

Quorum Court Minutes

04/22/2013

Appropriation Ordinance No. 2013-04

FILED

APR 23 2013

**KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK**

AGENDA
CRAIGHEAD COUNTY QUORUM COURT MEETING
APRIL 22, 2013
7:00 p.m.

OPENING PRAYER

Judge Hill will brief the full court on any updates or information concerning any ongoing projects or business.

- I. Roll Call
- II. Approval of minutes, March, 2013 meetings.
- III. Committee Reports:
 - a. Public Service Committee Report
 - b. Finance and Administration Committee Report
 - c. Roads and Transportation Committee Report
- IV. Old Business:
 - None
- V. New Business:
 - a. Final Report on County Clerk's office from Goad and Associates.
 - b. Kay Jones to address the court about possible grant funds to fund a program for some services benefiting the elderly in rural areas.
 - c. Becky Wilson; Proclamation for Motorcycle Awareness Month.
 - d. Memorial Day Holiday is on a Monday, (Court Night), Quorum Court will meet on Tuesday Night, May 28, 2013.
 - e. Appropriation Ordinance to fund the completion of the Bono Lake Project.

April 22, 2013 Quorum Court Meeting

12 Justices of the Peace Present

Judge **Ed Hill** called the meeting to order

Goad and Company Report

Jim Goad and **Tammy Honeycutt** presented Goad and Company's final report on IRS problems during the administration of the previous County Clerk, **Nancy Nelms**. **Goad** commended Judge **Hill** for taking the necessary steps to correct the problem, and also for appointing **Tony Thomas** to serve as the liaison between Goad and Company and Craighead County.

Goad noted that Craighead County ended up paying \$98,000 in penalties to the IRS. A report was also distributed detailing other findings – *Appendix 1*.

Justice **Ray Kidd** asked whether it was the Quorum Court's responsibility to ensure that all of the recommended policies and procedures were being implemented.

Thomas said that it was up to the elected official(s) to come up with policy and that it was the role of the Quorum Court to approve it.

Justice **Josh Longmire** said he thought Craighead County needed a HR Director. He also noted that funds might not be available at the current time. Justice **Mike Hawkins** noted that this has been discussed before and all of the elected officials that were in office at the time were against it. Justice **Kenny Hendrix** noted how Craighead County works differently than most places, specifically that the County Judge was over all personnel for the Road Department and the Sheriff was over all personnel at the Sheriff's Office and Detention Center.

Justice **Kidd** stated the need for checks and balances. Justice **Hawkins** said that there are checks and balances, a prime example being that the previous County Clerk had been voted out of office.

County Clerk **Kade Holliday** said that his office has already went lengths to ensuring that an issue like this does not occur again. He also noted that the office had already implemented several of the recommendations made by both Goad and Company as well as Legislative Audit.

Justice **Max Render** asked if there is still a monthly meeting held with elected officials. Judge **Hill** said that the meeting is held in most months as long as schedules permit.

Justice **Kevin Hoke** suggested that once a quarter the Quorum Court sit down in front of elected officials and ask questions. Judge **Hill** noted that the Public Service Committee has said they will do this in the past.

Kay Jones addressed the court concerning a new non-profit service that she was trying to start. She said that the service would call elderly people in rural locations on a regular basis to ensure that they are okay. This service would specifically be for elderly people who do not have family and friends nearby who regularly check on them.

Justice **Kidd** asked **Jones** whether she was asking the county to bankroll the service. **Jones** said yes if that was a possibility.

Justice **Hawkins** asked if any other county offers this service. **Jones** said that she was unaware of any.

Judge **Hill** read a proclamation proclaiming May to be Motorcycle Awareness Month in Craighead County.

Judge **Hill** noted that the second meeting in May will be on May 28 instead of May 27 in observance of Memorial Day.

Joe Monroe presented to the Court the new website that enables citizens to pay fines due to District Court online. He said that at this time they are only able to take payments in full, and not partial payments. They wanted to ensure that everything worked correctly before beginning to take partial payments.

Justice **Ken Stacks** said that he would like to see partial payments be an option in the future and hoped that would reduce some of the workload in District Court.

Justice **Longmire** asked if the disclaimer had been properly read over. **Monroe** noted that both District Judges had read over it as well as the Jonesboro City Attorney.

IT Director **Erin Johnson** also presented to the court a demonstration of the recently installed courthouse security cameras. **Thomas** noted that future security measures included further security measures in the Lake City Courthouse as well as name badges that will serve as keys for courthouse employees.

Justice **Barbara Weinstock** moved for the approval of the minutes from the previous meeting. The motion was seconded by Justice **Stacks**.

Justice **Fred Bowers** provide a report on the Public Service Committee meeting on April 8, 2013 – *Appendix 2*.

Justice **Bob Blankenship** provided a report on the Finance and Administration Committee meeting on April 8, 2013 – *Appendix 3*.

Justice **Weinstock** asked if the bill allowing the cash card use at the detention center had passed. Judge **Hill** said that it did.

Justice **Hawkins** provided a report on the Roads and Transportation Committee Report on April 8, 2013 – *Appendix 4*.

Justice **Hawkins** asked if there was a fee charged to the county for selling equipment online. Judge **Hill** said that he believed the fee was 8%.

Justice **Hawkins** noted the cost of the road graders was around \$110,000 when they were purchased, and praised the county for being able to sell them back at such a high price. Justice **Longmire** asked how many years the graders had been in use. Judge **Hill** said about eight years.

Justice **Bowers** noted a bill currently before the Legislature concerning animal control issues.

County Clerk **Holliday** read Ordinance 2013-04 – *Appendix 5*. Justice **Stacks** moved to approve the ordinance, it was seconded by Justice **Weinstock**. The ordinance was approved 12-0.

George Grant addressed the Court concerning the recent voter confirmation card mail out. He said that he had received several calls and was concerned that there was not enough information on the front end. He was also concerned with the timeline for the card to be returned only being 10 days. County Clerk **Holliday** said that is how the law is stated. **Grant** offered his assistance in reaching out to voters who do not return the voter confirmation card.

County Clerk **Holliday** noted the mail out followed procedures set forth in both Federal Law and the Arkansas State Constitution. He also noted that any cards received after the 10 day period would still be accepted, but the 10 day return date had to be put on the card by law. He also explained the distinction between the two cards and noted that the mail out number was particularly high because the County did not do it in 2011.

Justice **Blankenship** said that he was thankful that the issues with the IRS had been resolved. He suggested the Court take the IRS refund and consider putting it toward a raise for county employees. Judge **Hill** suggested that they consider the issue at the next Finance Committee meeting.

Justice **Jim Bryant** moved to adjourn the meeting. It was seconded by Justice **Hoke**. The meeting was adjourned.

Craighead County
Payroll Tax Reporting Agreed Upon Procedures
City Council Meeting
January 8, 2013

Payroll Tax Reporting

1. Verify the accuracy of the payroll tax deposits remitted and agree them to the payroll journals. *We noted 109 instances out of 244 events (44.67%) where the payroll tax deposits differed from the payroll tax journals. We also noted in some periods the payroll journals were not available. Causes included math errors, federal and state tax deposits interchanged, deposits overlooked and record retention or inability to retrieve.*
2. Verify the timeliness of the payroll tax deposits remitted using the IRS phone reporting system. *We noted 13 instances out of 244 events (5.33%) where the payroll tax deposits were not remitted timely.*
3. Verify the adequacy and timeliness of the funds transferred from general fund bank account to the payroll bank account by authorized individual. *We noted 13 instances out of 244 events (5.33%) where funds transferred were not adequate to fund the payroll. The account balance is kept at a minimum. The cumulative underfunding caused 1 deposit (5/11/2009) to be returned by the bank for inadequate funds. We also noted an isolated instance where the payroll tax deposit funds were transferred from the general fund and were deposited into an old payroll bank account. The error was discovered during bank account reconciliation process and after the funds were wired into the correct account, the old payroll bank account was closed.*
4. Verify the amounts of the payroll tax deposits drafted by the IRS from the payroll bank account agree with the amounts remitted via phone reporting system. *We noted no exceptions in our procedures.*
5. Verify the timeliness of the payroll tax deposits drafted by the IRS from the payroll bank account agrees with the dates remitted via phone reporting system. *We noted 2 instances where the IRS transcript date was 1 day later than the request date. This did not cause the exceptions in our procedures regarding the dates in remittance and receipt. However, we noted IRS errors in applying the deposits to the proper quarters.*
6. Verify the data included on the quarterly and annual payroll tax reports filed with appropriate agencies (i.e. 940, 941's, W-2's, W-3's) agree with data per payroll journals and have been reconciled. *We noted discrepancies on the 941 payroll tax reports when compared to the payroll journals but have not been provided the necessary documents to perform the reconciliations with the W-3's and the 940's.*

Internal Control over Payroll Tax Reporting: These comments are per our onsite visit before December 31, 2012, the end of our reporting period per the agreed upon procedures engagement.

1. Review management's internal controls regarding supervision, monitoring and training policies for payroll tax deposit reporting and reconciliation procedures.

We noted no formal written policies or procedures neither within the County Clerk's office nor between departments within the county affecting the payroll functions (i.e. Treasurer's office)

We recommend written policies and procedures including organizational chart, job descriptions, training and monitoring responsibilities be developed.

2. Review management's segregation of duties and assignment of responsibility over payroll tax deposit reporting functions.

We noted one employee was processing the payroll, requesting transfer of funds from the Treasurer's office, remitting payroll tax deposits to the IRS, and reconciling the payroll account and tax deposit bank statements. The County Clerk was preparing the 941's from the deposit register and not the payroll system provided reports.

We recommend the job functions of payroll processing and bank account reconciliations be segregated. An internal control procedure should be established to ensure timely remittance of payroll tax deposits and filing of payroll tax returns.

We recommend the system generated reports be used to prepare the payroll tax deposits, the 941's and the W-2's/

3. Review management's reconciliation and approval procedures for the payroll related bank accounts.

As discussed above, the payroll bank account reconciliations were being prepared by the employee also processing payroll.

We recommend that all payroll related bank accounts be reconciled in a timely manner and that the reconciliation process be performed by someone not involved with the payroll tax deposit responsibility. We also recommend that the County Clerk review the completed reconciliation's and indicate the review by initialing and dating the reconciliation.

**Goad & Company, PLLC
Agreed Upon Procedures
Craighead County Clerk
Payroll Tax Liability-2004 through 2012**

Subsequent Payments	\$ 333,116
Tax Liability	<u>\$ (60,053)</u>
Penalties & Interest Paid	\$ 273,063
Subsequent Refunds	<u>\$ (174,212)</u>
Net Penalties & Interest	<u><u>\$ 98,851</u></u>

Sharon K. Jones
Social Work History

East Arkansas Area Agency on Aging

Director of Aging Services for 700 cases for 13 years.

Arkansas Rehab Services, Jonesboro, Arkansas

Psychiatric Technician for 12 years.

Licensed by the State of Arkansas, Department of Human Services, for long-term care.

CRAIGHEAD COUNTY COMMUNITY SERVICES

MISSION STATEMENT

It is the goal of Craighead County Community Services to help clients remain in their home and be physically and mentally healthy. This can be accomplished by making telephone reassurance calls and providing transportation for clients who are unable to drive to shop for groceries or pick-up medications.

A needs assessment will be made on each client who will benefit from services provided by the agency.

All services provided to clients will be documented and placed in their file. All information will be held in strict confidence. A breach of confidence will result in an employee being given a warning and possible termination. Mistreatment of a client will not be tolerated.

It is believed that individuals will benefit from interaction with the staff at Craighead County Community Services and from services that the agency provides. Knowing that the staff at Craighead County Community Services cares can mean the difference between a good mental health outlook or a feeling of helplessness. Loneliness and need knows no season and therefore will be dealt with.

All clients will be greeted by caring and compassionate staff members who enjoy providing services to those who have a need. It is our goal at Craighead County Community Services to assure clients that their needs will take top priority by a caring staff.

Clients will be made knowledgeable of other services that are not provided by Craighead County Community Services. This will be done so that no need will go unmet.

CRAIGHEAD COUNTY COMMUNITY SERVICES

8511 County Road 194
Walnut Ridge, Arkansas 72476

Federal Identification Number 45-3322052

Dun & Bradstreet Number 078306515

ESTIMATED ANNUAL BUDGET

Salaries:		\$	45,240.00
Executive Director	\$ 26,520.00		
Executive Secretary	\$ 18,720.00		
Supplemental Health Insurance for one year:			3,600.00
Executive Director	\$ 1,800.00		
Executive Secretary	\$ 1,800.00		
Automobile Expense:			6,480.00
Telephone:			4,800.00
Office Rent:			8,400.00
Office Supplies:			1,800.00
Legal and Professional Services:			1,500.00
Total:		\$	71,820.00

Estimated number of clients per month to begin services: 60

Sincerely,

Sharon K. Jones

SKJ/gy

Craighead County Quorum Court Meeting
Public Service Committee
April 8, 2013

Public Service members met after the full court adjourned. Brief discussion among members. With no official business at hand, Justice Weinstock made a motion to adjourn, seconded by Ken Stacks with all members voting to adjourn.

Meeting adjourned at 7:40 p.m.

Finance Committee Meeting

April 8, 2013

Finance Committee Members present: Chairman Bob Blankenship, Vice Chairman Jim Bryant, and Justices Kenny Hendrix, and Kevin Hoke.

Others present: Al Haines, Treasurer Terry McNatt, and Sheriff Marty Boyd

The Finance Committee Members assembled at 7:30 PM after the full court meeting and discussed the following:

Reviewed revenue and expenditure reports for March 2013.

There was no official business to be discussed.

Treasurer Terry McNatt reported that the Apprentice Software is performing very well in his office. McNatt is in the process of clearing up another final tax settlement error for 2012.

Sheriff Boyd reported that legislation is being approved that will allow inmates who are being discharged from the Detention Facility be paid with a Cash Card instead of drafting a check for their excess cash in the inmate fund. Cash cards were being used until State Auditors noted that legislation would need to be enacted to make the use of a cash card legal.

With no other business to be discussed, the Finance Committee stood adjourned at 7:45 PM.

Craighead County Quorum Court Meeting

April 8, 2013

Roads and Transportation Committee

Members of the Roads and Transportation Committee assembled at 7:33 pm after the meeting of the full court. Members present included: Terry Couch, Mike Hawkins, Ray Kidd and Max Render. Others present included Judge Ed Hill, Eugene Neff—Road Superintendent and Tony Thomas.

Justice Hawkins called the meeting to order and the following business was discussed:

1. Eugene Neff delivered his monthly road report (also distributed to the full court).
 - a. Indicated the Road Department had received the two graders from the recent bid process and they have been placed in operation.
 - b. Bridge work was complete on CR 616.
2. Discussion was held regarding a variety of projects discussed by the Justices: County ditch and drainage in District 13 and roadways around the new ready mix plant.
3. Old graders were sold on IronPlanet. One sold for \$55,000 while the other sold for \$50,000.
4. Discussion was held on the animal control issues during the full court. It was decided to invite Jonesboro Animal Control Director Larry Rogers to the next committee meeting.

With no other business the meeting adjourned at 8:09 pm.

APPROPRIATION ORDINANCE NO. 2013-04**BE IT ENACTED BY THE QUORUM COURT OF CRAIGHEAD COUNTY,
ARKANSAS; AN ORDINANCE TO BE ENTITLED:**

An ordinance to amend the 2013 annual operating budget to make an appropriated transfer of \$471,000 from Fund 1020, Capital Account Fund to Fund 3400, Bono Lake Fund, to appropriate funds for the Bono Lake construction project and to pay for additional cost incurred due to unforeseen delays and costs, and to proceed with final construction and completion of the Bono Lake Project; and for other purposes.

SECTION 1. It is necessary to transfer \$471,000 from Fund 1020, Capital Account Fund to Fund 3400, Bono Lake Fund, to complete the Bono Lake construction project and to appropriate these funds for expenditures necessary to pay expenses incurred in completing the Bono Lake project.

SECTION 2. That on April 8, 2013, the Craighead County Quorum Court unanimously voted to transfer and appropriate \$471,000 into the Bono Lake fund for final completion of the project and to fulfill an obligation to the taxpayers of Craighead County.

SECTION 3. That at this time, there are sufficient funds in the Capital Account Fund that can be transferred to the Bono Lake Fund and appropriated for the completion of the lake project.

Further, County Judge Ed Hill was given authorization to review and negotiate with the contractor and engineer any changes and cost saving measures deemed necessary to curtail costs and complete the project.

SECTION 4. That these Capital Account Funds and Bono Lake Funds shall be transferred and appropriated as outlined below.

Fund #	Fund Name	Fund Date	New	Change	Old
1020	Capital Account Fund Dept 0127	March 31, 2013	\$2,000,272.96	-\$471,000.00	\$2,471,272.96
3400	Bono Lake Fund	May 26, 2009	\$971,510.00	\$471,000.00	\$500,510.00
	<u>Dept /Acct.</u>	<u>Description</u>	<u>New</u>	<u>Change</u>	<u>Old</u>
	0604-3004	Engineering	\$125,500.00	\$30,000.00	\$95,500.00
	0604-4006	Construction in Progress	\$841,000.00	\$441,000.00	\$400,000.00
		Total Change		\$471,000.00	

There is hereby transferred \$471,000 from Fund 1020, Capital Account Fund and appropriated into Fund 3400, Bono Lake Fund, to complete the Bono Lake Project.

These transfers and appropriation of funds shall be transferred by the County Treasurer as described above and these changes shall be entered into the accounts payable appropriations journal by the County Clerk as described, upon passage of this appropriation ordinance.

Dated This 22nd Day Of April, 2013

Approved: Ed Hill
Ed Hill
Craighead County Judge

Attest: Kade Holliday
Kade Holliday
Craighead County Clerk

FILED
APR 23 2013
KADE HOLLIDAY
COUNTY & PROBATE COURT CLERK