

Committee of Thirteen Report

July 8, 2008

The Committee of Thirteen of the Benton County Quorum Court met Tuesday, July 8, 2008 at 6:00 P.M. in the Quorum Court Room, County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

10 JPs Present: Glass, Harrison, Hobbs, Moore, Stephenson, Summers, Williams, Winscott, Wolf, Wozniak

3 absent: Brown, Hill, Hubbard

Others Present: County Judge Gary Black, Richard McComas, Kathy Bannister

Media: Tabatha Hunter – Daily Record, Scarlett Simms – Morning News

Chair Tim Summers called the meeting to order.

PUBLIC COMMENTS:

Bill Millager commented that it would make good sense for the cities to share the costs of incarcerating juveniles, through either a per diem or another method. He said it is the best investment that can be made, to give young first time offenders a chance at counseling, hopefully to get them on the right track.

NEW BUSINESS:

JP Summers introduced Deputy Prosecutor Stephanie McLemore, substituting for County Attorney Robin Green.

1. Report on Countywide Reappraisal Status – Assessor Bill Moutray

Assessor Bill Moutray reported that his office has completed the 2008 reappraisal, which is mandated by the State Assessment Coordination Department, and is performed every three years. He said that the ACD requires Benton County to be split into nine market areas, each of which must be between 18% to 22% ratio of all sales. He said they must also have a co-efficient of dispersion, or COD, of 15, which is the range from low to high value properties. He said that he was notified by the ACD on July 3, 2008 that Benton County was out of compliance in the area of vacant land because the values were too low. He said that values on improved land and all other market areas were within compliance. He explained that the vacant land values were too low due to the validation codes, and that they must validate each sale that occurs, and if a sale is unvalidated, the state includes it in a valid sales category. He gave the example of an instance in Bella Vista in which an out of state firm purchased multiple lots at \$2,000 each, then re-sold them on the internet for \$15,000 to \$20,000 each, and the incorrect validation code was used. He said his office recorded 21,275 deed transfers in 2007, for which each was sent a validation letter, although a good percentage are not returned for vacant lots as there is no incentive such as a Homestead credit. He noted that the county was out of compliance in the commercial area in 2005, and was given 30 days to correct the problem.

He said that as of today, his office has sent out 91,933 value notices to owners of improved parcels. He said that there are 142,300 taxable parcels, of which 50,367 are vacant. He said that in comparison, in 2005 there were 120,000 parcels, which reflects an increase of 18.58%.

He said that his staff has reappraised 6,000 parcels per month while keeping up with new residential and commercial construction, and does not receive reimbursement from the state for this process. He said that Amendment 79 will keep any properties from increasing in value more than 5% if it is the homestead or 10% for all other properties until it reaches full market value. He said that if a taxpayer feels they have been aggrieved by the Assessor's Office they may appear before the Board of Equalization.

He noted that Benton County has 565,718 square acres of land, and since 2005, 1% per year of agricultural land has been converted to other uses. He said that 72 new subdivisions were added in 2008, as compared to 132 new subdivisions in 2007, which is a 45% decrease.

JP Stephenson asked what will be necessary to come bring the county into compliance in the one area. Bill Moutray stated that most of the market area which was off was in Bella Vista, and the corrections there will put them back into compliance.

JP Summers stated that a 10% growth in revenue was projected for 2008, and asked Bill Moutray what he expected to see in terms of growth if the current real estate market trends continue. Bill Moutray stated that since 1990, the county has seen an 11% average increase in property tax revenue, and he is projecting a 13% increase over the 2007 tax charge. JP Summers stated that property values are deflating. Bill Moutray stated that is the common perception, but in Benton County, that is not the case, and noted that only two out of 367 subdivisions in Bella Vista saw decreases in value. He said all other properties will either increase in value or remain unchanged.

2. JDC Architect and Construction Manager Contract Negotiations

JP Summers stated that the Finance Committee unanimously recommended approval of funding for the hiring of Johnson-Troillet Architects and Crossland Construction to develop plans for a new Juvenile Detention Center. He said they are not involved in discussions regarding the actual contract, but need to decide whether to fund the development of the plans or not. He said that the cost will be up to \$55,000 for the architect's fees, and \$15,000 for the Construction Manager's fees.

JP Stephenson read the Executive Summary describing the contracts that have been negotiated with Johnson-Troillet and Crossland Construction. JP Winscott made motion to authorize the County Judge to sign a contract with Johnson-Troillet and Crossland Construction in order to gather enough information to develop a budgetary figure for the construction of a new Juvenile Detention Center facility to be located on county property on Highway 102, seconded by JP Hobbs. JP Winscott stated that representatives from Johnson-Troillet and Crossland Construction are present, as well as JDC Director Dennis Cottrell, if anyone has any questions. Motion passed, 8 in favor, 2 against (Harrison, Wolf).

3. Jail Barracks Building – Gary Jackson, Hight-Jackson Architects

Sheriff Keith Ferguson stated that Hight-Jackson had provided the lowest bid of less than \$50,000 for the architectural services to build a minimum-security barracks on the county jail site. He said they feel he is the best choice, has experience building jails, and in fact built the county jail.

Gary Jackson stated that they are looking at a pre-engineered building, using inmate labor where possible, and contracting out any labor that inmates cannot perform such as erecting the steel

building. He said he has given the Sheriff's Department an hourly contract that is not to exceed \$98,000. He said if it was a straight percentage project, the cost would be more than the \$1 million that is in the Sheriff's budget, so they have agreed to assist him in meeting codes, obtaining bid packages, and basically to be on call when he needs them. He said there is a similar building in use in Fayetteville which works quite well for them. He said they plan to locate it just west of the existing facility, and a partial pad is already there which will require some dirt work.

JP Williams expressed concern that some work is being duplicated since the JDC architect is developing a master site plan. She asked if the contract has been through the County Judge's office since he is responsible for county contracts. Gary Jackson stated that the contract is being executed between his firm and the Sheriff's office, and funded by the money that the Quorum Court allocated for the project in the Sheriff's 2008 budget. JP Summers stated that there may be some question as to who has the ability to sign the contract, and asked Sheriff Ferguson if he had spoken with the County Attorney about that. Sheriff Ferguson stated that he had not, was just going through the process step by step, and noted that they had not spent any money. He also explained that the building will be in the enclosed fenced area that is part of the jail compound. He added that he believes the County Judge will have to sign off on the contract. JP Summers stated that he is sure that will not be a problem.

JP Summers asked Sheriff Ferguson what he is requesting at this time. Sheriff Ferguson stated that he is requesting the approval of the hiring of Gary Jackson to serve as the consultant for the project.

JP Glass made motion to forward the Sheriff's request to negotiate a contract with Hight-Jackson to serve as a consultant for the construction of a minimum-security barracks on the county jail compound, seconded by JP Wolf. JP Stephenson offered a friendly amendment that everything should proceed through the proper channels. JP Glass agreed. JP Summers stated that they will have time before the Quorum Court meeting to make sure the process is followed correctly, and asked Gary Jackson for clarification of the amount. Gary Jackson stated that the contract is for an hourly amount not to exceed \$98,000, but they have estimated that they can give the Sheriff what he needs for \$55,000.

JP Summers asked if an amount had been included in the motion. JP Glass stated that he had not included an amount, and noted that they pushed on the County Judge pretty hard to provide all of the research and background materials supporting the selection of the architect and construction manager for the JDC. JP Glass stated that he would like to see the same information from the Sheriff, and then they would be at the point that they can discuss numbers. He said that perhaps they were premature in forwarding a recommendation to the Quorum Court, and should wait until they have that background information. Sheriff Ferguson stated that he had all of that information; he just did not bring it with him. Major Gene Drake was recognized, and stated that they had interviewed three architects—Crafton-Tull, PB2, and Hight-Jackson. JP Summers stated that it can still be forwarded to the Quorum Court with additional information to be provided at that time.

JP Winscott stated that they had to provide the names of three architects that were considered, listed in priority, and according to County Attorney Robin Green, it was a state law, which cost them 30 days in their schedule. JP Glass stated that he believes they have to follow that process, according to the County Attorney, so the Sheriff's Department will have to provide a resolution, not just the testimony that outlines the choices. Sheriff Ferguson stated that they have the documentation, and they have talked with the County Attorney. Gary Jackson stated that they

are hiring a professional for the services that he provides, and they are ranked one through three, then negotiations proceed with the firms in order of the ranking, and the one chosen is not necessarily the lowest bid. He said that the Sheriff's Department trusts them to provide them with only what they need, and that point has been emphasized over and over again.

JP Stephenson stated that he did not think there is a concern over competency or qualifications, just that proper legal procedure is followed. JP Summers stated that they could keep it on the Quorum Court agenda, and if they do not get the information they need, then proceed accordingly.

JP Hobbs asked if the site plan portion of the bid could be deducted since they are already hiring an architect to perform a master plan for the entire area. Gary Jackson stated that this project is not connected to the master plan being prepared for the JDC project, but a building plan only. He said the location is already pre-determined. Gary Jackson stated that he felt he should remind the committee that steel prices were increased 20% in May, another increase is coming up, and the urgency in the Sheriff bringing this forward now is that if they are going to even have a chance to meet the budget, they have got to get the building ordered. JP Williams stated that since they have been told they can trust him, could Gary Jackson assure them that they can meet this budget. Gary Jackson stated that he and the Sheriff have had discussions about that, and he believes that they can get the slab and the building built, and beyond that, he makes no guarantees. He said the inmates may get some of the cells built, or all of them built, but the way this facility works, it could almost be camp cots inside of one huge building.

JP Winscott stated that a state committee will have to review and approve all the plans and drawings before any construction begins. Gary Jackson stated that is correct, and one of the reasons they are being hired. JP Summers asked if the architect's fee is part of the \$1,020,000 that was included in the 2008 budget. Sheriff Ferguson stated that it is. JP Moore stated that he expects that the Quorum Court will want a firm figure for the final cost before appropriating anything above the \$1,020,000. Gary Jackson stated that he would expect that.

JP Glass re-stated his motion to place on the July 24, 2008 Quorum Court agenda, a vote to approve the Sheriff's selection for an architect, pending the Sheriff's providing of the paperwork as required by state law identifying the priority of architectural firms that were interviewed, and a vote to approve funding for that architect, seconded by JP Wolf. JP Williams stated that she would also request that it be taken through county administration since the County Judge is responsible for contract negotiations. JP Summers stated that the County Judge and County Attorney will both have roles in the process. JP Glass agreed.

Motion passed by unanimous show of hands vote.

Gary Jackson asked what the next step taken should be in order to enable the Quorum Court to consider the contract in two weeks. JP Summers stated that it should probably be taken straight to the County Attorney. It was agreed that the County Judge would also receive a copy.

4. Items Forwarded From Finance:

a) Department of Emergency Management Grant

JP Summers stated that the Department of Emergency Management is applying for a grant in the amount of \$18,000, and will provide matching funds in the amount of \$6,000, which Director Marshal Watson feels they have in their budget. JP Summers stated that they need approval from the Committee of Thirteen because the application is July 21, 2008, prior to the next Quorum Court meeting. JP Harrison made motion to approve, seconded by JP Moore.

Motion passed by unanimous show of hands vote.

b) County Health Department – Siloam Springs

JP Summers stated that the County Health Department has found a property that they are requesting to purchase in Siloam Springs. He said that it is an existing doctor's clinic with an asking price of \$175,000, and anticipated renovation costs of \$4,000. He said the Finance Committee referred it to the Committee of Thirteen for approval for the County Judge to enter into negotiations to purchase the property. JP Moore made motion to authorize the County Judge to enter into negotiations for the purchase of the doctor's clinic in Siloam Springs, seconded by JP Williams.

JP Stephenson stated that the clinic is on the corner of West University and North Mount Olive, and spoke in favor of the location. JP Williams stated that the Long Range Planning/Properties & Equipment Committee had been looking at leasing a property, but the best option was several thousand per month, plus extensive remodeling costs which the county would lose upon vacating the building. She said that the committee decided that purchasing was a better option.

Richard McComas requested that the committee designate whether the funds will come out of Reserves or Capital Projects. JP Summers that they would decide based on Richard McComas' recommendation.

Motion passed 9 in favor, 1 opposed (Hobbs).

c) Wage Adjustments and Reorganizations – Various Departments

JP Summers stated that the Finance Committee recommended approval of all requested wage adjustments and reorganizations, as well as funding for three positions. Barbara Ludwig stated that wage adjustments were requested for two positions in the General Fund, for a 2008 budget impact of \$856, and a 2009 budget impact of \$6,413. She said one position in the Assessor's office under Commissioned Accounts will have a 2008 budget impact of \$1,882, and a 2009 budget impact of \$4,078.

Barbara Ludwig listed all of the reorganizations and stated that there would be a 2008 budget impact of \$633 in the General Fund and \$3,737 in the Commissioned Accounts, and a 2009 budget impact of \$1,371 in the General Fund and \$8,100 in Commissioned Accounts.

Barbara Ludwig stated that the Finance Committee approved funding the first three positions ranked – one CID Investigator – Sex Offenders Program, one Telecommunicator, and one Jail Transport Deputy. She said that the 2008 budget impact would be \$62,131, with benefits, and a 2009 budget impact of \$134,617.

JP Hobbs made motion to approve and forward all requested wage adjustments to the July 24, 2008 Quorum Court agenda, seconded by JP Stephenson. Motion passed by unanimous show of hands vote.

JP Hobbs made motion to approve and forward the requested reorganizations to the July 24, 2008 Quorum Court agenda, seconded by JP Stephenson. Motion passed by unanimous show of hands vote.

JP Hobbs made motion to approve and forward the funding for the top three positions to the July 24, 2008 Quorum Court agenda, seconded by JP Stephenson.

JP Williams spoke against the CID-Investigator position because there is currently a volunteer doing the paperwork, and two officers devoting about 10% of their time to monitoring the offenders. She said they are moving an investigator who is trained in rape and homicide investigations over to babysit these people, and she feels that it could be addressed during the

budget process. JP Wozniak stated that they are not moving an experienced person, because it is a brand new position. JP Stephenson stated that they provide funding; they do not tell the Sheriff whom he should place in what position. JP Hobbs stated that five people on the personnel committee ranked the position number one, and she felt that the Sheriff's Department had made their case very well regarding the number of high-level sex offenders in the area. JP Glass stated that they should deal with the funding and not what goes on within the department and who is qualified to fit where. JP Wolf agreed.

JP Summers stated that they have other obligations that they need to be aware of, such as new positions that will be required for the new courtroom, new positions to operate the Sheriff's minimum-security barracks, a possible new JDC, and escalating fuel prices.

Motion passed, 8 in favor, 2 opposed. (Summers, Williams).

OTHER BUSINESS:

JP Glass stated that he would like to look into the possibility of increasing the Capital Reserve Fund as they go into the 2009 budget process. He said it has been mentioned as a possible source of funding for several things such as a JDC and repairing storm damage, and they need to look at the fact that it has not been touched since the early 90's. JP Summers stated that they are required by law to reserve 10% of the beginning balance plus revenues, and they are not certain under what circumstances it can be used. Richard McComas stated that he thought it would have to be something catastrophic. JP Summers stated that they were informed at the Finance Committee that there will be an additional payroll period in 2008, due to the way the calendar fell this year, and that might be a possible use for the reserves. JP Glass stated that he disagreed with the statement made earlier by Assessor Bill Moutray that property values were increasing, because he believes they are decreasing, and they should look at having a little bit more in the Reserve Fund for emergencies. JP Hobbs stated that is the reason she voted against the Health Clinic in Siloam Springs, because they are not mandated to provide it, but they are mandated to provide law enforcement.

JP Summers announced that the Finance Committee will be meeting on August 5, 2008 at 2:30 p.m.

JP Moore announced that the Long Range Planning/Properties & Equipment Committee previously scheduled for July 15, 2008 has been rescheduled for Thursday, July 31, 2008 at 5:30 p.m. and they will be discussing a countywide vehicle policy.

PUBLIC COMMENTS:

Sue Elverston commented on a complaint from a neighbor regarding a citation issued to her by the Environmental Department for a building on her property, and a citizen who is being required by the T.A.C. committee of the Planning Board to install a fence on property he is renting because one person complained.

Gary Black asked why the Juvenile Detention Center committee was treated so differently than the Sheriff's Department as far as the amount of questions that were put forth to the committee.

Don Day recommended a book he had read entitled *The Whole Truth*.

After motion and second the meeting was adjourned at 7:15 p.m.