

FINANCE COMMITTEE REPORT

October 01, 2015

A Finance Committee meeting was held Thursday, October 01, 2015, at 6:00 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JPs Allen, Moore, Jones, Easley, Chiocco, Moehring, Slinkard

Other's Present: JPs Meyers, Anglin, Sandlin, J. Harrison, Shadlow, K. Harrison, Comptroller Brenda Guenther, Administrator of Public Services Jeff Clark

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette

JP Allen called the meeting to order at 6:07 p.m.

Public Comments:

None

Discussion:

None

Comptroller Report:

Comptroller Brenda Guenther stated that JP Easley had asked for an analysis of the appropriations that have been done thus far this year; therefore, she presented the FY 2015 Analysis of Appropriations in place of the usual comptroller report. She reported the budget transfer for the General Fund; there was \$1,063,702 of additional expenditures. Because of Act 530, the District Court had to be moved over to a separate section of the report and was not included in this total amount. She explained that the revenues are the amounts that have been appropriated as budget adjustments but there are other revenues that did come in. She reported that the only change in the County Judge's budget was to take a salary out of his department and move it to the Road Department, the County Clerk had a mid-year salary adjustment, Maintenance Buildings/Grounds had the Massey Building for the janitorial service, and the vehicle replacement, but this vehicle had an insurance reimbursement for a total of \$5,500 out-of-pocket, and the Accounting Department had a mid-year salary adjustment. Environmental Services added in the additional costs for the fall clean up and put in additional expenditures to replace the small arms that were sold in the auction. She added that they did get \$1,065 from the auction but it did not get appropriated as additional revenue. The Sheriff's office had a mid-year

salary adjustment. They also appropriated \$243,000 for sixty mobile tablets for vehicles, \$61,000 for SWAT Equipment and \$25,611 to replace a vehicle with insurance proceeds. They did appropriate the additional funds from this but it was not appropriated as additional revenue. She is trying to do this more often to show that they are not necessarily adding more expense every time. The biggest item on the report was the Jail lawsuit settlement of \$652,000. Juvenile Probation had a mid-year salary adjustment and a travel grant came in but the offsetting revenue was booked as a budget adjustment. Veteran's Affairs had a mid-year salary adjustment. The Conservation District usually has \$5,000 in the budget every year that was not budgeted for this year but she is making sure that it is included for 2016. The net effect of the District Courts being moved over from other funds to the General Fund was only a \$3,800 adjustment.

Brenda Guenther then presented the budget transfers for All Funds, which is all the other funds with the General Fund included. \$1,372,567 went to the Road Department, \$2,000,000 went to the Capital Projects Fund, and \$288,300 went to pay for the ambulance service in Southeast Benton County. She went through the Road Department transfers listed on the report. She then went over the Capital Projects section of the report. She stated that, overall, there were appropriation changes totaling over \$3.5 million but a lot of that came from other funds.

JP Allen reported on the special Finance Committee meeting that was held on September 28, 2015. He stated that they gave a charge to County Judge Robert Clinard to get more detailed information on the plans for the Highway 102 plan, the alternate plan and the G2 plan. Bob Kelly from CORE Architects attended and reported that there was a lot of discussion about the spacing of the building and how that would fit on the plan. He said the Circuit Judges all attended, except Circuit Judge Tom Smith, and Circuit Judge Doug Schrantz spoke in regards to the letter that was sent from the circuit judges to the members of the Quorum Court and reiterated the points outlined in the letter as to why the circuit judges do not support either of the proposed downtown courthouse plans at this time. The end result was that they agreed to forward it onto the Committee of the Whole in the form of a motion for the county judge to send out for an RFQ for an architect specializing in courthouse facilities. The committee decided there is not much else to do until the RFQ is done. They are waiting to hear back from the county judge in regards to the RFQ and the scope of work. The architectural firm will be working with a local architect (this is a requirement) and they will then listen to the recommendations on what they need to do to go forward.

JP Meyers stated that getting it on the ballot in November 2016 is looking unlikely at this point. JP Allen stated his opinion that no one wants to put forth any kind of tax increase until the architect is hired and the circuit judges' concerns are addressed; he believes the issue must be tabled until they can get some definitive answers.

Fund Summary:

2015 through 9/30/15

Comptroller Brenda Guenther gave the year-to-date fund summary. The target on salary is 73% and, counting Road and General, the county is at 71%. The Road is a little over but not much and the County General is at 70.5%. Looking at the overall budget, the target is 75%. The General Fund is at 70% and both the General and Road together are at 71%.

JP Moore stated that Personnel Services should be watched most closely.

Brenda Guenther stated that there would be no more additional Workman's Comp, and overall, she thinks the county is ok. She reported that overall for all funds they are at 65% versus a target of 75%, and 69% versus a target of 73% for Personnel.

2015 vs. 2014 Comparison through 9/30/15

Comptroller Brenda Guenther stated that, even though there was a 3% budgeted increase, General and Road is only up 1%. Overall expenditures are up 15% from a year ago but a lot of that is in the capital projects area. The county spent \$3.3 million versus \$1.4 million last year.

Monthly Reports:

Overtime & Premium Pay Analysis

Comptroller Brenda Guenther presented the Overtime & Premium Pay Analysis report. She said that there has been almost \$110,000 in salary reimbursements. She stated that the overall target is 73%; a few departments that are higher but they are not extremely concerned because they are small dollars.

JP K. Harrison asked if some of the overtime is being used to fill vacant positions and, if so, how are they doing for what they budgeted as far their actual salary is concerned.

Brenda Guenther stated that the column called 'Percentage of Salary Budget Used' is truly salaries only. She said that there are two areas that are over their salary budget. She explained that what they are doing is moving the overtime dollars from the salary line into a separate overtime line. The coroner is running heavy at nearly 74%; she thinks they will run out of money on that one as far as what is considered overtime. She stated that the other one that is concerning is the Jail Ops & Maintenance but she wants to do an analysis on that to determine what is going on there.

JP Jones said that, as long as they have personnel dollars, they can spend it however they need to.

Brenda Guenther stated that this is correct. In 2014 was when they changed the rule on the comp time so she cut a lot of the overtime budget versus year-to-year.

JP Allen asked if she could run the same numbers from this year versus last year and see what the percentage is.

Brenda Guenther stated that she will take a look at that.

Grants Administrator Report

Comptroller Brenda Guenther provided the Grants Administrator Report. She reported that there was quite a lot of activity this past month. She first presented the pending grants section of the report. She reported that they worked with Siloam Springs on the Arkansas Department of Human Services, Division of Childcare & Early Education; this is a grant that will provide construction funds for improvement to the Siloam Springs School District's Early Childhood Education classrooms. There is an application with the Economic Development Administration for a 50/50 split for doing Spanker Creek Bridge. The next reported on was the Alternate Dispute Resolution Grant for \$10,000; they have had this one in the past. She stated that the Arkansas Department of Community Corrections Drug Court is applying for \$130,000 to help them with their work. She reported that the Veterans Court is applying for \$10,000; the letter of intent is due in October but the actual grant will not be sent in until November.

Brenda Guenther stated that for active grants, they received notice that they received the Edward Byrne Memorial Justice Grant and this grant will be used to purchase tablets for the Sheriff's Office. They received notification that they received \$268,180 for the State Homeland Security Grand Program. The Arkansas Department of Environmental Quality awarded a grant for \$25,000. The Department of Justice SCAAP grant of \$26,598 was awarded and this grant is to reimburse some of the costs of incarcerating undocumented criminal aliens who have committed serious crimes in the United States. They also received notice last month that the STEP grant (Selective Traffic Enforcement Program) was awarded for \$87,000.

Resolution – Economic Development Grant – Spanker Creek

Comptroller Brenda Guenther stated that they are asking for a letter of commitment from the Quorum Court for the 2016 Spanker Creek project. She explained that this is a highly travelled bridge that is between here and Bella Vista. The estimated cost is \$846,000 of which the county would be contributing \$423,000 from the 'Capital Projects - Bridges' line in the budget.

JP Allen asked if this was in the budget already.

Brenda Guenther stated that it is not; it is for 2016. It was submitted earlier for a different grant but was not funded. This would eliminate a lot of flooding events that are occurring in that area. It is a 50/50 match of monies. She added that they have received a letter of support from Congressman Womack.

JP Moehring asked, through the application progress, when they will actually expect to receive these funds.

Brenda Guenther stated that she believes the funds are reimbursement.

JP Moehring asked when they would know if they have received the grant.

Brenda Guenther stated that it would probably be March.

JP Moehring asked if there was a certain time of year they would do this project.

Administrator of Public Services Jeff Clark stated that they would want to avoid the rainy season.

JP Moore made a motion to approve this resolution and forward it to the Committee of the Whole, seconded by JP Jones

JP Jones confirmed that this is for a letter of intent but they will still need to budget the money. He stated that if they get the grant and they have not budgeted the money, they will have to give back the grant and that would make the county look bad.

Brenda Guenther stated they will budget for the total amount but they will also include the revenue.

JP K. Harrison asked about it eliminating flooding areas.

Jeff Clark stated that in 2011 and 2013, the bridge was topped during a flooding event. They are trying to keep the road from being topped and keep the traffic moving through there. About 4,000 cars go through that area per day. They are trying to raise it above the Q25 so that it won't top out anymore.

JP Moehring asked how this bridge was chosen for eligibility versus other bridges.

Jeff Clark stated that there were two disasters that this bridge was involved in that required FEMA assistance.

JP Moehring asked if any outreach has been done to the residents of this area pertaining to this project.

Jeff Clark stated that they will go door-to-door and get the input of the residents before they do it.

JP Moore asked if the approaches will also be above the Q25.

Jeff Clark stated that the goal would be to get all of that over the Q25.

JP Moore asked if raising this will create other programs.

Jeff Clark stated that they will get an engineer to plan the project.

JP Allen asked about the timing of March and how soon can they start on the project.

Jeff Clark stated it would probably be late summer 2016; it will probably be finished in 2017.

JP Allen stated that his concern is that they are working on numbers that are a year old and how could they be assured that the cost would not go up.

Jeff Clark stated that they can get the engineer's design and have someone do a bid instead of a quote and hold them to that bid. That is all still to be determined. In 2013, they had an engineer come in and look at it who did an H&H Study, so they already have a design.

JP Allen asked if there can be language that doesn't lock it into a specific dollar amount.

Brenda Guenther stated she would check on it. She stated that this estimate is a quote from the engineer.

JP Moore said that if this could spill over into 2017, he does not see why the entire amount has to be appropriated in 2016. Since it is a reimbursement deal, they won't apply for the reimbursement until all the costs are in. This was discussed.

Motion passed by unanimous show of hands vote.

Fuel Analysis

Comptroller Brenda Guenther reported that the Fuel Analysis is still looking good. They are 75% through the year and they are at 42%-45% of the Road and Sheriff's jail budget expended. They are also still looking good on the gas price per gallon.

Sales Tax Numbers

Comptroller Brenda Guenther stated they are up 11.9% over what they were a year ago for the same month and for year-to-date they are 8.58% up from the prior year. If the trend continues, they are projected to be up over \$8,000,000 which will be about \$750,000 more than was budgeted.

JP Allen discussed what to do with the extra money.

Brenda Guenther said she would like to see where they are in October when the property tax monies come in before making any decisions.

JP Moore asked with the additional expenditures this year, if they are still going to balance.

JP Allen stated that he guessed that they would.

Brenda Guenther stated that she would like to go over that on November 1st or at one of the budget meetings.

JP Allen stated that he wanted to put it out here now so that everyone can keep it in mind.

Brenda Guenther stated that they will cover it in the next thirty days.

Jail Collections

Comptroller Brenda Guenther stated that they are up \$650,000 for prisoner housing fees.

JP Meyers stated that Cecile Bledsoe puts out a monthly report on what is happening in Little Rock and this month it was about incarceration of prisoners. The state is reimbursing the county thirty dollars per day and the counties are saying it costs forty-five dollars per day.

JP Allen believes that this governor and this legislature are working on it; they have increased it \$2 per day.

Ordinance Requests:

County Clerk Cost Fund Request

Comptroller Brenda Guenther stated that County Clerk's Office is requesting \$75,000 for furniture and floor repairs for the County Clerk and Probate Offices. This would be for \$50,000 in furniture and \$25,000 in floor repairs. The County Clerk Automation Fund has enough dollars in there already for these updates.

JP Slinkard made a motion to forward this to the Committee of the Whole for approval, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Public Defender Travel Appropriation

Comptroller Brenda Guenther stated that this is an accounting change due to the Legislative Audit. They are asking to increase the reimbursement to the Public Defender by \$375 for the rest of this year and up the expense for a net effect of zero dollars.

JP Jones made a motion to approve this and forward it to the Committee of the Whole, seconded by JP Moehring.

Motion passed by unanimous show of hands vote.

Maintenance Retaining Wall Appropriation

Comptroller Brenda Guenther stated that they have insurance proceeds for the amount of the repair, so they are asking for a net effect of zero dollars.

JP Moehring made a motion to forward to the Committee of the Whole, seconded by JP Slinkard.

Motion passed by unanimous show of hands vote.

Additional Deputy I & Security Equipment Appropriation

Comptroller Brenda Guenther stated that this is a request for \$13,715 for an additional Sheriff Deputy I officer and \$6,450 for security equipment. This was discussed at the last Public Safety Committee meeting.

JP Jones made a motion to approve this and forward to the Committee of the Whole, seconded by JP Chiocco.

Motion passed by unanimous show of hands vote.

Other Business:

None

Announcements:

JP Jones announced that the Benton County clean-up is next weekend on October 10, 2015.

JP Allen stated that he thought the goal was to transition to the pilot program and not do these clean-ups anymore.

JP Jones said that the plan was to have flyers to hand out to everyone who comes to the clean-up to advertise the pilot program. There is an advertising budget for this but they are awaiting the court's decision on what they want to do next year.

The future of the Benton County clean-ups and the pilot program were discussed at length.

JP Jones explained to the committee that the pilot program is three sites that will be open six days a week with two days in Rogers, two days in Siloam Springs, and two days in Centerton. Currently, the Centerton location is open every day of the week. During the week, it is the Solid Waste District and customers have to pay for the recycling of certain items. On Saturday morning, Benton County subsidizes it as the Convenience Center and they do not have to pay for the majority of their items. However, the Convenience Center does not take tires, unless the customer pays, and they do not take any hazardous waste, except on specific Saturdays when they have a specialist there who is trained to accept it. For the pilot program, Benton County is paying for the personnel that will be trained to handle hazardous waste. This person will go to the site that is open on that day and they can accept those materials. The convenience center will be expanded and household hazardous waste will be included in this pilot program.

JP Allen stated that this should be put on the agenda for discussion at the Committee of the Whole at the end of the meeting. He said that whatever the Committee of the Whole decides to do must be brought back to the Budget Committee. The shredding of documents for the public was also discussed.

Comptroller Brenda Guenther stated that the next Finance meeting is Monday, November 2, 2015. Budget Committee meetings are scheduled for October 15, 2015, October 26, 2015 and October 29, 2015.

JP Allen declared the meeting adjourned at 7:28 p.m.