

**SENATE INTERIM COMMITTEE ON CITY, COUNTY, & LOCAL AFFAIRS
HOUSE INTERIM COMMITTEE ON CITY, COUNTY, & LOCAL AFFAIRS**

MEETING JOINTLY

**OCTOBER 1, 2013
MINUTES**

Senate and House Interim Committees on City, County, and Local Affairs met Tuesday, October 1, 2013 at 1:30 p.m. in Magnolia, Arkansas.

Committee members present were Representatives David Fielding, House Chair, Eddie Armstrong, Vice-Chair, Fonda Hawthorne, Douglas House, Andy Mayberry, Mark McElroy, and Mary Lou Slinkard.

Other members present were Senators Bruce Maloch and Eddie Joe Williams; also Mary "Prissy" Hickerson, Stephanie Malone, and James Ratliff.

Approval of Minutes – August 21-23, 2013 [Exhibit B, B-1, B-2]

A motion to approve the minutes of the August 21st, 22nd, and 23rd, 2013 committee meetings was made by Representative Eddie Armstrong and seconded by Representative Mary Slinkard. The minutes were adopted unanimously.

Opening Comments – Representative Fielding, House Chair

Representative Fielding thanked legislators for attending the meeting and asked that they introduce themselves.

Recognize Judy Larry Atkinson, County Judge, Columbia County and Mayor Parnell Vann, City of Magnolia for welcome and comments

Representative Fielding recognized Columbia County Judge Larry Atkinson. Judge Atkinson provided information about the county and said it has 490,000 acres of land with 339 farms which average 162 acres per farm. He said the county's largest industry, Albemarle, is an international company whose products are sold worldwide. The timber industry covers 428,000 acres with an annual timber harvest of 763,000 tons. The county's poultry inventory consists of 11,809 broilers and turkeys with a total of 856,000 sold annually for a total of \$16 million.

Representative Fielding recognized Magnolia Mayor Parnell Vann who welcomed the legislators. He thanked Representative Fielding for holding the committee meeting in Magnolia.

Recognize Dr. David Rankin, President, Southern Arkansas University, for welcome and presentation

Representative Fielding recognized Dr. David Rankin who gave a PowerPoint presentation. Dr. Rankin told legislators the university was founded in 1909 and several buildings were constructed in 1910. At the time the school was founded, there were four agriculture high schools located in Jonesboro, Russellville, Magnolia and Monticello. Dr. Rankin showed slides of several new buildings, including a new Agriculture building a new Science Center, an expanded Nursing Building, and new residence halls. Dr. Rankin invited legislators to tour the campus.

Consideration to Adopt for Interim Study

Representative Fielding recognized Representative House to present Interim Study Proposal (ISP) 2013-170 sponsored by Representative Mark Lowery, who was unable to attend the meeting. Representative House said the ISP addresses a problem with the formation of special districts for sewer, water, levees, and power. The issue impacts areas where annexations have developed around the district, but the district remains a separate taxing entity with boards that are self-perpetuating, which causes problems with municipalities. This study will determine how to resolve the issue. A motion to adopt ISP 2013-170 was made by Representative Armstrong and seconded by Representative House. The motion was adopted unanimously.

Overview of Certification Courses Implemented by the Arkansas Municipal League, Plus, discussion of the Municipal League's Fire Protection Services Program (Act 833 of 1991)

Representative Fielding recognized Executive Director Don Zimmerman, Arkansas Municipal League (AML). Mr. Zimmerman referenced an update to the AML Fire Protection Services Program booklet published in February, 2003 (Handout 1). The booklet and update describe Act 833 of 1991, the insurance premium tax, which provides funding for rural fire protection services. Mr. Zimmerman also referenced a brochure, an Income Protection Plan for Volunteer and Part-Paid Firefighters created by the AML (Handout 2). When volunteer firefighters are injured on the job, causing a loss of regular employment, the state workers compensation law only allows \$20.00 per week for loss of income replacement. The AML program pays the difference between the \$20.00 workers compensation amount and the maximum amount the firefighter qualifies for under a full loss of income situation, which is \$602 a week. The cost of the program is \$20.00 per year, per firefighter. Mr. Zimmerman said there are 4,000 volunteer firefighters covered under this program.

Mr. Zimmerman introduced AML Assistant Director Ken Wasson who gave a presentation on AML's Voluntary Certification program for municipal officials. Mr. Wasson described the certification program, which requires 21 hours of credit and includes the following 3 courses:

- 3 hour course on basic roles of municipal officials - mayor, city clerk, quorum court members, and others.
- 3 hour course on budgeting and municipal finance to include presentations by staff of the Department of Finance and Administration on municipal audits and staff of the Internal Revenue Service on federal law.

- 3 hour course on human resources (HR) to include an emphasis on HR, the Americans with Disability Act (ADA), and the Fair Labor Standards Act.

Following implementation of this program, the AML Executive Committee chose to offer certification classes and workshops during the AML Winter Conference and the Summer Convention where municipal officials can obtain the remaining hours needed. Mr. Wasson said the AML Executive Committee reviewed the program over the previous two years and decided officials should be required to obtain 6 hours of continuing education credits to keep the certification current. The continuing education courses include planning and zoning, leadership, and economic development. Mr. Wasson referenced a list of communities participating in the program (Handout 3). He also said the program has been expanded to include city council members, city clerks, and clerk/treasurers. There is discussion of the need for mandatory training of officials in towns with repeated audit exceptions, plus the possibility of reimbursing attendees.

Discussion of Community Development Activity in South Arkansas

Representative Fielding recognized Denisa Pennington, Director of Community Development, Arkansas Economic Development Commission (AEDC) who gave a PowerPoint presentation. Ms. Pennington described resources and the divisions of AEDC, which include:

- an existing resource team provides training resources for existing and new industries
- Community Development Block Grants (CDBG), which is federal funding through AEDC, primarily used by cities and counties for infrastructure issues
- Business development and recruiting and working with the expansion of industries
- Film Commission
- Energy office
- Training on economic development
- Site development training and helping small communities with planning

Ms. Pennington said that AEDC works with locally-assigned economic developers who maintain site listings on the AEDC website. She then described an education program, Prospect Ready, a site selection program providing statewide resource information to community leaders. She said 13 projects were established in 2013 in South Arkansas, 11 were expansion projects, and 2 were new projects, with a total job creation of 63, with an average hourly wage of \$17.69. There has also been a regional strategic plan developed in the following 7 counties: Nevada, Hempstead, Howard, Miller, Sevier, Little River, and Columbia, with an emphasis on business, retention, and expansion.

Discussion of the State's Disaster Relief Process and Funding

Representative Fielding recognized Public Relations Officer Brandon Morris, Arkansas Department of Emergency Management (ADEM), and Fiscal Accounting Manager Richard Drilling, Arkansas Department of Finance and Administration (DF&A).

Mr. Morris said the agency was originally established in 1953 as part of the Civil Defense Plan. In 1973, the agency became the Office of Emergency Services, then an independent state agency in 1981. There are 100 full-time employees with an annual

budget of \$300 million, the majority of which is tied to federal grants. The agency supports more than 80 local emergency management positions statewide, including 77 local emergency management coordinators. He described the following process used by the agency when a disaster occurs:

- a preliminary damage assessment is performed
- assessments are analyzed by the Federal Emergency Management Agency (FEMA) and ADEM recovery staff
- assessment is provided to the Governor's office for a formal declaration to be sent to the President's office
- upon approval of a declaration, FEMA initiates its programs
- ADEM holds applicant briefings informing applicants of eligibility criteria to receive federal funds through a disaster package
- requests for public assistance are made by government entities to private non-profit organizations
- ADEM holds meetings with organizations and cities
- funds are obligated to the grantee, which is the state
- sub grantees, which are local entities receive funds
- projects are closed on an individual basis
- the disaster is officially closed

Mr. Morris told legislators that Arkansas is one of the few states with a dedicated disaster relief budget.

Representative Fielding recognized Richard Drilling, Accounting Manager, Department of Finance and Administration (DF&A). Mr. Drilling discussed payments for public and private assistance for hazard mitigation made by DF&A. The current state fiscal year appropriation is \$13 million 250,000. He explained that matching funds are provided in a federally declared disaster with 75% federal, 12½% state, and 12½% local funding. Mr. Drilling provided the following amounts paid by DF&A in previous years:

- Fiscal year 2010 DF&A paid \$14.4 million
- Fiscal year 2011 DF&A paid \$17.8 million
- Fiscal year 2012 DF&A paid \$13.2 million
- Fiscal year 2013 DF&A paid \$7.8 million

For fiscal year 2013-2014, \$1.5 million has been paid with the majority of the funds being paid to individuals for safe shelters. The program for safe shelters allows individuals to apply through emergency management to receive a maximum of half the costs of their safe shelter, or a maximum of a \$1,000.

There being no further business, the meeting adjourned at 3:15 p.m.