

# Committee of Thirteen Report

November 14, 2006

The Committee of Thirteen of the Benton County Quorum Court met Tuesday, November 14, 2006 at 5:00 P.M. in the Quorum Court Room, County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

13 JPs Present: Adams, Allen, Harrison, Harrison, Hill, Moore, Schindler, Sheridan, Stephenson, Summers, Tharp, Wolf, Wozniak

Others Present: County Judge Gary Black, County Clerk Mary L. Slinkard, Treasurer Deanna Ratcliffe, Dennis Cottrell, County Attorney Ed Gartin, Richard McComas, Barbara Ludwig, Major Gene Townsend, Captain Hunter Petray,

Media: Jennifer Turner – Daily Record, Michelle Burhenn – Morning News, Liz Bach -- Arkansas Democrat/Gazette

JP Tim Summers called the meeting to order at 5:00 p.m., and stated that he would like to recognize the only person to ever hold the title of Mayor-elect of Bella Vista, Frank Anderson.

## **PUBLIC COMMENTS:**

Doug Timmons stated that due to environmental concerns it is important that a public entity with experience and expertise be in charge of regulating Decentralized Waste Treatment Systems. He said that there are new developments that want to use this type of system being approved at every Planning Board, and it is irresponsible when there is no monitoring or regulating going on in the county. He asked the Quorum Court to enact an emergency ordinance establishing a 120-day moratorium, on any development proposing to use these systems until a public entity is selected to oversee the operators of the systems. He said the 120-day moratorium could be extended in 120-day increments as needed until the county has a public entity in place which has the experience and expertise needed to take on this role.

Leo Lynch stated that according to the newspaper, the proposed millage rate will increase taxes \$80 for a property valued at \$200,000, which is a lot for the elderly and widows on \$450 Social Security checks. He said he hoped it is not an attempt to get back at the citizens for not voting for the sales tax increase, and that this court is risking being the first Quorum Court to max out the 5.0 mills allowed by law for the General Fund. He said that "selah" is a Hebrew word which means "to pause and think calmly", and he urged the Quorum Court to do so.

Gary Finnigan stated that he is a business owner and a taxpayer and is concerned about the proposed millage increase in Benton County. He said he believed that the voters sent all elected officials a message last Tuesday that they want them to be fair and accountable. He said that he understands that since Bella Vista incorporated, the county will lose \$3.1 million shortfall in revenue. He said that as cities annex land, the county will continue to shrink, both in population and revenue. He said it is unconscionable to expect those who remain in the county to continue to fund county services at the same rate. He said the list of delinquent taxes will continue to grow if this millage increase is approved. He said that if revenue decreases, the first thing you have to look at is reducing expenses, not adding services or buying luxury items, and adding staff at this time is unconscionable.

Bob Kossieck stated that 6 months ago County Judge Gary Black asked JP candidates what they would do if Bella Vista became a city, and he thinks it was obvious at that time that it was going to happen, so he does not understand why some planning has not been done to offset that. He said it would be a good idea if all of the County Judges got together and passed a Resolution to the state legislature asking them to change the sales tax structure allowing the county to pass a one-half of one percent sales tax dedicated strictly to county use, unlike the present one which gives 70% to the cities. He said if this tax was passed, and the existing one percent sales tax canceled, the people would be getting a one-half of one percent tax break. He said he does not understand why this someone has not done something about this. He said he did not object to the cost of living increases, but has a big problem with giving people a so-called merit increase, because merit increases are supposed to be earned, and he does not see any people who have earned it.

## **NEW BUSINESS:**

### **1. Ordinance Request – Establishing Highway 94 East Fire District Boundaries**

JP Adams made motion to approve and forward the ordinance to the November Quorum Court meeting, seconded by JP Sheridan. JP Adams stated that this is an ordinance establishing the boundaries of the Highway 94 Volunteer Fire Department, and an ordinance will follow which will request a Special Election to place the dues on property tax statements like they do in the Prairie Creek area. JP Summers asked if County Attorney Ed Gartin has reviewed the ordinances. Ed Gartin stated that he reviewed the ordinances, but has not seen the legal description, and asked if the county's mappers had verified it. Assessor Shirley Sandlin stated that it came from her office. JP Sheridan questioned if the term "Fire Department Protection District" should be used instead of Volunteer Fire Department. JP Adams stated he would check on it before Quorum Court. Motion passed by unanimous show of hands vote.

### **2. Ordinance Request -- Calling Special Election to Levy Dues for Highway 94 East Volunteer Fire Department**

JP Adams made motion to approve and forward the ordinance to the November Quorum Court meeting, seconded by JP Sampier. JP Adams stated that this ordinance is to call the election, scheduled for April 10, 2007, and it will be just for the voters in the geographical area. He added that the cost for the election will be borne by the Volunteer Fire Department through fund raising. JP Sampier asked if the timing between passage and the election will work out. JP Adams stated that it should have enough time. Motion passed by unanimous show of hands vote.

### **3. Discussion: 2007 Budget**

JP Summers stated that they will need to discuss the 2007 Budget before they settle on the millage rate. JP Summers stated that the Finance Committee unanimously recommended forwarding the proposed Budget to the Committee of Thirteen for discussion. The Committee went over the proposed Budget Recapitulation Sheet. JP Summers stated that the Fund Balance will be \$4.8 million at the end of 2006. He said the proposed budget contains \$90,000 for a 3-person part-time clerical pool which will be charged to each department as it is utilized. He said it includes a 7% pay increase. He said they are proposing increasing the General Fund millage to 5.0, but are anticipating a roll back of 1 mill, which will bring it to 4.9 mills for a net increase of one-tenth of a mill. He said they are including all of the new personnel requests, and some wage adjustments and reorganizations.

He said they are proposing raising the County Road millage from 1.2 to 2.2, for a net effect of \$850,000. He reminded the Committee that they share the road millage with the municipalities in the county. He said the Circuit Clerk is returning \$100,000 to County General, and they are

estimating that returned appropriations will be \$500,000, for an ending balance of \$5.4 million. JP Tharp asked if the 7% pay increase is included. JP Summers stated that it is. JP Tharp asked if all of the Personnel Committee recommendations had been approved by the Finance Committee. JP Summers stated that they removed a Sign Maintenance position. JP Tharp stated that he struggled with many of the positions that were recommended.

JP Allen stated that the only reason he voted for it in the Finance Committee was to allow discussion on it, because he expressed concerns about raising the millage for new positions and pay increases. He said he is not against the pay increases, because he believes they have earned them, but that does not always mean you get them. He says he has been a proponent of getting salaries in line with the area market, and had spoken to one of the Department Heads today who told him her biggest concern is that she is losing people due to competition. He said he knows that everyone has done a good job of preparing the budget, but he wants to make sure that they have cut everywhere they can before they raise taxes. He does not want the public's perception to be that they have run through this quickly before they increase the millage to pay for salary increases.

JP Summers stated that the budget process had been going on for a long time, and the staff has spent many hours meeting with Department Heads, and the budget has been cut many times in many ways before it comes to the Finance Committee.

JP Wolf stated that she asked that the Capital Projects fund be looked into as a way to offset the loss of revenue. JP Summers stated that he is personally opposed to funding reoccurring expenses from the Capital Projects Fund, because it would eventually deplete the fund. JP Sheridan agreed that he is also opposed to depleting the Capital Projects Fund because they will end up in worse shape, and they still have the continual need for office space.

JP Sheridan asked for clarification of the actual cost in dollars of the millage increase, because his figures do not match up with the ones quoted earlier. He said his numbers indicate that a 1.1 mil increase on a \$100,000 house would be approximately \$22. JP Moore said the comments were based on a newspaper article that had been written while a larger increase was being considered, and that \$22 per \$100,000 is correct.

JP Schindler stated that the Warrants Secretary in the Sheriff's Office is the least expensive position being added, and it will produce revenue. He added that there are 5,000 warrants in the office that have not been processed, and they cannot reduce the number. He said the Transport Deputy is needed because they are bringing large numbers of prisoners to the Courthouse for appearances, and they are pulling deputies from other areas that are not specifically trained for it which is not safe. He said the positions are for the benefit of all citizens in Benton County.

JP Moore stated that the expenditure requests are almost lower than last year's, and he believes the additional Sheriff's Department personnel are justified because he has always been a good steward of the county's money. He said it will be less costly to give the raises than to continue to train people only to have them leave for other higher-paying jobs.

JP Adams asked if any progress has been made in the Road Tax Lawsuit. County Attorney Ed Gartin stated that any resolution of the matter is far enough away that they should not count on that money to offset the revenue loss. JP Adams stated that the lawsuit has been around since he came on the court 2 years ago. Ed Gartin stated that the lawsuit was originally filed in 1999, has been to the Supreme Court, and will most likely go there again.

JP Adams stated that many employees deserve more money than they are actually getting, but in a time when you experience a reduction in income, before you start handing out more money you have to gauge exactly where you are going to be. He said they should not be handing out raises when the county is not prepared to take on the responsibility without raising taxes. He said taxes should be the last line of defense, and in this case he does not believe we have exhausted everything. He said that one example is road program which is used in this county and others in the state, which costs taxpayers money. He said that if people can come up with part of the cost of

paving their roads, county resources are used to pave that road, while people who do not have money, do not get their roads paved. He said they are using everyone's tax dollars to pay for roads for people who can afford to pay a little bit more, and it is a case of the rich getting richer off the backs of taxpayers. He said until that program is stopped, and other examples like that waste, then he cannot in good conscience raise the taxes of others to support a budget when programs like that are being used, even by our own county personnel. He said it is raising taxes on the poor to justify things that are not fair.

JP Sampier stated that he agreed with JP Moore, and supports and appreciates the work of the Finance Committee.

JP Allen asked if the increased revenue from warrants processed by the additional Warrants Secretary had been figured into the Budget. Comptroller Richard McComas stated that they did increase fine revenue projections. JP Allen stated that there is a lot of new retail in the county, and that Richard McComas has done an excellent job in the past of projecting sales tax revenue. He said there is a new 1 million square foot mall, and the revenue will be unique in that it will be pulling in new money from surrounding counties and even Oklahoma. He said he realizes it is too soon to gauge, but he believes that the county will continue to experience more revenue.

JP Wozniak reminded the committee that the 7% raise is only for employees who have been here 2 years or more, and that there is a misconception that with the incorporation of Bella Vista the county will somehow be gaining money back, but other than the \$500,000 for roads, there will be no financial gain because Bella Vista has always paid for its own police and fire protection.

JP Tharp stated that he wanted to go on record that he appreciates the Finance Committee and knows it is not an easy job, but the fact is that we are losing \$3.7 million because Bella Vista incorporated, and the fact is last year the budget was \$49,977,000, and this year it is \$50,686,000. He said that if that happened in his home, he would figure out a way to balance his budget so he could operate with the revenue he is going to get, and he understands the increase is \$22 per \$100,000, but he is here to represent the constituents of his district, and they have soundly sent him with a message tonight. He said that they need to be prudent, and are not going to find \$3.7 million in personnel. JP Summers stated that they would go ahead with discussion on the proposed millage rate and the come back to the 2007 Budget.

#### **4. Resolution Request -- 2007 Millage Rate for County General, County Road, and Any Voluntary Taxes**

JP Summers stated that they have a Resolution before them setting the millage rate for County General at 5.0 mills, which will be 4.9 after the rollback is calculated, and County Road at 2.1 mills. JP Sheridan made motion to approve the Resolution and forward it to the Special Quorum Court meeting scheduled immediately following the Committee of Thirteen meeting, seconded by JP Sampier. Motion passed, 10 for, 3 opposed. (Adams, Allen, Tharp)

JP Sampier made motion to approve the 2007 Budget as proposed and forward it to the November 30, 2006 Quorum Court meeting, seconded by JP Harrison. Motion passed, 12 for, 1 opposed. (Tharp)

#### **OTHER BUSINESS:**

JP Stephenson stated that Washington County has enacted some zoning legislation for the areas of the county that are within 2 miles of the city limits, and suggested that it be addressed by the appropriate committee.

JP Stephenson stated that his second item of discussion is how the Election Commission is chosen and by whom. County Attorney Ed Gartin stated that it is set up according to state statute. JP Stephenson stated that he is frustrated with the results that the citizens of Benton County are faced

with every time there is an election. JP Sampier stated that the topic is on a lot of people's minds, and he would like to know what they can do to help, to avoid the kinds of things that have happened in recent elections. County Clerk Mary L. Slinkard was recognized and stated that it is supposed to be comprised of the two local party committee chairs, but they may designate a replacement. She said that the third member is chosen by the State Board of Elections from a list of 5 names supplied by the majority party of the three state constitutional offices.

JP Allen stated that the structure of sales tax collection had been brought up earlier during public comments, and although it is a state legislative issue that the county has no control over, he has always wondered why it is set up that way. He said that the hotel tax would be a good revenue source, because it would not tax the residents, but the people who visit here and use our roads, and he did not think it would prevent businesses from coming here.

**ANNOUNCEMENTS:**

JP Wozniak announced that the Environmental Committee will meet Tuesday, November 21, at 4:00 p.m. to look at the newly revised Nuisance Abatement Ordinance, which they will again forward to the Planning Board for another Public Hearing.

The meeting was adjourned at 6:00 p.m.