

February 6, 2007

FINANCE COMMITTEE REPORT

A Finance Committee meeting was held Tuesday, February 6, 2007 at 2:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Harrison, Hobbs, Stephenson, Summers, Moore, Wozniak

Others Present: JPs Brown, Hill, Schindler, and Winscott, Treasurer Deanna Ratcliffe, County Attorney Robin Green, Richard McComas, Michele Anderson, Kathy Bannister

Media: Scarlet Simms – Morning News; Jennifer Turner – Benton County Daily Record

JP Tim Summers called the meeting to order at 2:30 p.m.

PUBLIC COMMENTS:

None

1. County Attorney/Grants Administrator Report

County Attorney Robin Green stated that attorneys for the Plaintiff who successfully sued the Assessor's Office have requested \$23,000 in attorney's fees. She said the court has not ordered payment at this time, but she wanted them to be aware of it.

Grants Administrator Kathy Bannister stated that they will be submitting the Family Drug Court and the Safe Visitation and Exchange Program grant applications that were approved at the last Quorum Court meeting, and she has no new requests at this time.

2. Discussion of Grant Resolution Procedures

Comptroller Richard McComas explained that currently they ask for a Resolution for every grant application made. The committee discussed Ordinance O-80-28, which states that Resolutions are not required if no county funds or contract obligations are involved. Kathy Bannister explained that there are times when they do not receive notification of a grant opportunity in time to bring it before Finance, Committee of Thirteen, and then Quorum Court prior to the application deadline. JP Summers stated that the Ordinance probably needs to be amended to make its intent clearer. JP Stephenson stated that the intent of the ordinance and what it actually says are two different things, and if they end up in court it will come down to what the ordinance says. JP Summers stated that they should be able to go after a grant without holding up the process when no county money is being spent. JP Stephenson stated that he disagrees that an "in-kind" match does not spend county funds. He asked if it would be possible to start the process and bring it to

Committee of Thirteen for approval, and then get Quorum Court approval after the application has been sent. Kathy Bannister stated they have done that on several occasions, but there have been times in the past when that has not been possible. JP Summers suggested that some of the committee members meet with Richard McComas, Robin Green, and Kathy Bannister to come up with language that makes the intent clear, and then bring it back to the committee. JP Stephenson stated making it OK to just bring it to the Committee of Thirteen instead of requiring Quorum Court approval would solve the problem, and they could call a special Committee of Thirteen meeting if it was necessary. He said he is hesitant to give carte blanche to making applications without Quorum Court approval. JP Summers asked if that applied to pass-through grants where there is no expenditure of county funds. JP Stephenson stated that he did not have a problem if there is no expenditure of county funds or personnel.

3. Drug Court

Comptroller Richard McComas stated that \$4,000 in Drug Court revenue will be added to the 2007 Budget, and it will offset the cost of liability insurance and fuel for the vehicle that was purchased for the Drug Court in 2006. JP Hobbs asked what the vehicle is used for. Richard McComas stated that the Drug Court's Probation Officer uses it. JP Hobbs made motion to include the adjustment in the 2006 Budget Adjustment Ordinance, and forward it to the February 13, 2007 Committee of Thirteen meeting, seconded by JP Stephenson. Motion passed by unanimous show of hand vote.

4. Local Emergency Planning

Comptroller Richard McComas stated that the Department of Emergency Management receives a grant for emergency planning each year— 80% at the time the purchase order is issued, and the remaining 20% at the time the equipment is invoiced. He said these expenditures will also need to be included in the 2006 clean up ordinance. JP Moore made motion to include the adjustment in the 2006 Budget Adjustment Ordinance, and forward it to the February 13, 2007 Committee of Thirteen meeting, seconded by JP Stephenson. Richard McComas stated that they will probably be doing the clean up ordinance in March. Motion passed by unanimous show of hands vote.

5. Sales Tax

Comptroller Richard McComas stated that sales tax receipts increased 5.69% over the same month in 2006, and noted that the amount would have been \$140,000 less if Bella Vista had not been included. He said that they will probably have Bella Vista's receipts for another month or two. JP Summers noted that they have projected \$8.7 million for 2007, which included the Bella Vista adjustment, but they are still concerned because sales tax is such a volatile thing. Richard McComas stated that they actually projected 10% for January. He also noted that when the new census is completed, the County's share of the sales tax will probably drop below 25%. JP Summers reminded the committee that when the 1% sales tax passed several years ago, the ballot included the requirement that \$625,000 be added to the Capital Projects fund each year.

6. Jail Collections

Comptroller Richard McComas stated Jail Collections are just about on target with January projections. He noted that last year's collections were approximately \$1,284,000. JP Summers stated that as the Jail fills up with county prisoners, there will be less room to house the Federal and State prisoners, which will impact this revenue.

7. Fund Summary

Accounting Manager Michele Anderson noted that a few departments are at 80% or more of their budgets because they have made their capital purchases for the year. JP Summers pointed out that \$17 million of the County General budget is for personnel, and they try to keep that percentage of the total budget at around 68% to 70%. Richard McComas stated that there are now 621 employees. JP Summers noted that the Sheriff's Department and Jail are responsible for nearly half of the budget, and that amount will not be going down. JP Summers explained how the Public Defender's office is funded, and stated that it costs less than having the judges appoint individual attorney's for people who cannot afford them. The committee discussed how many personnel were added in the 2007 budget.

8. Other Business

JP Summers announced that the next Finance Committee meeting will be March 6, 2007 at 2:30 p.m., and reminded the committee of the Public Hearing for the proposed Nuisance Abatement Ordinance on March 7, 2007 at 5:30 p.m.

Comptroller Richard McComas explained how the accounts are closed out at the end of the year. He noted that there is legislation being discussed to change government accounting procedures to a cash basis. JP Summers noted the improvements in the budgeting process over how it was done several years ago.

After motion and second the meeting adjourned at 3:21 p.m.