

FINANCE COMMITTEE AND JOINT PERSONNEL/BUDGET COMMITTEE REPORT

October 6, 2016

A Finance Committee meeting was held Thursday, October 6, 2016 at 6:00 p.m. in the Quorum Court Meeting Room, Benton County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JP Allen, JP Sheridan, JP Jones, JP Chiocco, JP Slinkard, JP Moore, JP Moehring

Others Present: JP Shadlow, JP J. Harrison, JP Sandlin, JP Anglin, JP Leadabrand, JP Meyers, Assessor Linda Hambrick, County Treasurer Deanna Ratcliff, Comptroller Brenda Guenther, Human Resources Manager Barbara Ludwig, Director of Information Systems Eddie Mahar, Accounting Manager Donna Kim, Sheriff's Office Chief Lynn Hahn, Blair Johanson, Assessor-elect Rod Grieve, Tim Ensley, Susan Moore

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette.

Committee Chair JP Allen called the meeting to order at 4:36 p.m.

Public Comments:

None

Discussion:

Senior Activity & Wellness Centers of NWA

Susan Moore and Tim Ensley of the Senior Activity & Wellness Centers of NWA gave a presentation requesting \$25,000 from Benton County. Tim Ensley, Director of Operations, stated that this program has five centers within Benton County located in Siloam Springs, Gentry, Gravette, Lowell, and Bentonville. Within the last year these five different centers made 146,172 meals for seniors. They also provided transportation for 11,997 seniors and that this transportation was done for many different reasons; been coming to or going from the senior centers, to the doctors' appointments, or some to go to the store or pharmacy. Tim Ensley reported that the reason for the centers is because one out of every two seniors will suffer from malnutrition and about 60% of seniors are hospitalized because of malnutrition. The Senior Activity & Wellness Center is to help increase their wellness. He stated that the State of Arkansas is considered the number one state in regards to senior hunger.

JP Allen asked how they currently receive revenues for this program.

Tim Ensley stated that they are contracted through the agency AD in Harrison. He stated that 55% of this program is funded through the State of Arkansas and from there goes through Triple A. The other 45% has to be raised through grants and other funding.

JP Moehring asked if there any other cities or counties that help with funding.

Tim Ensley reported that the Senior Center operates in three different counties – Carroll County, Madison County, and Benton County. He stated that they receive \$20,000 from Carroll County, but none from Madison County at this time.

JP Moehring asked what percentage of the Center’s overall budget is being requested.

Susan Moore reported that their budget is \$1.1 million, but that what they are asking for would not be a large percentage in that number but would help relieve some of the senior directors with the finding of more funds.

JP Moehring pointed out that the United Way Agency funds many programs and asked if this was one of the programs that were affected by the loss.

Susan Moore stated that they did lose funds when the United Way Agency turned their focus more on children and took back \$53,000 that had previously gone to the senior center.

JP Moehring made motion to forward to the Budget Committee, seconded by JP Jones.

JP Leadabrand asked how many seniors are needing this program within Benton County.

Susan Moore stated that she believed there were about 7,000 seniors in Benton County who used this program. She stated that we are trying to keep them in their homes as long as they can.

Tim Ensley explained that there are a couple different ways for the seniors to use this program; (1) is the congregate meal, where the seniors come to the centers to eat and (2) is the home delivery meal, where they deliver meals to them in their own homes.

JP Leadabrand asked if any of the seniors are on welfare or what are their needs.

Susan Moore reported that to receive home delivery meals they have to follow a screening process. Within this process they must not be able to prepare their own meals or have anyone at home who can prepare their meals. They must be homebound and unable to drive. Tim Ensley stated that for all meals, the recipients must be at least 65 years or older to be eligible and they are not asked to pay for the meals, simply to donate if they are able. He stated when the seniors do donate, it is not tracked.

JP Slinkard stated that she believes that in the past the county had given money to the Office of Human Concerns, and asked, if the \$25,000 were to be budgeted by Benton County, how it would be allocated to their general budget.

Susan Moore stated that the Office of Human Services does give money to them because that is whom they are contracted under, but that to her knowledge she did not believe that Benton County had given funds to that agency. She stated that the portion that they receive from the Office of Human Concerns is only part of the funds; they have to raise the other funds. Susan Moore stated that the site in Bentonville is actually a county-owned building and was built on grants that stipulated that the building could only be used to provide services to senior centers.

JP Anglin asked if the money would be used directly for the food and nutrition.

Susan Moore stated that it would be specifically spent on the seniors for their transportation, for their socialization, for their congregate meals, and for their home delivery meals.

JP Allen asked if the Senior Activity & Wellness Centers of NWA operated under any other names. Susan Moore stated that the Office of Human Concerns is their umbrella but other than that they have some DBA’s, like Meals on Wheels. She stated that if granted, the money has to be used in the county where it is donated. For example, if they hold a chili dinner in Gravette, all the funds

raised from it would have to stay in Gravette. However, this \$25,000, if granted, could be dispersed throughout the county into all five centers.

JP Allen asked JP Moore if he knew or recalled if Benton County had ever given money to the Office of Human Concerns.

JP Moore stated that he does not recall the county providing any funding during his time on the court.

JP Allen moved to place this item on the budget meeting agenda to be discussed further.

Motion passed by unanimous show of hands vote.

Brenda Guenther introduced Donna Kim as the new Accounting Manager.

Fund Summary:

2016 through 09-30-2016

Comptroller Brenda Guenther reported that looking into this month's report they needed to remember there were three payrolls this month instead of two. She reported that the target for the Personnel budget is 76.92%, and so far this month the overall spent is 72.47%. There is one yellow line item because of Worker's Comp, making them just barely go over \$5,000. She stated this is the last payment to Worker's Comp this year. Brenda Guenther reported that the overall expenditures are just under 70% and overall everyone looks good.

JP Moehring asked what their expenditure rate looks like throughout the year compared to where they are now.

Brenda Guenther stated that some of the dollars are related to the FEMA damages; we allocated \$2 billion to that project in January after the storms, but once they get the go ahead to fix some of this, the money should be turned back around putting them back on track.

JP Moehring asked where the \$2 billion came from. He stated that he was trying to find out what their burn rate will be for the rest of the year.

Brenda Guenther stated that it came from the Other Services Section, which is running at 44% at this time but once they get going on the FEMA project they will have a high turn around. She reported that they are waiting to see if there will be anymore storms this year. Brenda Guenther reported that they placed bids on some snow plows and they came back lower than expected. She stated that they will use those in the supply section and it will most likely eat up a lot of those funds.

JP Jones stated that several of the Supplies areas are quite high and several of the Circuit Divisions are really high as well. He stated that one of the Circuit Divisions is at 96% of their budget and this is for rest of the year.

Brenda Guenther pointed out that they purchased their small equipment up front, otherwise they don't have a lot of supplies left to purchase.

JP Jones commented that the County Clerk's Election fund is high even though it has not changed that much from last year and they are not even into the General yet.

Brenda Guenther stated that they bought their voting tablets upfront, so it looks high.

JP Allen asked when the last Road Department report was presented. He stated that he noticed a road was chipped and sealed close to where he lives and didn't know that it was on a plan. He stated that he didn't understand why they would spend resources on a perfectly good road when there are others that need work done to them.

JP Moore stated that the last report was given in June to the Transportation Committee. Brenda Guenther commented that she would contact Road Department Director Jay Frasier and ask for a report. She stated that the road JP Allen was talking about was the road they were working on before the paver broke down, but that was all she knew on that matter.

JP Allen stated that by ordinance we are supposed to have at least one report but to the whole Quorum Court. He stated that we really need to have that report and to have them come to the next meeting.

Comptroller Brenda Guenther reported that when looking at Other Funds, which excludes the General and Road Funds, the overall target is 76.9% and it is at 72%. She reported that overall, the target is to be at 75%, and is currently at 64%. Brenda Guenther reported that she found an employee was added to the commission who should not have been, so they would have that fixed by next month's Finance meeting.

Brenda Guenther reported that Fund 3601, SHEGP was overspent in "Supplies". She stated that they purchased a piece of equipment that others would be sharing the cost for, and for now they are waiting on the reimbursement checks to get that amount fixed.

2016 vs. 2015 Comparison through 09-30-2016

Comptroller Brenda Guenther reported payroll was much higher this month of this year compared to last year, at 6.81%, because of the three payrolls within the month of September, whereas last year the three payrolls were in October. Brenda Guenther reported that when looking at the overall year to year we have overspent \$570,000 this year compared to last year. She stated that almost a million of that is in Capital. Brenda Guenther reported that in Other Funds, we are higher by 6% because of the third payroll this month. She stated that in Capital we are almost \$3 million over this year compared to last year. She commented that this is mostly in the Building Capital Projects because of the renovations to the Courthouse and the addition to the Jail.

Monthly Reports:

Overtime & Premium Pay Analysis

Comptroller Brenda Guenther reported that in the General Fund we have spent more than \$55,000 more this year than we had last year. Brenda Guenther did remind everyone that there was a third pay period this month. She reported that after looking at all the other departments there are no changes except for the Jail transports. This has changed because of the way they transport the prisoners. Brenda Guenther stated that the Sheriff's Commissary is at 85% because they had an additional staff member for 3 pay periods that should not have been on there. JP Jones asked if we

are going to move any money over to the jail transportation or are we going to be okay to leave it alone.

Brenda Guenther stated that we should wait and see how the next month or two goes.

Fuel Analysis

Comptroller Brenda Guenther reported that to date in 2016 we have spent 64% in the Sheriff's and Jail fuel funds, and 40% in the Road Department's fuel funds. She stated that we are about 75% of the way through the year so we should have plenty.

Sales Tax Numbers

Comptroller Brenda Guenther reported that this month we are a little above where we were a year ago at \$33,000. She stated she did not know what to expect because it seems to go up and down. JP Allen asked if this year we have done an analysis report on the breakdowns. He stated that it could be interesting to see if we can see what is causing this.

Brenda Guenther stated she had not done it yet but would do one for them.

Jail Collections

Comptroller Brenda Guenther reported that in Collections we are \$852,000 below the budget from last year at this time. She reported that in Actual we are about three-quarters of a million over from last year at this time. Brenda Guenther reported that Jail officials have stated that they were doing some catch up and that the state is really behind in its reimbursements. Brenda Guenther stated that last year we raised the fees from \$40 to \$45 per inmate and tonight will be discussing the possibility of raising it to \$50 per inmate.

JP Moore asked how much the state currently owes us.

Brenda Guenther stated that she was not sure but knew that they were behind 5 to 6 months on payments, the last one received was in April.

JP Moore asked even though the receipts do not show, if the state was paying us back and kept current with us then would we have been close to our target.

Brenda Guenther stated that we don't have to book and receipt because this is government level but that absolutely we would be on target if they had been paying us back.

JP Allen stated that they are always going to be in debt to us so we are always going to be running behind; it is just a question as to how much behind.

JP Moehring stated that the handout on the dashboard showed that there are more prisoners with fewer days, and asked if that meant the felonies and the state prisoners are spending less time as guests with us.

Chief Hahn stated that there were fewer misdemeanors, and that District Court Judge Paul Bridges has mandated that if anyone is arrested at the courthouse they get signed in then out, period.

Convenience Center Data

Comptroller Brenda Guenther reported that they have combined the amounts between the three sites, Centerton, Rogers, and Siloam Springs (which just opened in April). There have been 6,800 loads and the average clean up loads have been 2,697. Brenda Guenther stated that the metal revenues are at \$18,000, but that none of these funds go to the county.

JP Meyers asked why this money does not go the county.

Brenda Guenther stated that she thought that maybe it had to do with the way the agreement was written.

JP Moore stated that they are owned by a governmental agency, with their own board of directors. He stated that we can partner with them but that the governmental agency has complete control of their finances.

Grants Administrator Report

Comptroller Brenda Guenther reported that at this time NEBCO is the only grant that we have been awarded. She stated that she would be looking more into the GIF Grants because she has not heard anything on them at this time. Brenda Guenther reported that in October the Step Grant and the SHGP Grant had started over and that there was some end of the year clean up to do on them. JP Moehring asked if they knew which grants could be counted on this year, Brenda Guenther stated that she knows we have gotten the Step Grant and the Homeland Security Grant, but was not sure on the others.

Resolution Requests:

1. 2014 Financial Audit Report

Comptroller Brenda Guenther reported that she and County Judge Clinard had a meeting in Little Rock on September 15, 2016 with the joint Legislative Audit Committee and there are a couple of items to be discussed. The first item noted was that the county Comptroller's reconciliations of fund activity to the Treasurer activity were not prepared cyclically or timely. Comptroller Brenda Guenther stated that she had only been in her position a brief time, but stated in the future this reconciliation will be done on a monthly and timely basis. The second item is after the fact. The Quorum Court accepted the resignation of Sheriff Kelley Craddock on April 15, 2016 and authorized a severance payment in return for his resignation. The joint Legislative Audit Committee stated that this was questionable. Brenda Guenther stated that County Attorney George Spence spoke on this matter and informed them that legal counsel was present throughout the process. She stated that there was a letter to Nathan Smith in regards to this matter, but she does not know if there has been a response.

JP Allen stated that he knows Benton County is not the only one that this has happened to and had to do this. He stated that the City of Rogers has had to do this as well.

JP Anglin asked if everything that you have just told us is addressing the issues.

Brenda Guenther stated that that was correct and that they responded to the committee and the committee accepted what they had to say.

JP Slinkard asked if the auditors who are here now knew about the problems. Brenda Guenther stated that they are, and she is expecting a write up next year on the matter.

JP Slinkard made motion to forward to the October 11, 2016 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous voice vote.

Ordinance Requests:

1. Info Technology – Transfer Appropriation

JP Jones made motion to forward to the October 11, 2016 Committee of the Whole agenda, seconded by JP Slinkard

Motion passed by unanimous show of hands vote.

2. Sheriff’s Office – Transfer Appropriation

IT Director of Information Eddie Mahar explained that this is for adding dash cameras with longer video storage to the Sheriff’s Department vehicles.

JP Allen stated that this matter is not asking for additional funds; the money is in the budget but needs to be moved from one fund to another.

JP Moehring asked how long the dashcams would keep video.

Eddie Mahar responded that it is his understanding that it would be for 5 years.

JP Moehring made motion to forward to the October 11, 2016 Committee of the Whole agenda, seconded by JP Chiocco.

Motion passed by unanimous show of hands vote.

3. Septic Grant – Appropriation

JP Jones made a motion to forward to the October 11, 2016 Committee of the Whole agenda, seconded by JP Moehring.

Motion passed by unanimous show of hands vote.

4. Jail Fees – Ordinance

JP Allen stated that he contacted the cities of Rogers and Bentonville, and they are okay with the change as well as Chief Hahn from the Sheriff’s Department.

In regards to the wording in Article 2, JP Slinkard asked if a municipality could send a state prisoner to jail.

JP Jones stated that this was a discussion from before and that we needed to ask County Attorney George Spence about it again. JP Jones stated he believed that we cannot single out the municipalities but have to have both of them listed in the ordinance even though the state will most likely ignore the issue.

JP Meyers stated that he did not like the wording in article 2 and it needed to be changed to say beginning.

JP Slinkard moved to amend the wording in article 2, saying to “be effective beginning January 1, 2017” instead of “effective from and after”.

Motion passed by show of hands vote.

JP Jones made a motion to forward to the October 11, 2016 Committee of the Whole agenda, seconded by JP Slinkard.

Motion passed by unanimous show of hands vote.

Other Business:

Personnel/Budget Meeting – Salary Survey Report

Blaire Johanson gave a report on the salary study that his firm has for Benton County been doing. Lengthy discussion followed regarding what the JPs felt should be pointed out within the study.

Blaire Johanson stated that he would recommend they take care of the 21 employees that the county has under market value and recommended a 4% increase in salary range.

Many of the JP's requested to see a spread sheet on who has just moved up in position or to another position and who has left the county all together.

Barbara Ludwig stated that from here after having the committee hear the salary report she would bring it to the Personnel meeting to be discussed further, and they can proceed to move this discussion to the Budget meeting.

Upcoming Meetings:

JP Shirley Sandlin announced a Personnel Meeting for Thursday, October 13, 2016 at 6:00 p.m.

Meeting was adjourned at 8:15pm.