

SEBASTIAN COUNTY QUORUM COURT MEETING
COMMITTEE OF THE WHOLE
APRIL 9, 2013 @ 7:00 PM
FORT SMITH COURTHOUSE, ROOM 204
FORT SMITH, ARKANSAS

Chairman Ray Stewart called the meeting to order and Bob Schwartz led the Pledge of Allegiance.

Don Carter gave the Invocation.

Sharon Brooks called the roll with 12 members present.

Tony Crockett
Donald Carter
Linda Murry
Jim Medley

Phil Hicks
Rhonda Royal
Bob Schwartz
Danny Aldridge

Johnny Hobbs
Dickie Robertson
Ray Stewart
John Spradlin

Shawn Looper was absent from the meeting.

Chairman Stewart stated that the purpose of the meeting was to review the budget and he asked Judge Hudson to take over and go through the budget.

Judge Hudson said he had provided each member with a review of the 2013 budget.

Phil Hicks stated that we are at the point now that we have to go through our finances. He stated that he did not know where we stand financially and there are others that are in the same situation.

Judge Hudson said that all of the financial information had been provided to the Quorum Court Members at the meetings. He stated that more information has been provided to this Quorum Court Body than any other Quorum Court Body in the history of Sebastian County. Hudson stated that Comptroller Cathy Lawrence has worked many hours to put this information together and we are here to address your questions regarding the finances.

Phil Hicks stated that in other situations at the end of the month, quarter or year, you could push a button and get figures.

Linda Murry stated that the information given in the budget shows a \$5.2 million carry over. In years past we have dropped the ball in that we have gone with the information recommended by the Staff and now we know that is not appropriate.

In an overview, Judge Hudson stated adjustments are required for the 2013 Sebastian County General Fund Budget. He stated that the growth of the County Budget, particularly personnel, is outpacing the growth of County revenues. No capital funds have been included in preparing cash flow projections for the General Fund. This includes the 25% Sales Tax Capital Fund and the General Fund Capital Reserve Account.

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Transfers of year-end balances to Capital Reserve have been separated from amended and actual budget totals. Capital Reserve funds transferred from the balance were not appropriated in the adopted budget. The results of separating these transfers show that revenues exceed expenses in 2009, 2010 and 2011 however, in 2012 expenses exceeded revenues.

Judge Hudson pointed out that the percentage of General Fund's budget expended has been calculated by year as follows: 2009-90%, 2010-84%, 2011-82%, 2012-92%. These percentages were used to project unexpended in cash flows at 94%.

Recommendations made to the Quorum Court were as follows:

1. Maintain the 2013 General Fund balance at \$5.2 million.
2. Reduce the "Un-obligated" General Funds from \$250,000 to \$150,000, maintaining the \$100,000 difference in the General Fund balance.
3. Hold the additional "Un-obligated" General Funds of \$350,000 in the General Fund Balance.
4. Retain \$25,000 tabled from Courthouse Facility Maintenance projects in the General Fund balance.
5. Consider reducing 2013 capital appropriations by \$200,000, in coordination with the County Elected Officials responsible for those budgets.
6. Transfer two Emergency Management positions salaries' funding at 50% to the Road Fund from the County General Fund, for approximately \$61,000. The County Judge's office will not fill two seasonal maintenance positions of \$44,000 for a total of \$105,000 to General Fund.
7. Change insurance budget policy effective 7/1/13 to retain the balance budgeted insurance premium for vacant positions or for positions that refused insurance coverage, estimated to be \$137,500 in 2013.
8. During the course of 2013 and for development of the 2014 Budget, evaluate areas of budget increases implemented in the years 2009-2013 for possible reductions in 2014.
9. For 2013-2014 budgets, the revenue and budget appropriation gap needs to be narrowed. Holdback funds need to be increased to maintain a .2 million balance in the General Fund.
10. Growth in County personnel costs in 2009-2013 needs to be evaluated as new positions and continued growth in County personnel are proposed. Offsetting revenues to cover the growth in personnel costs must be taken into consideration to continue to grow county government.
11. The Greenwood District Court budget should be maintained within the Greenwood District Court estimated revenues.

John Spradlin asked about the two different financial systems in the county.

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Linda Murry explained that the Treasurer's Office keeps books in one fashion and the Comptroller uses another. Although the Treasurer's Office and the Comptroller always balance, the financial documents and projections that are put out are very confusing. Murry stated that we have operated as a Board saying "Yes" & "No" and not really digging into the finances.

John Spradlin asked if there was any way information could be provided that is more understandable. Murry replied that discussion meetings like this one would be helpful to understand the finances.

Jim Medley complimented Judge Hudson and his staff for the financial reports that they continue to present to the Quorum Court.

Chairman Stewart asked Linda Murry if she knew of a way to simplify the financial information. Murry replied that maybe a power point presentation of the financial report would be helpful. Chairman Stewart asked Phil Hicks his thoughts on a power point and Hicks replied that he thought it would be a good start and with a better understanding the Quorum Court members could do what they were elected to do.

Danny Aldridge complimented Sheriff Hollenbeck and his office for continuing to make changes that saves the County money. Aldridge stated that recently by reducing the food costs by \$.80 a meal on the 5,000 meals served to inmates. Aldridge encouraged all elected officials to look for ways to save the county money.

Danny Aldridge made a motion to move the Comptrollers and Treasurer's report from the April meeting to the May Meeting. John Spradlin seconded the motion. The motion passed by voice vote.

Danny Aldridge reported that he and Channon Toland, Parks Administrator recently visited the Clarksville and Rogers Aquatic Park Sites. Both were very impressed with the two sites and came away with some great ideals for the proposed Aquatic Park to be built at Ben Geren Park. Aldridge then made a motion to bring the water-park off the table and put it on the April regular meeting for a vote on the original \$4 million plan. Don Carter seconded the motion. The results of the roll call vote were 6 voting "Yes" and 5 "No votes (Phil Hicks, Johnny Hobbs, Linda Murry, John Spradlin and Tony Crockett) Chairman, Ray Stewart, could not vote on the motion. The water-park will be on the April agenda for a third reading.

Johnny Hobbs asked Judge Hudson what the Quorum Court Members could do to help get the 1% Sales Tax to pass on May 14. Judge Hudson replied we have campaign information and campaign signs. Hudson encouraged Quorum Court Members to talk to people and to remind people to vote.

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Public Comments:

Judith Miller, County Treasurer stated that her office paid New World \$502,000 for a computer program and has nothing to show for it 16 months later. They are not able to meet the needs of the Treasurer's office although she was told the Treasurer's office needs could be met. New World has passed their deadline in getting the project up and going.

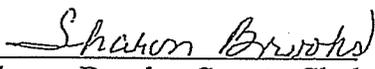
Miller stated that she had met with other County Treasurers and their work with Financial Intelligence has been successful in meeting the needs of their Treasurer's office. Financial Intelligence will charge Sebastian County Treasurer's office \$700.00 per month and no maintenance fee and their system will tie into the Comptroller's office.

Judge Hudson stated that he needed time to meet with Judith Miller and get more information.

Phil Hicks made a motion to put discussion of Judith Miller's financial system on the April agenda. John Spradlin seconded the motion. The motion passed by voice vote.

Johnny Hobbs made a motion to adjourn. Phil Hicks seconded the motion. Meeting adjourned.

Respectfully submitted:


Sharon Brooks, County Clerk


Ann Selig, Deputy Clerk