

Committee of Thirteen Report

October 14, 2008

The Committee of Thirteen of the Benton County Quorum Court met Tuesday, October 14, 2008 at 6:00 P.M. in the Quorum Court Room, County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

13 JPs Present: Brown, Glass, Harrison, Hill, Hobbs, Hubbard, Moore, Stephenson, Summers, Williams, Winscott, Wolf, Wozniak

Others Present: Assessor Bill Moutray, Sheriff Keith Ferguson, County Attorney Robin Green, Richard McComas

Media: Jeff Mores – Daily Record; Scarlett Simms – Morning News

Chair Tim Summers called the meeting to order.

PUBLIC COMMENTS:

Sue Elverston thanked JP Chris Glass, on behalf of the Pea Ridge Parks & Recreation Committee, for serving as a judge at the Pea Ridge Mule Jump.

Dr. Norman Tubb spoke regarding the Washington County HIV Clinic, stating that when it first opened, the mortality rate was near 90%, and it is now a rare occurrence. He said that; 1) It is an excellent, high-quality clinic run by Dr. Linda McGee, and anyone in Northwest Arkansas with HIV will receive excellent care; and 2) It has been a great help for physicians in both counties, because they no longer have to scramble for information on the latest treatments when one of their patients develops HIV. He said the proposal being discussed tonight presents an opportunity to establish a program to provide long-term funding for an important public health venture, because HIV is not going to go away, and it will have to be managed. He encouraged the court to work with the funding for right now, and especially work toward developing a long-term plan to provide funding.

Jeff Wyant stated that it was not his intention to report inaccurate information regarding the recent reappraisals, but had used the information he received from the Assessor. He said that the Assessor's 2007 budget was \$5,214,420; Pulaski County's was \$5,563,041, with 190,000 parcels, 50,000 more than Benton County. He said that Sebastian County, with only 54,000 parcels, has recently switched to contracting, which will save the county \$1 million. He read a statement from Washington County Assessor Lee Ann Kizzar comparing in house re-appraisals to do-it-yourself home repairs.

NEW BUSINESS:

1. Assessor Bill Moutray

Assessor Bill Moutray stated that he wanted to address a comment made at the September 25, 2008 Quorum Court meeting in which he was accused of "giving someone the one-finger salute", and said that the statement was not true. He said the Pulaski County Assessor told him three days ago that they have 180,000 parcels, so they must have grown a lot in the last few days, and their staff is 35% larger than Benton County's. He said that the \$13,643,000 figure that has been quoted is the total budget for 3 years, and includes the Personal Property, Real Estate Deeds, Mapping and GIS, and Plats and Subdivisions Departments, along with four satellite offices. He added that he was not in office in 2005, the first year of the reappraisal cycle, and the budget for 2007, his first year in

office, was submitted in 2006 before he took office. He pointed out that in 2007, his first year in office, he reduced his staff by eight positions and his budget by \$350,000. He said that the budget he has submitted for 2009 contains a reduction of \$263,350. He said the 2011 Reappraisal Plan has been submitted to the Assessment Coordination, and that John Zimple of the ACD has told him that one more county will be doing in house appraisals next year.

Bill Moutray stated that budget for the next re-appraisal cycle, which will begin in January 2009, is \$3,579,500, which averages out to \$25.30 per parcel for the 141,486 taxable parcels, as calculated by the ACD. He added that he did not think any private contractor would be able to underbid this price, because they are in the business to make money. He said that once the ACD approves the reappraisal plan, it is submitted to the superintendents of all school districts in the county for their approval. He said he investigated the cost of contracting out the reappraisal during his first two weeks in office, and discovered that it would require an additional software purchase costing hundreds of thousands of dollars, and noted that several years ago Pulaski County purchased new software for \$5 million. He said he made the decision to maintain continuity, and stay with the in house appraisals, and noted that Benton County has a lot invested in its appraisal staff through training and certifications, and explained that they have all attended courses taught by IAAO-certified instructors, after which they are required to pass a 4-hour test. He also noted that if Benton County contracts the re-appraisal, they are likely to lose those employees to the company doing it.

Bill Moutray stated that in preparation for the 2009 reappraisal, he revisited the possibility of outsourcing the appraisals, and still felt that he could do it for less cost than outsourcing. He added that most counties do not have the expertise or technology in order to perform the reappraisals in house; in fact, some of the states assessors do not even have email yet.

Bill Moutray said that contracting is nothing new; some counties have done it for 40 or 50 years, but neither is doing it in house considered old-fashioned. He said that if the Quorum Court wants him to contract it, that is fine with him, but they will have to explain to the taxpayer why they chose the option that cost them more money. He said that the standards set by his predecessor are second to none in regards to property cards and GIS mapping, which can be verified by the ACD field auditors. He added that if the county decides to outsource the reappraisal, all taxpayer inquires will be referred to the outside company, and the assessor's office will be completely out of the loop of information.

He said that Benton County has a rate of increase approaching 50%, which is why the state requires a 3-year reappraisal cycle. He said that as of February 2007, Benton County had 62% more parcels than Washington County, and Pulaski County had 31% more than Benton County. He explained that Pulaski County's 2009 budget is \$5,563,041 for 120 employees and 180,000 parcels, versus Benton County's 89 employees for 141,486 taxable parcels, which means that Pulaski County has 35% more employees for 27% more parcels, which averages out to 1,500 parcels per employee in Pulaski County, and 1,589 parcels per employee in Benton County. He said that Benton County's reappraisal budget is \$3,579,500, which averages out to \$1,193,166 per year. He said that the ACD will reimburse the county at a rate of \$7.00 per parcel, for a total of \$990,402, which leaves \$202,764, 85% of which is charged to the school districts. He said the net impact on the Benton County budget will be approximately \$16,000.

Bill Moutray noted that last month, they saw a 21% increase over September 2007's number of deed ownership transfer transactions, which is the first positive pattern he has observed in several months.

JP Glass thanked Bill Moutray for the explanation of the numbers, and stated that the court is not into micromanaging elected officials' departments. He said that the decision whether or not to outsource the reappraisal process will be left up to the Assessor. He said that his only concern is that if there is an opportunity to save the taxpayers some money, they should look at it. He said that

he spoke with Phillip Scott, and appraiser who has been in business for 20 years, and his sentiment was that they would not still be in business if they could not do it more cheaply than local government. He said that his only question is whether the assessment is only on the primary dwelling on the property, or if it includes all of the structures on a parcel. Bill Moutray stated that the appraisal is on all buildings on the property, although ACD only reimburses the county one time per parcel.

2. Juvenile Detention Center Presentation

JP Frank Winscott introduced Tom Johnson of Johnson-Troilett Architects, who presented the preliminary plans and estimates for a Juvenile Detention Center to be located on the county's Highway 102 property, next to the County Jail. He introduced Tom Sorey of Sand Creek Engineering, Chris Snurbusch of Crossland Construction, and noted that Jim Brennan of South Carolina could not be with them this evening, but is a consultant whom they have worked with in the past.

He said they began the process by gathering data on population trends, both nationally and locally, including local school populations and a breakdown of the intakes at the Juvenile Detention Center. He said that University of Arkansas and U.S. Census Department data indicate that the population increase between the years 1975 and 2029 could be anywhere from 71% to 126%. He said that Juvenile Detention Center intakes have increased 66% for males and 33% for females from 2001 to 2007. Tom Johnson said that they also considered the number of entities that will be utilizing the space, including the Juvenile Probation Office, the Juvenile Court system, and the Juvenile Detention Center.

Tim Sorey presented a report on the suitability of the property, and several factors which led to the decision to locate the facility on the northeast corner of the property. He said their first consideration was the 7-acre tract on the northwest corner of the property, but it was eliminated due to the cost of site preparation due to some drainage issues, lack of the presence of utilities, and encroachment on future expansion of the County Jail. He said that the second area, in front of the Sheriff's office, was ruled out due to its close proximity to the adult jail, and the difficulty in justifying placing a Juvenile Detention Center on prime Highway 102 frontage. He said that they chose the third option, the northeast corner, due to lower site work costs and secondary access to the north on Melissa Road. He said one drawback is that the Road Department is currently using that area for materials storage. He explained that this location would have the least interference with any future development by the County Jail, Health Department or Road Department.

Tom Johnson showed details of the preliminary plans for a 36-bed facility and noted its location and various features. He said their number one priority in the design was safety for the juveniles and staff, and in designing it in such a way that it could be operated with as little staff as possible.

The features included an intake area with a booking desk, day rooms, classrooms, work area for teachers, isolation cells with windows for observing at-risk juveniles, and indoor recreation area, visitation rooms, a secure corridor opening to the detention center and holding room with access to the juvenile courtroom, and 20 offices for the court clerk and Juvenile Probation Department.

He said that the exterior of the building was designed to use as inexpensive materials as possible, while still holding up to public use.

Chris Snurbusch stated that a preliminary budget has been developed using the information just presented, and working closely with Johnson-Troillet on design and materials selection. He said that they are comfortable with the budget they have developed, and that it includes all architectural and construction fees, noting that the only thing not included is the cost of furnishings, such as desks, computers, telephones, etc. He said that the preliminary budget figure is \$6,194,000 dollars

for the 26,508 square foot building, and it is their recommendation that they consider a budget range of \$5.8 to \$6.5 million.

JP Stephenson stated that the presentation included a courtroom with a seating capacity of almost 100 people, but 99% of the time, they are dealing with juveniles, so why would they need a courtroom with that capacity. Tom Johnson stated that it is his understanding that the courtroom is occasionally used for adult court proceedings. Judge Jay Finch stated that currently 20% of his cases are civil cases which require motion hearings and jury trials, and he also presides over Adult Drug Court, which is being expanded.

JP Summers stated that when they built the small courtroom in the new jail, it was anticipated that it would be used a great deal, but it was not used because of the feeling by some that it was prejudicial to hold trials near the jail setting. Judge Finch stated that it was his understanding that the room was intended to be used for misdemeanor and preliminary hearings of various kinds. JP Wolf stated that some of the judges felt that the video conferencing available in the courtroom was not as effective as seeing someone eye to eye, and the logistics of moving files and clerks proved to be a problem.

JP Williams asked for an explanation of “detention equipment”. Tom Johnson stated that it refers to the metal fixtures in the cells, the electronic security equipment, and secure doors and windows, and added that they usually estimate about 3% of the cost for the fixtures referred to by Chris Snurbusch.

JP Hubbard asked if they have spoken with the County Judge about the selected site’s impact on the Road Department, because if this will force the Road Department to move, it will add to the total cost. JP Winscott stated that the area in question is used for open storage of materials, which can be consolidated or moved to one of the satellite yards.

Tim Sorey stated that the entire Road Department site used to be a very swampy area of Bentonville several years ago, but it is to their advantage that the Road Department has been using it for material stockpiling, because the materials they are talking about are waste materials from concrete plants, which have helped to pack down the base. He said that the bottom line is that they will not know for sure until they get the report from the geotechnical engineers, and they could determine down the road that there is not a stable enough base on that site to build on it without expensive dirt work and grade beams such as the ones used on the Jail. He said that he has met with the Road Department Superintendents and they have determined that with a few adjustments, the Road Department can continue to operate at its current location.

Tom Johnson distributed the breakdown of future expenditures as they see the roll out and the continued procedure in following this course of action. He said the committee wants to design in enough steps to keep everyone apprised of their progress and developments, and the costs they are looking at. He said that up to \$70,000 in expenditures has been approved, and to date they have used less than \$50,000 of that amount. He said the architect fees are 7% of the total cost of the project, and if the cost comes in at \$5.8 million, at 35% of the completion of the bid package they will have spent \$142,100 on the architect and his work. He said they would then come back for a review, and if they so choose at that point they can pull the plug on this project. He said if they decide to commit to the 70% level, they will have spent \$284,200 on the architect, as well as updated information from Crossland, and at that point can decide whether to continue or call a halt to the project. He said that at 80% of completion of the project, they will have a complete bid package and hard numbers to go with it, at a cost of \$324,800. He said that after the bid package is done, and at the contract level, they would have an expenditure on the architect’s services of \$406,000 based on the total project cost of \$5.8 million. He said if the cost exceeds \$6.5 million, the additional costs would be carried out at the same percentages, based on the 7% architect fees. He said that he wanted to emphasize that at any of these levels, they can pull the plug on the project.

Tom Johnson stated that the work that has been done to this point is well into the 35% level, so \$25,000 will be credited back toward the total cost.

JP Williams asked if the \$390,000 design fee is part of the total cost, or in addition to the \$5.8 million estimate by Johnson-Troillet. Tom Johnson stated that the design fee is Crossland's estimate of the architect's design, in addition to their estimate. JP Williams stated that is why Crossland's estimate is \$6.2 million instead of \$5.8 million.

JP Wincott made motion to approve the ongoing process to the 80% level, which will give them a firm figure to go out to bid, with the stipulation that there will continue to be updates, and that any time between now and then, they can pull the plug on the project, seconded by JP Moore. JP Moore asked how long they estimate before they will be at the 80% level and know what the final cost will be. Tom Johnson stated that it would probably be about 3 months. JP Stephenson asked why JP Wincott chose the 80% level. JP Wincott stated that it would give them a firm number on the total cost. Tom Johnson stated that a standard architectural contract consists of several phases, the first one being design at 15%, the second one being design-development at 20%, which adds up to 35%, which is the level they are at now, and 40% is the construction documents, which brings them up to 75%, and 5% for bidding and negotiation, which brings them to 80%. He said these are basic construction contract percentages, and they can be adjusted however, they want to; these are simply the phases they had agreed to in their discussions with the County Judge. He added that the contract can be cancelled at any point after giving written notice.

JP Brown asked what they estimate the construction time to be. Chris Snurbusch stated that they think it will take 12 months from the point of the architects completing their portion.

JP Hubbard stated that they have a maximum range of \$6.8 million, and before he votes to spend any more on the design phase, he would like to discuss how they are going to pay for the entire project.

JP Hobbs stated that she agrees, and once they start moving ahead, they need to be of the mind that they are going to complete the entire project. She asked if it would be possible to use inmate labor to cut some of the estimated costs. Sheriff Ferguson stated that most engineers and civilian contractors do not want inmates on their job sites. Tom Johnson stated that most of the work is specialized, and if a contractor has given a bid based on completion time, they cannot afford to take extra time to train someone unfamiliar with the work, but inmates could certainly be used in the later stages for clean up and landscaping. JP Brown added that most of the subcontractors will include the cost of labor in their bids.

JP Glass stated that this would be a significant bite of the budget, and asked JP Summers to give them some guidance on where they stand on the 2009 budget. He said that previously they had discussed using some of the reserve money, and he does not know if that is possible. JP Wincott stated that there is \$3.5 million available in Capital Projects, and if they borrow the other \$3 million, that loan can be paid off with the money that is set aside each year to fund that account.

JP Summers stated that they certainly would not want to use the entire Capital Projects fund.

JP Hubbard stated that the information they have received tonight is basically what they paid for, and they have a rough estimate of the cost. He said he cannot support the motion tonight because he feels there should be lengthy discussion on it.

JP Wolf asked if they have some time to look at this proposal before they have to make a decision. She said she is not against the project, but they have \$1,020,000 set aside for the jail expansion, they are in the middle of budget discussions, the project seems to have grown from the first time it was discussed, and she would like to have more time to discuss where they are going to get the money. She said she does not want to be forced into voting against something that they definitely need because she has not had time to study it.

JP Stephenson asked at what point they are in the process presently. Tom Johnson stated that they are probably 10% into the process. JP Stephenson asked what length of time is needed to complete the plans. Tom Johnson stated that they will be at 80% in about 3 months. He said there are still several decisions to be made which will affect the cost, so they need to continue getting feedback. He said the building as proposed contains everyone's wish list, but it may be that they can cut some of the wants, such as future office space, and the estimate also contains the most expensive scenario for the foundation work, which they may determine at a later date will not be necessary.

JP Glass stated that he is not comfortable making a decision to move forward tonight, because while they are all of the same sentiment that the project is needed, he is not comfortable with using all of the reserves and allocating the future funding of the Capital Reserves fund to repay a loan.

JP Wozniak pointed out that they can only finance for 5 years, so they are looking at one-plus million per year for 5 years.

JP Williams made a friendly amendment to refer the motion to the Finance Committee, seconded by JP Stephenson.

JP Winscott withdrew the original motion, second agreed.

Motion to refer to Finance Committee passed by unanimous show of hands vote.

3. Resolution Request: Legislative Audit Report

JP Stephenson made motion to forward a Resolution accepting the 2006 Legislative Audit Report to the October 23, 2008 Quorum Court agenda, seconded by JP Williams. JP Stephenson stated that they are acknowledging the acceptance of the report, and asked County Attorney Robin Green if it is possible to request the state auditors to begin the 2008 audit as soon as they have completed the 2007 audit. Robin Green stated that she will add an additional article to the Resolution requesting that the 2008 audit be started as soon as possible. Motion passed by unanimous show of hands vote.

Sheriff Keith Ferguson distributed drawings by Larry Perkins of Hight-Jackson of a proposed jail expansion to hold minimum-security inmates. He said that funding the jail is mandated by law.

JP Winscott stated that he does not understand the "mandated by law" business, because from the information he has gathered he does not draw that same conclusion. He said that some counties in Arkansas do not even have a jail, so he does not understand why they have to fund more than they already have.

Sheriff Ferguson stated that he does not make the law, and he has to follow the law that mandates that they house the prisoners, and it is up to the Quorum Court to address the issue. He said he does not know how many counties do not have jails, but they are paying someone to house their prisoners somewhere.

JP Winscott stated that he has spoken to two attorneys in Little Rock, and they have both have assured him that there is no Federal or State mandate dictating jail size based on population.

County Attorney Robin Green stated that they must have a place to house the prisoners, be it inside the county or outside the county, which would mean paying someone else to house them. She added that if the Benton County jail is full, and we have to send our prisoners somewhere else, then they will also need transport deputies to go and get them for their various court appearances.

JP Glass asked if there is a similar provision mandating the housing of juveniles. County Attorney Robin Green stated not to her knowledge.

4. Appropriation Ordinance Requests:

a) Adult Drug Court Grant Fund

JP Summers stated that this is to approve the expenditure of grant money, and to create the fund to receive the money. JP Stephenson made motion to forward an appropriation ordinance to the October 23, 2008 Quorum Court agenda, seconded by JP Hobbs.

Motion passed by unanimous show of hands vote.

b) Benton County Historical Preservation Commission

JP Summers stated that this is money from a voluntary tax paid by Benton County citizens along with their property taxes. JP Stephenson made motion to forward an appropriation ordinance to the October 23, 2008 Quorum Court agenda, seconded by JP Williams.

Motion passed 11 in favor, 1 opposed (Hubbard).

c) Create Department 60, Circuit Court Division VI

JP Summers stated that this will pay for the final renovation costs on the Tucker Building for the new courtroom. JP Stephenson made motion to forward an appropriation ordinance to the October 23, 2008 Quorum Court agenda, seconded by JP Wolf.

Motion passed by unanimous show of hands vote.

5. JP Beverly Williams: Report on Washington County HIV Clinic

JP Summers stated that JP Williams was asked by the Finance Committee to do some research on the HIV Clinic in Washington County, and after her report to the committee, they voted to include a \$34,000 donation to Washington County in the 2009 Budget.

JP Williams reported that she has met with Washington County officials and the HIV Clinic staff, and they are very willing to work with an outside source to secure funding. She said that the clinic takes a huge load off of doctors in Benton County, and serves a large number of patients from Benton County, including some from every JP District in the county. She noted that there are cost benefits; starting a pregnant woman on immediate treatment saves an unborn child from developing HIV, thereby saving years of expensive treatment. She said that her suggestion, which was agreed to by Washington County, is for Benton County to fund an administrative position for one year, and for a task force to be formed to seek out sustainable funding sources. She added that they are going to request a second position from the Washington County Quorum Court.

JP Hobbs asked what the clinic's hours of operation are. JP Williams stated the doctor sees patients all day on Monday, which is usually a 12- to 14-hour day, and the clinic is open the rest of the week. She said that if an emergency arises, such as a pregnant woman needing treatment, the doctor is called in immediately to see her.

JP Hubbard asked if they have to vote on this with the budget, or can they vote on it separately. JP Summers said anyone can make a motion to vote it up or down tonight if they wish. JP Hubbard said that it is misleading to ask for one year of funding, because everything is for one year, until it gets funded next year. He said that the task force will take more than one year to get going. He said that the clinic's expenditures in 2007 were \$50,000 from Washington County, and \$80,000 in 2008, and yet they are asking us for a third of that amount.

JP Williams stated that their budget is over \$120,000, and they are asking for one position, based on the percentage of their total budget, and the percentage of their patient load which comes from Benton County. She said that since she will not be here next year, she cannot say that it will not come up again. She said that if it does, it will be because someone wants to bring it up. She said someone needs to help them get from where they are now to where they need to be, and if he does not want to vote to fund it next year, that is his vote.

JP Hubbard stated that it is clear that JP Williams is passionate about this issue, he admires that, and it is obvious that this matter tugs at the heartstrings, but he sits in Personnel Committee meetings and listens to Elected Officials come and beg for personnel, and they have to tell them that the county cannot afford it. He said only 237 people go to the clinic in Washington County, so it seems like a large amount of money for a small number of people.

JP Stephenson stated the clinic cannot get funded at the present time because it does not have non-profit status, and this can indeed be a one-time deal. He said it appears that Washington County is going to fund the second position, and he for one will not vote to fund the position for a second year.

JP Moore stated that if the funding is requested next year, he will not have a favorable response if he does not see significant progress made toward achieving 501(C) 3 status.

JP Hobbs stated that 6 months should be enough time to get a plan together, and while the heartstrings say yes, they are the managers of Benton County's budget, so she would be more comfortable funding the position for 6 months, and then having someone report back to the Quorum Court on the progress that the task force has made.

JP Glass stated that they have to take some responsibility, because a large number of Benton County residents are using the facility. He said he will not be here to vote the next time around, but he does not agree with the 6-month concept, because while they are aware of how quickly Beverly Williams can get things done, there are other people involved.

JP Glass made motion to include funding in the amount of \$34,000 for the Washington County HIV Clinic, seconded by JP Brown.

Motion passed, 8 in favor, 3 opposed (Hobbs, Hubbard, Winscott)

6. County Judge Request: Authorize Expenditure for Topographical Survey of County Property on Highway 102

Comptroller Richard McComas stated that the County Judge brought a request to the Finance Committee for \$18,000 for a topographical survey on the Road Department site, but they have since found out that some of the work is already available in house, so they will not need as much money as they originally thought. He said that the money is already in the budget, but they need to be aware that they may need to add money for the War Eagle renovation project if they use some of the money now.

JP Stephenson made motion to approve the expenditure, seconded by JP Winscott. Motion passed by unanimous show of hands vote.

OTHER BUSINESS:

JP Wozniak announced that 870 pounds of pharmaceuticals have been destroyed through Pyromeds this year, and they are nearing the 1,000- pound mark.

Deputy Clerk Betsy Harrell reported that the County Clerk's office has processed 4,624 new voter registration applications, as well as 3,728 address or name changes since September 1, with many more still to be completed before the November election.

PUBLIC COMMENTS:

Jeff Wyant quoted the mission statement on display in the Assessor's Office, and listed several complaints about his experience with the office. He added that the comparable sales figures are wrong, and the 65 counties who contract out their reappraisals which is a clear indication of the advantages of subcontracting.

After motion and second the meeting was adjourned at 8:10 p.m.