

FINANCE COMMITTEE REPORT

March 05, 2013

A Finance Committee meeting was held Tuesday, March 05, 2013 at 6:00 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JP's Allen, J. Harrison, Jones, Blaty, Curry, Moore, Moehring

Others Present: JPs Adams, Meyers, and Anglin, County Judge Bob Clinard, Sheriff Kelly Craddock, Comptroller Sarah Daniels, Accounting Manager Mike Crandall, Administrator of General Services John Sudduth, Grants and Property Accounting Administrator Kati Rose, Emergency Management Director Robert McGowen

Tom Sissom – Benton County Daily Record

Chair JP Allen called the meeting to order.

Grants Administrator

Grants Administrator Kati Rose reported that: 1) the Department of Homeland Security – SHSGP FY 10 Grant for \$17,974.98 had been awarded in February; 2) the Department of Justice – Adult Drug Court Grant has been submitted.

1. Resolution Request to apply for the Department of Health and Human Service Administration Grant – Substance Abuse Mental Health Service Administration Grant (SAMHSA)

Grants Administrator Kati Rose stated that she is requesting approval to apply for the Department of Health and Human Service Administration Grant – Substance Abuse Mental Health Service Administration Grant (SAMHSA) to provide Drug Rehab and Mental Health Services for Drug Court clients and training for staff – up to \$325,000 a year for 3 years, with no county match.

JP J. Harrison made motion to approve and forward the resolution request to the March 12, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Sponsored by JP Jay Harrison

2. Resolution Request to apply for the U.S. Department of Justice – Justice & Mental Health Collaboration Program Grant

Grants Administrator Kati Rose stated that she is requesting approval to apply for the Department of Justice – Justice & Mental Health Collaboration Program Grant for \$250,000. She stated that the County will satisfy the 25% match requirement with in-kind services by utilizing

state payroll for counseling services directly related to drug court. She stated that the grant will provide stand alone Mental Health Services for Drug Court clients and salary for a coordinator who will serve all specialty courts.

JP Moehring made motion to approve and forward the resolution request to the March 12, 2013 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Sponsored by JP Barry Moehring.

3. Resolution Request to apply for the Department of Justice – Violent Gang and Gun Crime Reduction Program Grant (Project Safe Neighborhoods)

Kati Rose stated that she is requesting approval to apply for the Department of Justice – Violent Gang and Gun Crime Reduction Program Grant which will provide Federal funds in the amount up to \$79,570, and that the counties match to complete the project is \$70,000. She stated that this grant is to assist the Benton County Sheriff's Office by utilizing funds to purchase software that will allow the Sheriff's Office to create a gang database that will be accessible to various departments in NW Arkansas and the local Project Safe Neighborhood Task Force.

Sheriff Kelly Craddock stated that this grant will provide a system that will allow the Sheriff's Office to share information about individuals who have been stopped for a traffic violation, arrested for a crime, and that it will be beneficial to the county.

Adam Rubin with International Business Machines Corporation (IBM) presented a power point presentation on a system called COPLINK created by two retired members of law enforcement. He stated that the COPLINK system is a tactical tool which provides lead generation and analysis, enables seamless integration of operational data, provides an integrated analytics suite and does not replace existing technologies. He stated that COPLINK is deployed in over 4,500 jurisdictions nationally spanning across 23 states, including several statewide deployments.

Lengthy discussion was held on the COPLINK system, the cost to the county, and the benefits that it would provide to the Sheriff's Office and the county.

Sarah Daniels stated that the COPLINK system would be funded through 2012 returned appropriations.

JP Jones made motion to approve and forward the resolution request to the March 12, 2013 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Sponsored by JP Joel Jones.

4. Appropriation Ordinance Request: Transfer of Funds, GIS Mapping, Dept. 55 to Information Systems, Dept 49

Comptroller Sarah Daniels stated that this appropriation ordinance request is to amend the budget and eliminate GIS Mapping, Department 55, since the individual that was heading this department is no longer with the County. She stated that this is to merge the GIS Mapping Department into Information Systems, Department 49, so they will no longer have to maintain the GIS Mapping Department.

JP Jones made motion to approve and forward the appropriation ordinance request to the March 12, 2013 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Sponsored by JP Joel Jones.

5. Appropriation Ordinance Request: Non-Departmental & Maintenance, Dept. 23, Fund 440

Sarah Daniels stated that this appropriation ordinance request is to appropriate \$6,000 to the original budgeted amount for an up-grade to materials and warranty to re-cover the roof on the county administration building. She stated this would put the costs at \$39,000 as opposed to \$33,000.

Administrator of General Services John Sudduth stated that this appropriation ordinance request is to up-grade the roofing materials to a 60-mil roof with a 20-year warranty.

JP Moore made motion to approve and forward the appropriation ordinance request to the March 12, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Sponsored by JP Tom Allen.

6. Appropriation Ordinance Request: Unemployment Taxes, Various Depts. and Various Funds; Sponsor: JP J. Harrison

Sarah Daniels stated that this appropriation ordinance request in the amount of \$127,963 is to pay for 2012 unemployment claims and that the funds come from various department.

JP Allen stated that this is to be paid for out of un-appropriated funds, and that he would like to see this incorporated into the budget as opposed to relying on un-appropriated funds. JP Jones questioned if there was a way to track unemployment claims before we get them at the beginning of the year. Sarah Daniels answered that they could be tracked up into the third quarter.

JP Jones asked JP Allen if he was envisioning this as a fund like Capital Projects.

JP Moore suggested to budget the highest unemployment figure that has been paid and to use that as our base line.

JP Allen stated that he wanted to bring this to the court's attention that unemployment is always paid for with un-appropriated funds and that he thought that unemployment costs should be budgeted.

Sarah Daniels stated that she would be in favor of setting up an individual fund for unemployment claims and budget a lump sum to transfer into that fund. She said that when they receive the invoice, an appropriation ordinance request with the correct amount will be submitted

to the County. She added that it would be easier to budget an amount into the fund, and at some point there might be enough funds built up so that we would not have to appropriate as much the next year.

JP J. Harrison made motion to approve and forward the appropriation ordinance request to the March 12, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Further discussion was held on establishing a fund for unemployment at budget time.

Sponsored by JP Jay Harrison.

7. Appropriation Ordinance Request: Rocky Branch Fire Dept. Dept. 01, Fund 483

Sarah Daniels stated that this appropriation ordinance request is to appropriate \$4,150 in grant revenues received for the Rocky Branch Rural Service Grant and the associated expenditures for 2013.

JP Curry made motion to approve and forward the appropriation ordinance request to the March 12, 2013 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

Sponsored by JP Steve Curry.

8. Appropriation Ordinance Request: Emergency Services, Dept. 30, Fund 296

Sarah Daniels stated that this appropriation ordinance request is to appropriate \$17,975 in grant revenues received for the State Homeland Security Grant FY 2010 for the associated expenditures.

Emergency Management Director Robert McGowen stated that the money will be used to purchase a Multi Rae Gas Detector and Leak Sealing Kit Equipment to be used by the Benton County Haz-Mat response team.

JP Moehring made motion to approve and forward the appropriation ordinance request to the March 12, 2013 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Sponsored by JP Moehring.

9. Appropriation Ordinance Request: Road Dept., Dept. 44, Fund 020

Sarah Daniels stated that this appropriation ordinance request for \$400,000 in revenue was forwarded from the Transportation Committee and is for the Road Department to accelerate a road plan, with the 10-year state-wide ½-cent sales tax. She stated that this is to shorten the use of the ½ cent sales tax levy into a six-year program and to receive additional funding through reserves and pay it back with the funds collected from the ½-cent sales tax.

County Judge Bob Clinard stated that Benton County's anticipated share of the 10-year tax has been estimated at \$12.8 million, providing the county about \$1.2 million which must be used for road work and transportation needs. He stated that he has asked that a contingency of \$124,800 be put into place in case of a possible tax shortfall. He said the Road Department is asking for an additional appropriation request from Reserves of \$1,760,000 to be available for transfer as needed, and the total of the two would be used for expenditures.

JP Allen stated that he favors improving roads but that he is concerned about any plan that attempts to bind future justices of the peace to spending decisions. He stated we do not know who is going to be on the court in five or six years. He said the Quorum Court has to keep in mind other potential needs, such as replacing bridges, a new court facility and providing ambulance service. He stated that he would like to see some plan for future needs.

County Judge Bob Clinard stated this plan has been developed to expand the work over a six-year period and that the Quorum Court is not obligated to fund it for the entire six years. He said this is a six-year plan, but it is funded one year at a time.

County Judge Bob Clinard stated that he is continuing to work on plans for a new courts facility, which is in the beginning stages, and that a courts facility is still four years out.

Lengthy discussion was held on the anticipated 10-year ½-cent sales tax levy revenue, and appropriating funds out of reserves for the 6-year accelerated road plan.

JP Moehring stated that we really are making a choice here today between roads or a new court facility, and we don't know what a new court facility cost would be. He said that he is not necessarily opposed to this plan but that the court might want to put the brakes on it a little bit until we understand the implications of the courts facility. He stated that this plan will take the reserves way down, and then they would not have the ability to fund something like a new court facility. JP Moehring stated that he would support moving the appropriation ordinance request to the Committee of The Whole for further discussion.

JP Moore stated that he is definitely in favor of funding the accelerated road plan this summer to get the ball rolling. He said even if we do not continue funding they still have an accelerated road program with the sales tax.

Sarah Daniels stated that the County has about \$15 million in unrestricted reserves, in addition to the 10% reserve fund that is required by law to be set aside annually. She stated that the state-mandated reserve is about \$4 million.

Lengthy discussion was held on using funds from the unrestricted reserves to fund the accelerated road plan and the costs of a new courts facility.

County Judge Bob Clinard stated that they not only have the financial decisions to make, they have political decisions to make about what is best for the taxpayers.

Further discussion was held on transferring the funds from Capital Reserves into the Road Department.

Sarah Daniels stated that the funds would remain in reserves and be transferred as the Road Department uses it. She stated that the appropriation ordinance request is to appropriate \$400,000 in revenue and \$2,160,000 in expenditures for a total of \$1,700,000 from reserves. She stated that by approving this ordinance, they would be amending the budget to add the revenue from this year's sales tax and the additional \$2,160,000 in expenditures for the first year.

JP Moore made motion to approve and forward the appropriation ordinance request to the March 12, 2013 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

Sponsored by JP Steve Curry.

10. Sales Tax Numbers

Sarah Daniels reported that December sales tax receipts were up 2.42% for the month, totaling \$665,999, which is a net gain of \$60,895.

11. Jail Collections

Sarah Daniels reported that \$83,412 has been collected to date, and that \$750,000 was projected in the budget. She stated that they are over \$26,744 for the year, and that they have yet to collect \$160,000 for January and February.

12. Fuel Analysis

Accounting Manager Mike Crandall reported a 24% increase in unleaded fuel costs and stated that diesel has increased by 5%. He reported that year-to-date \$13,032 has been transferred back to the Road Department.

13. Fund Summary

Mike Crandall reported on the Monthly Fund Summary, stating that the General Fund is at 17.99% due to capital equipment purchases at the beginning of the year and at 13.51% overall.

Discussion was held on the Coroner's expenses being up for the year and the number of people who went out on calls.

JP Allen asked that Sarah Daniels report on the number of calls made by the Coroner's Office at the next Finance Committee meeting.

Sarah Daniels reported that 875 calls had been budgeted for 2013.

14. Other Business

Sarah Daniels reported that \$2.5 million in appropriations has been returned from the 2012 budget. She stated that total approved appropriations to date are \$1,209,056, leaving a remaining balance of \$1,290,944, and that possible future appropriation requests would be approximately \$1,445,000, including the Gang and Gun Crime Reduction grant match of \$70,000; a Non-recurring Salary Adjustment of approximately \$750,000; and a of \$625,000, to Capital Projects which would leave a balance of \$154,000.

Discussion was held on the use of the un-appropriated funds for the future appropriation requests.

JP Allen stated that they have not addressed transferring \$625,000 out of the un-appropriated funds into Capital Projects.

Sarah Daniels stated that will require an appropriation ordinance.

Further discussion was held on transferring \$625,000 from the un-appropriated funds into the Capital Projects.

JP Moore made motion to forward an appropriation ordinance request to appropriate \$625,000 out of returned appropriations into the Capital Projects fund to the March 12, 2013 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

Sponsored by JP Tom Allen.

County Judge Bob Clinard stated that he would like to remind the court that discussion is to be held at the April Finance meeting regarding a one-time non-reoccurring salary adjustment for the county employees, so that it would be effective in June.

JP Carr announced a Public Safety Committee meeting for Thursday, March 21, 2013 at 6:00 p.m.

JP Moore announced a Legislative Committee meeting for Monday, March 25, 2013 at 6:00 p.m.

JP Moore announced that the Committee of the Whole will meet Tuesday, March 12, 2013 at 6:00 p.m.

Meeting adjourned at 8: 36 p.m.