

FINANCE COMMITTEE REPORT

August 7, 2014

A Finance Committee meeting was held Thursday, August 7, 2014, at 6:00 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Allen, J. Harrison, Jones, Chiocco, Curry, Moore, Moehring

Others Present: JPs K. Harrison, Anglin, Meyers, McKenzie, Adams, County Judge Bob Clinard, County Clerk Tena O'Brien, Administrator of General Services John Sudduth, Administrator of Public Services Jeff Clark, Public Defender Jay Saxton, Prosecuting Attorney Elect Nathan Smith, Accounting Manager Mike Crandall

Media: Tom Sissom

Chair JP Allen called the meeting to order.

Public Comment

None

1. Grants Administrator Report

Accounting Manager Mike Crandall stated that he is requesting approval to apply for the Arkansas Department of Human Services – Juvenile Accountability Block Grant (JABG) to provide funds to strengthen our juvenile justice system. He added that the maximum they can receive is \$14,404, and that the project is to be completed within 12 months. He also stated that the county will satisfy the 11.11% from the Juvenile Probation Department's budget through the use of in-kind services.

JP Moehring made motion to approve and forward a resolution request to the August 12, 2014 Committee of the Whole agenda, seconded by JP J. Harrison.

Motion passed by unanimous show of hands vote.

2. Appropriation Ordinance Request – Dept 0140, Building Safety Division, Fund 1000

Mike Crandall stated that this appropriation request is to transfer \$6,257 from "Vehicle" to "Machinery & Equipment Repair/Maintenance" to make needed repairs to a truck that was not approved for replacement during the 2014 budget process.

JP J. Harrison made motion to approve and forward an appropriation ordinance request to the August 12, 2014 Committee of the Whole agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

3. Appropriation Ordinance Request – Dept 0200, Road, Fund 4005

Mike Crandall stated this appropriation ordinance request is to appropriate additional monies to replace a maintenance truck and equipment that was totaled in an accident. He stated that the insurance proceeds will be receipted into the Road Revenue Fund.

JP Curry made motion to approve and forward an appropriation ordinance request to the August 12, 2014 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

4. Sales Tax Numbers

Mike Crandall reported that May sales tax receipts were up 14.22%, for a year-to-date increase of 1.07%. He added that overall we are up \$78,444 for the same period last year.

5. Jail Collections

Mike Crandall reported that Jail Collections were \$55,452 for July and \$1,005,056 for the year. He stated that \$1.5 million was budgeted for 2014.

6. Fuel Analysis

Mike Crandall reported that the Road Department is at 51% of their fuel budget, while the Sheriff's Department is at 65% of their budget. He stated that average unleaded fuel costs have increased .05% to \$3.17 per gallon and diesel decreased 2% to \$3.11 per gallon. He added that \$61,157 has been transferred back to the Road Department.

Some discussion was held on the cause for the additional amount of fuel used by the Sheriff's Department.

Administrator of Public Services Jeff Clark stated that he was asked why the Road Department is purchasing the higher priced fuel and gave a power point presentation to show the wear and damages to vehicle engines caused by using ethanol fuel. He reported on the advantages for using regular fuel verses fuel with ethanol for operating vehicles in the Road Department. He stated that he did not feel comfortable using fuel with ethanol added.

JP Moore stated that he respectfully disagrees that using ethanol fuel for operating vehicles was bad. He stated that he had used both ethanol free and ethanol fuel and has seen little difference in his line of work.

7. Fund Summary

Mike Crandall reported on the Monthly Fund Summary, stating that 58.33% is the target and that the General Fund is at 57.85%, all other funds are at 50.56%, and the overall budget is at 53.94%.

Overtime Analysis

Mike Crandall reported that through fifteen pay periods out of twenty-six, overtime usage is at 58.00%.

Personnel Services Available

Mike Crandall reported that the county has saved approximately \$327,930 in personnel costs this year.

Mike Crandall also reported that \$107,356, 06 in voluntary taxes for EMS has been collected through August 4, 2014. He stated that all of the voluntary tax money that is collected now will carry over to next year.

8. EMS Funding Discussion

JP Allen stated that this is to reconsider placing two proposals for a vote on the November 04, 2014 General Election ballot for a 0.2 millage property tax increase, or a \$40 annual fee for Emergency Medical Services (EMS)) funding. He stated that there is still the opportunity for the court to say that we are not going to pay for it at all.

JP Allen stated that if we cannot raise additional revenue to pay for ambulance service and decide not to put a funding mechanism on the ballot, (or if the voters reject any additional tax) the county will have to make some serious budget cuts.

JP Allen suggested that the county could cut the number of new fire trucks they buy each year, or make possible cuts to personnel, such as an environmental officer, a deputy prosecutor, and a deputy public defender. He stated that these are all hard cuts, and that he does not endorse the cuts, but it is a way to get the message out to the people in the county. He said hopefully those in the unincorporated areas will read the newspaper about what kind of cuts that the county is faced with, like the fire truck that may help save someone's structure, the public defender, or prosecutor. He stated that he had talked with County Judge Bob Clinard and that Judge Clinard suggested making an across the board 2% cut.

JP Moehring stated that since two members of the court were not present at the last meeting to vote and because of the way the votes tuned out on the two proposed resolutions, that they should have one more chance on behalf of the voters. He stated that now is the time to figure out the funding mechanism, and that they should have another meeting, to figure that out.

JP Moore stated that he would also endorse have a meeting but that no matter what the Quorum Court decides in terms of a funding mechanism, we need to prepare the (2015) budget as if we are not getting any new money. He said that it is a lot easier to put money back in than at the last minute take it out.

JP Adams stated that he voted no across the board last time, and that he had talked with a lot of his constituents and that he believes that they should have another meeting. He said that he will reconsider his vote for the millage, but not the \$40 fee.

JP McKenzie stated that he believes that a special meeting is in order and that he thought most of the justices were surprised by how the votes turned out. He stated that he thought that they owe it to people who are going to have to pay one way or another to come to some kind of resolution and invest the time to call for a vote one more time.

JP Anglin asked if the members would consider having a special Quorum Court meeting after the August 12, 2014 Committee of the Whole meeting.

JP J. Harrison stated that he would support holding a special Quorum Court meeting and that he would support putting both of them on the ballot.

JP Meyers stated he was in favor of holding a special Quorum Court meeting.

After some further discussion a Special Quorum Court meeting was scheduled for Tuesday, August 12, 2014, immediately following the Committee of the Whole meeting scheduled for 6:00 p.m.

Public Defender Jay Saxon stated that if positions are removed from the Public Defender's office, that it would push the felony case loads back, and that the length of time that it is going to take to get somebody from their arrest date to either a plea or a jury trial is going to lengthen by over 25 to 30%. He stated if one person is pulled from his office they will not have enough staff to do the work.

Jay Saxton stated that from a funding standpoint, the Public Defenders Commission is funded through legislation, and that they fund the number of positions available for the entire State of Arkansas. He stated that of the last ten positions that were requested, two were approved. He added that the American Bar Association recommends that for a county to have a criminal defense attorney they are to have a 75% rating of either the felony case load, juvenile case load or the misdemeanors case load, and that right now Benton County's caseload is at 158%. He stated that the Public Defender's office represents the majority of the people in the jail, and that they will be in jail longer and it will cost more money to house them if staff is reduced.

Prosecutor-Elect Nathan Smith reported on the number of felony and juvenile cases handled in the prosecutor's office. He stated that losing a deputy prosecutor would increase the length of time needed to prosecute cases, and that the county would have to spend more money housing defendants in the jail. He stated if they lost a position, it would be the one prosecutor dedicated fulltime to covering sex crimes. He said that anytime you do something new, there are unintended consequences.

JP Allen stated that he would like for both to be present for the budget process, and that he did not want to make a mistake that affects the people of the county negatively.

Administrator of General Services John Sudduth stated that they have more than 200 environmental cases open and only two environmental officers. He asked that the justices of the peace not cut one of his positions and to let him decide where to find cuts in his department. He added that he is fully prepared to justify his staff and what they can do, that they have fine-tuned this system, and asked that the court give them the opportunity to still exist.

Mike Crandall explained the guidelines for the 2015 budget process. He stated that after the Finance Committee reviews the budgets with the Comptroller and the Elected Officials, the Quorum Court will finalize the budget decisions in December and adopt the 2015 budget.

After lengthy discussion the Finance committee members asked that all Elected Officials and Department Managers funded by the General Fund, cut their 2015 Budget requests by 3% of the current 2014 General Fund Budget in order to fund Emergency Medical Services for 2015.

Mike Crandall stated that a 3% cut to the 2015 budget across the board in the general fund would generate approximately \$950,000. He stated that the Road Department will be included in the cuts, but we are not taking Road Fund money away, we are taking the amount transferred from the General Fund that we use to subsidize the Road department.

Support for the 3% cut to the Elected Officials 2015 budget was approved by a show of hands vote.

Mike Crandall reported that the surplus auction brought in \$182,451.76 after the auctioneers commission and advertising expenses, and that the General Fund netted \$47,581.73.

Other Business

None

JP Chiocco announced that a Grievance Council meeting will be held Thursday, August 21, 2015 at 6:00 p.m.

Public Comments

None

Meeting adjourned at 8:15 p.m.