.91%. He said that to date, \$14,175 has been returned to the Road Fund from the General Fund departments, and \$6,290 from Other Funds.

Sales Tax Numbers

Comptroller Brenda Guenther stated that sales tax revenue is up \$264,407, for an 11.50% increase over May of 2014, for a year to date increase of 8.69%.

She noted that the county's population in relation to the incorporated areas has decreased, so that we are now receiving only 19.314% of the 1-cent countywide sales tax revenue.

Jail Collections

Brenda Guenther stated that Jail Collections are running approximately \$258,000 ahead of this time last year. JP Jones requested a report showing misdemeanors only.

APPROPRIATION ORDINANCE REQUEST: Phase I of Courthouse Renovation – First Floor

Brenda Guenther stated that this appropriation ordinance is for some funds that are now available to us from the Walton Family Foundation Grant, and will be for \$2 million of the available \$2.9, since we know that it will carry over into 2016.

JP Jones made motion to approve and forward to the June 9, 2015 Committee of the Whole agenda, seconded by JP Moehring.

Motion passed by unanimous show of hands vote.

OTHER BUSINESS

Act 942 – Cost of Living Adjustments

Brenda Guenther stated that she wanted to briefly review the new legislation regarding Cost of Living Adjustments for elected officials. She said that she has spoken with Eddie Jones of the Arkansas Association of Counties, and he explained that A.C.A. §14-14-1205 has been amended to include justices of the peace in the 3% which has been applied to the maximum or the range of allowed salary. She said in counties with over 200,000 in population, the maximum allowed salary will increase from \$13,319 to \$13,718 at the beginning of next year. She said that it will be added to the budget's Schedule 4 for 2016.

JP Allen stated that the 2016 Preferential Primary has been moved up to March 1, 2016 and that the filing period will begin November 2, 2015. He said that it was initially thought that this might have some financial impact, but it has been determined that it will not.

Mike Crandall announced that the County Surplus Auction would be held Saturday, June 6, 2016 beginning at 10:00 a.m.

JP Allen announced that the next Finance Committee meeting will be held on Tuesday, July 7, 2015 at 6:00 p.m.

JP Sandlin announced that a Personnel Meeting will be held on Tuesday, June 30, 2015 at 6:00 p.m.

Meeting adjourned at 8:45 p.m.