

May 2, 2006

FINANCE COMMITTEE REPORT

A Finance Committee meeting was held Tuesday, May 2, 2006 at 2:30 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville.

Committee Members Present: Allen, Moore, Sheridan, Stephenson, Summers, Wolf, Wozniak

Others Present: Treasurer Deanna Ratcliffe, County Attorney Ed Gartin, Michele Anderson, Travis Harp

Media: Joe Askins – 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 Ed Gartin stated that he had no report, but would be happy to answer any questions regarding the State Auditor's report. In response to a question by JP Summers, Ed Gartin stated that no progress has been made on the road tax lawsuit, and he thought the county was in pretty good shape as far as pending litigation is concerned.

The Committee discussed a letter from Grants Administrator Kathy Bannister which explained that Benton County currently has \$200,000 in Federal Highway Funds available which were awarded in 2002 for the Benton County Pedestrian Trail. The letter stated that since ownership of the easements will soon be signed over to the City of Bentonville, and the federal funds require the grant recipient to own the easements, it has been suggested that Benton County transfer sponsorship to the City of Bentonville. Ed Gartin stated that transferring of sponsorship was commonly allowed by the entity awarding the grant.

2. Highfill Grant Ordinance

JP Summers stated that this ordinance will establish a grant fund for the city of Highfill, and appropriate the grant money. Michele Anderson stated that it was simply a "pass-through" grant. JP Sheridan made motion to forward the appropriation request to the May 9, 2006 Committee of Thirteen agenda, seconded by JP Wolf. Motion passed by unanimous show of hands vote.

3. Sales Tax Report

Michele Anderson stated that sales tax receipts were up \$190,000, or 14.35% over last year. She noted that the receipts were for sales which took place in February, and leaves the revenues \$150,000 over projection.

4. Jail Collections

Michele Anderson stated that they have received a letter from the DCC stating that they have exhausted Jail Reimbursement Funds for 2005-2006, so no more payments will be made to the County until the new fiscal year begins July 1. She stated that this time last year they had collected \$458,000, and have collected \$391,000 to date this year. JP Summers asked if the DCC has eventually paid their bills in past years. Michele Anderson stated that they have eventually caught up in the past, but Comptroller Richard McComas wanted the committee to be aware that they are \$8,800 below 2006

projections. The committee discussed how the amount charged per prisoner is determined. JP Stephenson asked if we charge the state for the use of our money while they are not paying their bills. JP Sheridan said that we cannot do that.

JP Summers stated he would like to see what percentage of the year's total sales tax receipts are received per quarter.

5. Monthly Expenditures Report and Fuel Analysis

A) Michele Anderson stated that the departments should be tracking at approximately 33% of their budgets as of May 1st, although some departments may be higher due to payment of one-time service contracts or annual payments that have been made at this time. Michele Anderson also noted that Maintenance Manager Mike McGinnis has found someone to rebuild the boiler in the Courthouse, so it will be not necessary to replace the system as discussed at last month's Finance and Committee of Thirteen meetings.

B) JP Summers stated that during the budget process they had estimated 2006 costs at the highest price that gasoline reached in 2005, so they are not in as bad shape as they could be. Assistant County Administrator Travis Harp explained how higher gas prices have impacted the cost of materials used by the Road Department. He also said they are considering exercising the buy back of their fuel system, and replacing it with one that will reduce their fuel cost per gallon.

6. Other Business

JP Summers stated that he and Comptroller Richard McComas have done some initial number-crunching on the impact that an incorporation of Bella Vista will have on the county's revenue, and their estimate is a loss of between \$3.75 to \$4 million. He also noted that they will have to prepare a budget for both scenarios, since the election will not take place until November. He said that part of the loss could be offset by a projected \$1 million increase in revenue. He said that during the budget process they will take a strong look at departments that are not paying their own way or paying for themselves. JP Stephenson asked how much money the county spends maintaining roads in Bella Vista. Assistant County Administrator Travis Harp stated that they spend approximately \$500,000 per year, plus the cost of patch work that is done one week of every month. JP Sheridan asked if the county was responsible for the cost of the stoplights along Highway 71 North. Travis Harp stated that they are, but the costs are not significant, just light bulb replacement and the electricity to power the lights. The committee discussed the traffic problems which will occur in Bella Vista with the opening of a new elementary school in the 2007-08 school year. JP Moore asked if the maximum millage rate had been used when figuring the possible shortfall if Bella Vista incorporates. JP Summers stated that they had not. JP Allen asked Travis Harp to include personnel and labor costs along with equipment and materials with his report on how much is expended by the Road Department in Bella Vista.

JP Summers asked Treasurer Deanna Ratcliffe if the 4-H had approached her office about participating in the Arkansas Game and Fish Fine Distribution that the Quorum Court approves each year. Deanna Ratcliffe stated that they had, and she was researching their eligibility to receive a share of the funds.

JP Wozniak asked if Benton County was experiencing the same problem with ballots that he has read other counties are experiencing. JP Summers stated that he would like to hear from the Election Commission at the May 9, 2006 Committee of Thirteen meeting.

Michele Anderson announced that the next Finance Committee meeting would be June 6, 2006 at 2:30 p.m.

After motion and second the meeting adjourned at 3:30 p.m.