

## FINANCE COMMITTEE REPORT

November 02, 2015

A Finance Committee meeting was held Thursday, November 02, 2015, at 5:30 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 (arrived late), Slinkard (arrived late)

Others Present: JPs Leadabrand, Anglin, Sandlin, Meyers, Adams, County Judge Robert D. Clinard, Comptroller Brenda Guenther, Administrator of Public Services Jeff Clark, Fire Marshal Marc Trollinger, Garfield Mayor Gary Blackburn, Randy Featherston of the Humane Society for Animals

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette

JP Allen called the meeting to order at 5:32 p.m.

### **Public Comments:**

Garfield Mayor Gary Blackburn emphasized the importance of municipalities having partnerships with Benton County. He gave an example of how this type of relationship can work from when he was Mayor of Avoca years ago. He entered into a partnership agreement with Benton County and McClinton Anchor to fix a dangerous road. The city of Avoca paid a third, the county provided equipment, McClinton Anchor provided material, and together they improved the road. He stated that partnerships between cities, local business, and the county can improve the quality of life for the citizens.

### **Discussion:**

#### **Humane Society for Animals, Inc. Benton County**

Randy Featherston from the Benton County Humane Society said that the Humane Society has a good relationship with the County Judge's office and the Sheriff's Department. He said that he is addressing the committee in the hope that, by acquainting them with the services that the Humane Society provides, they can build on the relationships that they have with the County Judge's office and the Sheriff's Department and expand that to include the county as a whole. He then gave a background of the Benton County Humane Society. He stated that they have been a partner with Benton County as long as Benton County has had animal control laws. They are the facility that houses the animals from the county's animal control calls. The Benton

County Humane Society was founded in 1966 and has been in their current ten-acre location on Nursery Road in South Rogers since 1972. They are a non-profit 501(c)(3) which means that they are entirely dependent on their contract with the county and public contributions to be able to operate. This is different from the way the city facilities operate. Most of the city facilities hold the animals for a short period of time until they are euthanized to make space for other animals. He said that they cannot say that they are a no-kill facility because that is an extreme that they just cannot get to. However, he stressed that their adoption and re-homing rate is in the 90% range; this is where their emphasis lies and why they have been so successful. They are a stand-alone organization and are not affiliated with any other Humane Society on a national or local level. The staff consists of one full-time employee, Clay Morgan, four part-time employees and approximately 150 volunteers including his wife Becky Featherston and Elizabeth Stennett, a project manager at Core Architects. He stated that Core Architects has partnered with them to improve their facility. Their current facility was built in the mid-1970's and is inadequate for their present day operations. They are hoping to begin construction on a new building to be built adjacent to their current facility, which would then become an in-take facility. He stressed that they are not coming to Benton County looking for funding for this building; they already have the monies in place to fund the building's construction. They are looking for funding for their everyday activities. He went on to explain that the total facility operating cost for 2013 was \$161,000 and \$165,000 for 2014. The employee cost in 2013 was \$77,000 and 2014 was \$82,000, which was 48% of the total operating cost in 2013 and 49% of the total operating cost in 2014. This is meaningful when compared to other counties. For instance, in Washington County, their employee cost is 75% of their total cost. Benton County Humane Society is able to operate as efficiently as they do because of the volunteers. There were 651 dogs in 2013 and 561 dogs in 2014, with a cost per dog of \$247 in 2013 and \$294 in 2014. Their current contract with the county reimburses at a rate of \$95 per dog which amounted to \$59,000 in 2013 and \$51,000 in 2014.

JP Allen clarified the amount of \$95 per dog and asked if this was part of the Sheriff's Department budget.

Randy Featherston stated that this is correct.

JP Allen asked if citations are being issued to the dog owners and if this money is going to the revenue office, or if this is just purely an expense to the Sheriff's Department.

Comptroller Brenda Guenther stated that it is purely an expense; she does not know of any revenue being collected.

Randy Featherston said that there are obviously instances where it would be hard to identify the individual responsible to be able to issue a citation. He said that they are not asking for new funds to build a new facility, however, the last thing they want to do is build a new facility and then not have adequate operational funds. They have a proven record and reputation for humane practices of animals, they promote spay/neuter to deal with the cause of the problem, they have efficient facility management and a volunteer network already in place, and they have a proven

record of fiscal management. They also eliminate the burden of running an animal shelter for county officials. Currently Benton County covers approximately 33% of the facility operating cost; they feel that 50% is not unreasonable. To achieve this they are proposing that their contract be modified to include a flat monthly fee of \$3,500 - \$5,000 (\$42,500 - \$60,000 annually), in addition to the \$95 per dog that they are currently receiving. This is consistent with contracts between the City of Bentonville and the City of Rogers' animal shelter facility, and the City of Bella Vista with the Bella Vista Animal Shelter. As they move forward, they are going to have to add another employee. The addition of a flat monthly fee helps them meet costs as they are incurred.

JP Moore asked how long it has been since the \$95 per dog fee has been negotiated.

Randy Featherston stated that they went from \$85 to \$95 over this past year. Before that, the \$85 amount had been in place for twelve years.

JP Moore asked if the cost per dog is for the dog's entire stay.

Randy Featherston said that the cost per dog is simply figured by taking their operating costs divided by the number of dogs housed at the facility.

JP Moore stated that basically the county is paying one third of the cost of keeping the dog there. He said that they have discovered what happens when they have to contract out for fire service; he thinks they are getting a good deal here. He does not want to get into the animal shelter business, especially when they already have such a good contracting partner. He recommends giving this request serious consideration.

JP Allen asked if they are asking for immediate help or if this is for the 2016 budget.

Randy Featherston said that they understand the court is in the 2016 budgeting process and so inclusion in that process is all that they would ask for.

JP Easley thanked Randy Featherston for his work at the Humane Society. He asked if their facility is just for dogs or if there are dogs and cats.

Randy Featherston said they only contract with the county for canines but they do have some felines that end up in there as well. However, the animal control officer does not bring in cats. He said that they do have a cat room planned for the new facility. In their current facility, the cats live in the laundry room which is obviously less than ideal.

JP Easley asked if the request is somewhere around \$29,000 annually in addition to what they are receiving to get it up to about half of the operating costs.

Randy Featherston reiterated that the amount requested will be between \$42,500 and \$60,000 annually.

JP Easley asked for clarification on what these extra funds will be used for.

\*JPs Slinkard and Moehring joined the meeting at 5:56 p.m.

Randy Featherston said that it is obvious that there will be higher operating costs in the new facility. The one need that is currently known is the need for another full-time employee.

JP Easley asked what the timeframe is on the new building construction.

Randy Featherston stated that they do not have a construction agreement or cost in place yet so they are not ready to make the official announcement. They hope that they will get more support when they announce that they are building a new building. If it is not completely built by 2016, they are hoping to at least be pretty far along with it by that point.

JP Meyers asked if there is an adoption fee charged.

Randy Featherston stated that they get a \$50 adoption fee per dog but reminded the committee that they make sure every dog is spayed or neutered before adoption.

JP Allen gave a brief recap of the Benton County Humane Society presentation to JPs Slinkard and Moehring, who arrived late to the meeting. He stated that this does not require a motion; he called for a show of hands vote to send this to the Budget Committee meeting immediately following the Finance Committee meeting that evening. Show of hands was unanimous.

### **Ozark Regional Transit Board Vacancy**

County Judge Robert D. Clinard stated that there is a vacancy on the Ozark Regional Transit Board that he needs to fill, as it is a County Judge appointment. He asked the justices to let him know if they, or any of their constituents, know of anyone in their area that is interested in this position; he will get them the information. He stated that he has two or three people interested that are in the cities. He stressed that there is nothing wrong with that, but he would prefer to have someone from the county (Pea Ridge, Gravette, Decatur, etc.) to represent the county's residents.

JP Allen added that this appointment replaces Craig Hull.

### **Fund Summary:**

#### **2015 through 10/31/15**

Comptroller Brenda Guenther stated that, looking at the County General Fund, 84.62% was the target for personnel, and they are now at 81.1%. She stated that October was a three pay period month so, while there used to be a few other departments over on expenditures, only Quorum Court is now over and above expenditures on personnel. On overall total, expended versus budget, the target is 83.33% and they are 79.55% so they are doing very well there. There are only two or three departments that are over budget and part of that is because of capital outlay. For Other Funds for that same time period, total of All Funds for personnel is at 79.83% with a target of 84.62% and for overall total expenditures they are at 73.60% versus the target of 83.33%. A lot of the grants they have out there are at 100% spent, but otherwise they are looking really good.

#### **2015 vs. 2014 Comparison through 10/31/15**

Brenda Guenther reported that, for the General Fund, personnel is just 2.6% higher than a year ago. So, when the 3% raises are considered, she feels that they are doing really well. For overall

total expenditures for the General and Road Fund, they are at about \$4.8 million more spent than a year ago but this is within budget for the year.

JP Leadabrand asked how much over they were.

Brenda Guenther clarified that they aren't over; it just means that they have spent \$4.8 million more this year than last year. \$1.8 million was for capital expenditures that were approved and \$1.3 million was in Other Services. She said that a lot of that is for county road contract work and storm damages.

JP Allen stated that this will be high compared to last year because they did not contract out as much work last year.

Brenda Guenther said that for All Funds, they are at \$3.3 million more than was spent a year ago and it is pretty much all because of the General Fund.

### **Monthly Reports:**

#### **Overtime & Premium Pay Analysis**

Comptroller Brenda Guenther stated that she is going to look into the Jail Operation and Maintenance but, otherwise, she feels they are where they should be. They may have spent more on overtime but that has perhaps been offset by vacancies and salaries. They are at 99.64% of their overtime and premium pay budget. She stated that they need to make sure they look at the Coroner's budget this year when doing the budgeting; he is already at 703 calls versus the budget of 650 calls. They have spent 7% of the overall overtime and premium pay versus other months where they have run as high as 11% or 24%. They also had three pay periods this month so she feels this is not a bad number.

#### **Grants Administrator Report**

Brenda Guenther stated that there are a couple of grants pending resolutions and those are a pass through with the Hickory Creek volunteer fire department and the Pleasure Heights volunteer fire department. She stated that Fire Marshal Marc Trollinger would address these resolution requests later in the meeting. She reminded the committee that September 30th is when a lot of grants close out; four grants have closed since September 30th. These include the SAMSHA, SCAAP and STEP grants; they have all been renewed.

#### **Fuel Analysis**

Brenda Guenther stated that the price of gas has been very favorable. They are at 48.89% and 47.19% of the overall fuel budgets for the first ten months of the year. Last year they spent 87.58% and 80.21%. They price of gas is 20.38% and 36.30% lower so this amounts to \$40,758 total transferred back to Road. They are very good on their fuel budget versus what was budgeted.

#### **Sales Tax Numbers**

Brenda Guenther reported that sales taxes took a dip last month versus a year ago by \$44,600. They are now increased over the prior year by almost 7%; if they continue as they have been they will end up with just under \$8 million.

### **Jail Collections**

Brenda Guenther stated that overall there has been \$2.5 million collected. They budgeted \$1.5 million; a lot of that has been catch-up from the prior year for the state. They are now \$327,000 ahead of where they were a year ago at this same time.

JP Moehring asked if they took the additional revenue from last year out of the equation, where they would be.

Brenda Guenther estimated they would be on track, or maybe even a little better than on track.

JP Leadabrand asked what month they will receive the increases.

Brenda Guenther stated January 1st.

### **Resolution Requests:**

#### **Resolution – Hickory Creek Volunteer Fire Dept. – GIF Grant**

Comptroller Brenda Guenther stated that they are asking for \$25,000 in grant aid.

Fire Marshal Marc Trollinger said that they have the fire department do this every cycle; this is a \$25,000 match grant for a response vehicle to run medical calls alongside the ambulances.

JP Jones made a motion to forward this resolution request to the Committee of the Whole, seconded by JP Moehring.

Motion passed by unanimous show of hands vote.

#### **Resolution – Pleasure Heights Volunteer Fire Dept. – GIF Grant**

Brenda Guenther stated that this request is the same situation as the previous request; they are asking for \$16,360 in aid and providing the match.

JP Moehring made a motion to forward this resolution request to the Committee of the Whole, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

### **Ordinance Requests:**

#### **Millage Ordinance – Levy 2015 Taxes for 2016**

JP Slinkard made a motion to forward this appropriation ordinance request to the Committee of the Whole, seconded by JP Jones.

JP Easley asked if this is the same as it was last year or if any had changed.

JP Allen said that the cities that have changed have been submitted to the County Clerk. He said that the county rates have not changed.

Motion passed by unanimous show of hands vote.

### **County Clerk's Cost Fund – Poll Books**

JP Kurt Moore made a motion to forward this appropriation ordinance request to the Committee of the Whole, seconded by JP Chiocco.

JP Jones asked why this is being done now and not during budget.

Comptroller Brenda Guenther said that they want to purchase them now and have them on hand.

JP Allen said they are trying to get something in place for the primary.

Motion passed by unanimous show of hands vote.

### **Other Business:**

JP Easley asked for clarification about the General Fund having spent \$3.5 million more than last year.

Comptroller Brenda Guenther said the General Fund had spent \$4.8 million more than last year but, as a whole, they had spent \$3.5 million so that means that the General Fund makes up all that extra spending. This means that the Other Funds spent less than the prior year. She said that a lot of that is hard to gauge because you have grants, revenues, and other things. This is just looking at expenses to expenses.

JP Easley said that the bottom line is they spent \$3.5 million more.

Brenda Guenther stated that this was correct. She said that this is a good way to gauge where they are from year-to-year.

### **Announcements:**

JP Jones stated that there is a Planning Board appeal tomorrow, November 03, 2015 at 6:00 p.m. JPs Moore, K. Harrison and J. Harrison will hear the appeal.

Meeting adjourned at 6:22 p.m.