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**MINUTES OF THE
SPECIAL MEETING OF THE
WASHINGTON COUNTY QUORUM COURT**

Monday, November 16, 2015
5:30 p.m.
Washington County Quorum Court Room

- 760.1 The Washington County Quorum Court met in special session on Monday, November 16, 2015. The meeting was called to order by County Judge Marilyn Edwards. She stated that the purpose of this meeting was to continue working on items pertaining to the 2016 budget process.
- 760.2 B. Ussery led the Quorum Court in prayer and in the Pledge of Allegiance.
- 760.3 MEMBERS PRESENT: Daniel Balls, Harvey Bowman, Rick Cochran, Robert Dennis, Lisa Ecke, Ann Harbison, Sharon Lloyd, Tom Lundstrum, Eva Madison, Sue Madison, Joel Maxwell, Gary McHenry, Joe Patterson, Butch Pond, and Bill Ussery.
- 760.4 OTHERS PRESENT: County Judge Marilyn Edwards, Chief of Staff George Butler, Treasurer Bobby Hill, Comptroller Cheryl Bolinger; Interested Citizens; and Members of the Press.
- 760.5 ADOPTION OF THE AGENDA: Judge Edwards asked if there were any additions or deletions to the agenda.
- 760.6 **R. Cochran made a motion to adopt the agenda as presented. B. Pond seconded. The motion passed unanimously by voice vote. The agenda was adopted as presented.**
- 760.7 DECISION ON WASHINGTON COUNTY COMPENSATION FOR EMPLOYEES AND ELECTED OFFICIALS FOR 2016: R. Cochran addressed agenda item #5.1 showing variations of compensation levels including a 2% to 3% raise for full-time employees and 85% of maximum for elected county officers with benefits for both included. He noted that the 2% raise for full-time employees and 85% of maximum for elected full-time county officers would cost \$583,131.36 with the 2% raise covered by the County Clerk's Automation Fund. The 3% raise for full-time employees and 85% of maximum for elected full-time county officers would cost \$832,343.96 with 2% of raise covered by County Clerk's Automation Fund and additional 1% being covered by their respective funds. This also showed salaries of full-time elected county officers with the minimum, maximum, 85% of maximum and benefits.
- 760.8 E. Madison stated that Sheriff Helder had talked about the concept of a phase-in for elected officials with first term being set at a certain percent of the state maximum and then for each additional term, they build up and reward longevity. She noted that State law says that they cannot ever

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lower elected officials' salaries, but this system would award the longest tenures and length of service. She stated that this concept makes a lot of sense instead of the flat increase for everyone and she would like to see them consider it.

- 761.1 T. Lundstrum concurred with E. Madison, but in discussing this with County Attorney Steve Zega, it appears that would need to be done for the 2017 Budget. He stated that he would like to entertain raising the Sheriff and County Judge's salaries to 90% of maximum for elected officials which was accepted as a friendly amendment at their last meeting; however, he would not want to see the incoming Judge and newer officials coming in receive those higher rates as they will be inexperienced and not worthy of those salaries. Further, with their restricted budget this year, he would rather see them give a bonus in the \$600 to \$700 range to the county employees rather than an annual pay increase, as a bonus tends to help the lower income folks more than a 2% pay increase.
- 761.2 S. Zega addressed T. Lundstrum stating that the Court tabled his main motion so the vehicle for that is a motion to take it from the table and would require a second and majority vote.
- 761.3 **T. Lundstrum made a motion to take his tabled motion to raise the Sheriff and County Judge's salaries to 90% of the maximum for elected officials off the table. The motion was seconded.**
- 761.4 **Judge Edwards called for a vote on the motion.**
- 761.5 VOTING FOR: B. Pond, D. Balls, R. Cochren, R. Dennis, A. Harbison, T. Lundstrum, and J. Patterson. VOTING AGAINST: B. Ussery, H. Bowman, L. Ecke, S. Lloyd, E. Madison, and S. Madison. ABSTENTIONS: J. Maxwell and G. McHenry. **The motion failed with seven members voting for and six members voting against the motion and two abstentions.**
- 761.6 R. Cochran stated with regard to scaling salaries for elected officials based on their years of service to the County has merit in his mind, it also has a fallacy for which he cannot support. He gave the example that Sheriff Helder retires and they hire a Captain Major from a local Police Department with 15-20 years of experience but because of it being his first year at the County, he would be paid the lower salary.
- 761.7 **A. Harbison made a motion that they give a 3% raise to full-time employees and 85% of maximum for full-time elected officials. D. Balls seconded.**

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- 762.1 B. Ussery agreed that 3% was the way to go because they have been lagging behind and if they do 2% or the bonus this year, next year they will be 5% to 8% behind everyone else in the area.
- 762.2 Comptroller C. Bolinger noted that agenda item #5.4 shows a 3% raise for full-time employees and 85% of maximum for elected officials of which 2% would be covered by the County Clerk's Automation Fund and it would cover the 85% of maximum for the elected officials and the extra 1% would be covered by the respective funds. The chart shows what the balances would actually be and if they want to vote on the budget tonight, that is what they would be voting on.
- 762.3 In response to a question from S. Madison, C. Bolinger explained that the Unappropriated Reserves shown on agenda item #5.3 for County General is \$5,594,824 and on agenda item #5.4 is shown at \$5,380,498 with the difference being attributed to the extra 1% salary increase for employees. She further noted that the *** shown are the funds that are picking up the additional 1% above what the County Clerk's Automation Fund is covering with the 2% salary increase and 85% of maximum for the elected officers, including benefits. S. Madison noted that the cost to the county after taking out the County Clerk's donation would be the difference between \$11,774,172 and \$11,524,962.
- 762.4 R. Cochran stated agenda item #5.1 shows the additional 1% cost per fund for the 3% raise at \$249,212.60 that they would be reducing their unappropriated reserves.
- 762.5 E. Madison stated her concern remains using one-time money for an ongoing expense and if they are going to use one-time money, the best way to use it is in the form of a bonus. She stated that she has a hard time supporting a percentage based raise that benefits those at the top the most. She stated until they have some way of knowing how they are going to make that revenue appear two years from now they are being short sighted by committing to a permanent raise.
- 762.6 H. Bowman stated that Salary Consultant Blair Johanson advised them at the recent review of salaries and income vs. other businesses, that county benefits are not included in the comparisons and they are only talking about compensation. He stated that 15% going into retirement funds compared to the other funds is a very lucrative program and if they are going to compare these numbers, they need to be total numbers, not just compensation. He stated he would support the bonuses this year and does not believe that they are behind other entities and are right where they need to be. He believes bonuses would help equalize some

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of the lower compensated jobs and will not support either the 2% or 3% raises.

- 763.1 A. Harbison addressed benefits, noting that this is something several years down the road that these people will receive and they do have people who stay with the county even though the salary is not that competitive because of the benefits they will get in 20-30 years. She noted that the benefits are set by the State Legislature. She believes that they should give the equivalent of a 3% raise whether it is in a bonus or salary increase. She hates the argument that because something was set by the state, that they are responsible for it which they are not.
- 763.2 J. Maxwell stated he agrees they need to figure out a way to reward county employees who work hard. He stated for his mentality merit based increases are the best way to go because what you measure in reward is what you get and it also handles some of the disparity between the lower and higher pay grades. He asked Human Resources Director Linds Huffaker how feasible or difficult merit based increases would be to implement and what a good merit based plan would look like.
- 763.3 L. Huffaker stating that merit based increases are doable because the county has taken measures in the last four years to create a system of equalized performance evaluation where every department does the same evaluation which is point based. She stated that they created a system to equalize and come up with a numeric figure so that merit can be computed. She stated the only thing she wants to stress is when it comes to merit, merit is as effective as the likelihood of it being there the next year, so when you encourage employees to perform well because it affects their pay, there has to be the expectation, anticipation or likelihood that it will recur and if it does not recur, the employees are no longer incentivized by that. L. Huffaker further stated that it has to be done very fairly and have to be tied to their evaluation, so departments would not have the liberty to opt out and give all employees the same rate, but rather they would need to correlate it to the numeric score on file in the HR Department to make it successful. She pointed out that the deadline was that day for performance evaluations and they have 95% already collected with a couple of offices asking for an extension.
- 763.4 J. Maxwell asked if L. Huffaker had some experience or observations whether plans merit based like that really cultivate better performance and reward the better performers in practice as much as in theory. L. Huffaker responded stating if there is an expectation of it being in place next year, it can be a motivator, but if the employees are expecting it and perform top of their game and the next year there is no merit, the likelihood

of them performing at the same level the next year using that solely as their motivator, does not have the same impact. She stated something she has seen Benton and other local counties do would be if the county is going to look at merit, they created a merit system and wrote into a program and budget controls an expectation of what they would expect merit to be on an annual basis. She stated that the Quorum Court still holds the authority to adapt or eliminate it, but if you have a system in place, that is where merit functions most effectively.

- 764.1 J. Maxwell stated if they were to think about implementing something like this, besides needing to be consistent and taking away the latitude, is there anything else that they would need to consider; to which L. Huffaker stated to make sure that department heads and elected officials are very fair, honest and accurate on their evaluations; that they do not see a discriminatory effect with some checks and balances in place.
- 764.2 **A. Harbison called a point of order because this is merit pay and there is a motion on the floor for a 3% raise with an 85% maximum for elected officials.**
- 764.3 **Judge Edwards stated that she would yield to the point of order.**
- 764.4 E. Madison stated that she cannot support the across the board 3% raise because they had asked Blair Johanson to include the value of take home vehicles in compensation and because the Comptroller could not put a dollar figure on that, he did not do it, so in her mind they still have this gross disparity among employees in same grades with same jobs because of that issue.
- 764.5 L. Ecke asked L. Huffaker if a county employee ever has to face downsizing, mergers, furloughs, market downturns and losing their jobs; to which she responded that employees have lost their jobs and since she has been at the County she had an HR employee laid off. There have been times when the city has seen days closed because they did not have the funding. She stated that employees would not see mergers, but there is the possibility if there is not enough budgetary funding or the budget is not passed, they could see days off without pay, but this rarely happens.
- 764.6 L. Ecke stated that Blair Johanson prepares a very in-depth report, but she feels sometimes the lens in which he evaluates the market is not the lens that she sees reality through. She is out there in the job market as an employer and she sees people losing their jobs all the time, noting the 450 that recently were laid off at Walmart. She stated things such as stocks, benefits, and cell phones that B. Johanson says make county employees

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below market pay is nebulous to her and to dismiss the long term retirement benefits is not accurate. L. Ecke stated that she cannot support what B. Johanson is saying because her job experience and reference is different and she cannot support the 3% across the board wage increase because he did not finish the 20% added to other employees for the vehicles and believes that county employees are very well paid. She reported a constituent calling every JP to urge them not to support this raise for employees who have county vehicles, noting that the market is flat this year and he would not be getting a raise in his Social Security, so why should they.

- 765.1 L. Huffaker responded that at the last meeting, Blair Johanson did not dismiss the retirement whatsoever; in fact, the report that he passed out to the Quorum Court showed it as a percentage compared to payroll. He also presented the NOARK, ACA and Federal Government studies that listed out their retirement benefits plus health benefits. All that looked at was the percentage that the employer paid. She noted when Mr. Johanson gave his last presentation, accounted for the retirement fully. L. Huffaker stated that when he presented that as a total payroll, they look at the fact that they are roughly 3% behind what he said was the NOARK market and they are roughly 2% behind the NOARK market in benefits that includes retirement. The County is roughly 5% behind the ACA market, including retirement; and they are roughly 6% the Federal Government market when they look at benefit packages, completely separate from salaries. L. Huffaker noted that the data gathered is based off of employers that take the time to respond to studies and not every employer does. She stated currently 25% of their payroll is equivalent for benefits, ACA is 30%, NOARK is 27%, and the Federal Government is 31%, so they are not running far ahead in the distance when it comes to benefit packages as a percentage of their payroll. She stated what they are paying is roughly 2%, 5% and 6% of those that respond to studies ahead of Washington County and he did account for retirement.
- 765.2 L. Ecke stated she did not get that report, only receiving the one where he did not have benefits included. She reiterated that she would support a bonus for their employees, but not the 3% increase.
- 765.3 H. Bowman stated that it does not make any difference if these decisions are made in Little Rock or here about compensation, but it does come out of their checkbook and off of their bottom line when they pay benefits, so they are still talking about the same impact on their budget whether somebody else made the decision or we did.

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- 766.1 R. Cochran stated that he too believes that a bonus is wiser this year than a percentage increase. He requested the number of employees they have that are not in management or elected officials; to which C. Bolinger responded that she did not have those figures with her, but she did a report showing a bonus vs. 2% raise which the cost to the county is approximately \$423 per full-time employees and \$212 per part-time employees based on the number of employees they have. She stated that the cost for that type of bonus to employees would be \$563,000 and a 2% raise to employees would cost the county \$319,000, so they would have an additional cost of \$243,000 because they pay the taxes for employees. R. Cochran stated that they would not have the recurring cost unless they choose to bring it forward at some point in the future.
- 766.2 **R. Cochran made a motion to amend A. Harbison's motion so the 3% would be paid as a bonus on a person basis rather than on a percentage basis. A. Harbison accepted this as a friendly amendment to her motion.**
- 766.3 R. Cochran stated that his motion leaves A. Harbison's main motion with respect to compensation for elected officials at 85% of the maximum allowed alone and that was omitted because he was not anticipating that they would go ahead and move that high on elected officials.
- 766.4 S. Zega stated that 85% of the maximum allowed for elected officials is the rate that is currently in place; and he stated it seemed to him that R. Cochran's motion was aimed solely at a portion of her motion dealing with the raise and how it is distributed.
- 766.5 S. Zega stated the way he understood the main motion was that there was a 3% raise that has now been accepted as a friendly motion to be paid in a bonus; and that elected officials were going to be 85% of their statutory maximum which has already been taken care of by the Legislature.
- 766.6 R. Cochran added that the 3% bonus would be based on per person rather than a percent of base salary and they can use the \$423 for full-time and \$212 for part-time.
- 766.7 C. Bolinger stated if they did \$500 and \$250, it would be \$665,423.40 which R. Cochran stated is just a little over what they would pay if they were doing a 2% raise and essentially, if they are still receiving funds from the County Clerk's Automation Fund, it would only be about \$70,000 out of the county reserves. He added that this would also keep them from skewing their slopes that B. Johanson showed them because if everyone gets the one time amount, they stay at the same level.

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- 767.1 B. Ussery stated that he understands what they are trying to do, but pointed out that the people on the lower end of the scale currently are 12% below the market and at this rate, those on the upper end of the scale currently are 10% to 15% below market, so what they are doing is skewing it the other way and if they continue this, they will just get further and further behind.
- 767.2 S. Madison stated that she would like to understand where the money for the cost of living increase for elected officials comes from; to which C. Bolinger responded any raise or benefits come out of the General Fund budgets, but the County Clerk's Automation Fund money will cover the elected officials as well. C. Bolinger stated that the total for the cost of living increase for elected officials is \$36,261.76.
- 767.3 E. Madison stated that she would like to request that A. Harbison sever the two parts of her motion as there are two distinct issues that they are talking about and she does not want to see one defeat the other and by defeating it that they would not be able to bring it back up. She stated her concern that they are telling their employees that they can't afford a raise and so they are giving them a bonus, and yet are in fact giving elected officials a raise because the Legislature automatically increases the line item maximum every year, which sends the wrong message.
- 767.4 S. Zega stated that it is not severed, but is called "division of the question" and this can be done, requiring a second, it is not debatable, and requires a majority to pass.
- 767.5 **E. Madison made a motion to divide A. Harbison's motion with the employee bonus issue separated from the 85% of maximum allowed for elected officials and would be voting twice for what was once one motion. B. Pond seconded.**
- 767.6 **With no further discussion, Judge Edwards called for a vote on the motion to divide A. Harbison's motion.**
- 767.7 **VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, G. McHenry, and J. Patterson. VOTING AGAINST: A. Harbison. **The motion passed with fourteen members voting for and one member voting against the motion. A. Harbison's motion was divided.****

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- 768.1 It was discussed and decided to vote on the 3% bonus for employees first because whatever they decide to do with the employees will be the impact of what they decide to do with the elected officials.
- 768.2 **R. Cochran made a motion to vote on the 3% bonus for employees first. A. Harbison seconded.**
- 768.3 **Judge Edwards called for a voice vote on the motion. The motion passed unanimously. The question of a 3% bonus for employees will be addressed first.**
- 768.4 **R. Cochran made a motion to enact a 3% bonus at the rate of \$500 for full-time employees and \$250 for part-time employees. T. Lundstrum seconded.**
- 768.5 E. Madison asked if there was any eligibility requirements for this bonus to which L. Huffaker stated she would recommend for the full-time employees, that they at least have to meet the one-year anniversary and if it is put into policy, if not eligible in December, on their one-year anniversary next year, they would receive the wage increase, but she is unsure about bonuses.
- 768.6 C. Bolinger stated in the past when they did bonuses, they did them in July which works well for everyone and is doable for the county and those eligible for the bonus were employed as of January 1 and still employed in July.
- 768.7 L. Huffaker stated for part-time employees she would strongly recommend that they use the verbiage "APERS eligible" because those employees who are APERS eligible, work an average of 20 hours a week and if they do not include that language, they will open the door to 800 part-time election poll workers.
- 768.8 **R. Cochran made a motion to amend his previous motion to pay bonuses two times during the year of \$250 for full-time employees and \$125 for part-time employees who are APERS eligible on the first pay periods of July and December. J. Maxwell seconded.**
- 768.9 A. Harbison stated that she thinks the bonuses should be given all at one time because it gives a pool of money for the employees to do something with and if they cut it into two payments it decreases their buying power.
- 768.10 R. Cochran stated he would accept that as a friendly amendment to his motion; however, second J. Maxwell stated that he would not.

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- 769.1 J. Maxwell stated if they split it into two six-month eligibility periods, they actually can keep from limiting some of the employees who for instance did not start the job until February making them ineligible for the first bonus payment, but they would be eligible for the second bonus payment.
- 769.2 A. Harbison stated she likes the verbiage "once they reach their anniversary date", but she thinks doing it that way has some problems.
- 769.3 E. Madison stated if they split the bonuses, she believes the tax cost to the county is lower because of the tax rate for bonuses is considered supplemental compensation and is not taxed as wages, but taxed at a higher rate. She stated that they have mentioned different costs and she needs to know the bottom line cost for what they are talking about.
- 769.4 C. Bolinger stated that the \$423 bonus for full time and \$212 for part time was the comparable to the 2% raise, and she suggested if they were doing a bonus to round it up if they decided to do a \$500 and \$250. She stated that she did not figure a bonus with the 3% raise, and she can do this but not at this time.
- 769.5 S. Zega stated that he apologizes, but he lost an amendment somewhere. He stated that what he has on the floor now is full-time employees employed for one year on New Year's Day 2016 will receive a \$500 bonus and part-time (APERS eligible) employees would get a \$250 bonus and it will happen in July of 2016; however, this did not get an assent from the second.
- 769.6 **With no further discussion, Judge Edwards called for a vote on the motion to pay bonuses two times during the year of \$250 for full-time employees and \$125 for part-time employees who are APERS eligible, on the first pay periods of July and December.**
- 769.7 **VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, G. McHenry, and J. Patterson. The motion passed unanimously. The two bonus installments as set out above was approved.**
- 769.8 **A. Harbison made a motion that they pay the elected officials 85% of the maximum allowed by State law. R. Dennis seconded.**
- 769.9 S. Madison asked if the County Clerk's money is covering that as well, so once again they are contemplating using one-time money for an ongoing

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expense; to which C. Bolinger responded she was correct. S. Madison stated, therefore, she could not support the motion.

- 770.1 H. Bowman stated that the State has bumped the compensation for elected officials by 3%, so in effect if they approve this then they are giving elected officials a 3% raise and giving the salaried people a 3% bonus. He stated that the 3% raise for elected officials is additive in future years with all benefits to go with it and it is not for the salaried people. He sees this as a disparity on the top side and believes that needs to be considered.
- 770.2 L. Ecke asked since this is state mandated do they really have a choice whether they approve it or not approve it? She stated they are currently at 85% of the maximum allowed and they would just be leaving it at 85%.
- 770.3 E. Madison stated that there is a minimum and maximum for every elected official depending on the class size of the county, and last year for this year they set them at 85% of the then existing maximum and that maximum has gone up this year. She pointed out if they affirmatively said 85% of the new maximum, it is a raise because of the raise that has gone into effect as a result of the State's COLA; and if they leave them where they are, it is 85% of this year's maximum. She noted that there is a choice because they can set anywhere within the range.
- 770.4 **With no further discussion, Judge Edwards called for a vote on the motion to pay elected officials 85% of the maximum allowed.**
- 770.5 VOTING FOR: B. Pond, B. Ussery, D. Balls, R. Dennis, and A. Harbison. VOTING AGAINST: H. Bowman, R. Cochran, L. Ecke, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, G. McHenry, and J. Patterson. **The motion failed with five members voting in favor and ten members voting against the motion.**
- 770.6 R. Cochran stated it has been two years since they have increased elected officials set pay.
- 770.7 **R. Cochran made a motion to offer a \$1,000 bonus to Elected Officials at the same time they are giving the other employee bonuses. A. Harbison seconded.**
- 770.8 T. Lundstrum stated he is confused because he thought the elected officials were already set at 85% of the maximum allowed, so they are either going to keep paying them the 85% which will include the 3% to which it was noted had been voted down.

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- 771.1 S. Zega stated what you cannot do is cut their pay in absolute numbers so the County Judge's salary was \$91,000 for 2015 and has to make at least that amount for 2016. He stated that it has to be the same absolute number as long as it does not violate the bracket.
- 771.2 T. Lundstrum stated that they could move the percentage but not the actual pay; to which S. Zega responded that they could name a real number that is within the bracket would be easier than fiddling with the percentage.
- 771.3 **T. Lundstrum made a motion to set the Elected Officials percentage of the maximum to where it equals what they are currently being paid for next year and give them the same \$500 bonus they are giving the elected officials.**
- 771.4 **R. Cochran and A. Harbison accepted T. Lundstrum's motion as a friendly amendment.**
- 771.5 A. Harbison stated that these are elected officials who carry on and direct the activities of the County and their responsibilities are enormous, so she does not understand why they do not just pay the 85% of maximum allowed.
- 771.6 E. Madison stated instead of guessing about a percentage, why not just say that their salaries will remain flat. She stated she is also not sure that a bonus would be a form of salary so it seems like it would be permissible because the Legislature sets what they can pay them and she is not sure that it allows them to be paid bonus compensation.
- 771.7 S. Zega stated it is his opinion that there would not be an issue with it as long as they were not breaking the top of the bracket. For what it is worth in terms of verbiage, it may be wiser to call it a \$500 salary increase or stipend as opposed to a bonus, but if they do it that way it would have to be paid out over 26 pay periods.
- 771.8 **A short recess was taken at this time.**
- 771.9 E. Madison stated that A.C.A 14-14-1204 talks about the Quorum Court setting the compensation of elected county officers and with regard to salaries stated the Quorum Court of each county shall fix by ordinance the annual salaries of the following county officers with the minimums and maximums provided in the section. She stated there is not allowance for other compensation and she thinks that they are not permitted to lower an elected official's salary once they are in office and so by giving this bonus,

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it is a raise and she does not believe they can call it a bonus because she believes they can only set salaries. In her opinion, they cannot give a one-time bonus for elected officials.

- 772.1 S. Zega stated that he concurs with E. Madison for a slightly different reason. He stated there is language in the statute that gives him pause which is, "The annual salary of (elected officials) shall be compensation for all services performed as provided by the Arkansas Constitution by law or by county ordinance." In other words, he stated the salary is the compensation and by that language, he does not think they are authorized to give a bonus.
- 772.2 H. Bowman stated that his calculations are based on 100% of the maximum for the County Judge's compensation looking at the current salary, for next year it would be 81.72% or just under 82% of the maximum. Therefore, he stated if they looked at an 82% compensation for county officials that would not be a cut in anyone's compensation, plus would probably be somewhere in that \$500 range as far as additional increase in income. He believes this is a way to arrive at a reasonable figure that would not reduce pay, but keep it very flat.
- 772.3 **R. Cochran withdrew his motion.**
- 772.4 **R. Cochran made a motion to add \$1,000 to Elected Officials salaries. R. Dennis seconded.**
- 772.5 S. Madison stated that she is somewhat troubled that they are treating all elected officials the same. She feels like the Sheriff is on duty 24 hours a day and she doubts that the Treasurer would ever get a call in the middle of the night that one of his employees has been shot or there needs to be a manhunt. She stated that there is a difference in the duties of these various obligations and believes that they need to take this into consideration.
- 772.6 **S. Madison made a motion to amend R. Cochran's motion to move the Sheriff's pay to 90% of the maximum. T. Lundstrum seconded.**
- 772.7 L. Ecke stated if they are not careful, what happened the last time they met will happen again. She stated if they want to look at the Sheriff and County Judge and consider those two and the Circuit Clerk and Treasurer and divide them up as far as duties and level of responsibility, they can probably do that, but if they are going to consider the Sheriff, she believes they need to consider the County Judge as well.

- 773.1 **A. Harbison made a motion to amend S. Madison's motion adding the County Judge to the 90% of maximum.**
- 773.2 S. Zega stated the problem with A. Harbison's amendment is that they all voted that down about 45 minutes ago, so her amendment is out of order and not proper in terms of parliamentary procedure because they would have to move to reconsider it. S. Madison's motion is different because she is talking about just the Sheriff. He further explained that S. Madison's motion to amend was not a friendly motion, so they will still have to come back and vote on the main motion.
- 773.3 B. Pond stated that he will not support S. Madison's motion because the County Judge was not included.
- 773.4 **With no further discussion, Judge Edwards called for a vote on S. Madison's motion to pay Sheriff Helder at 90% of the statutory maximum.**
- 773.5 **VOTING FOR: R. Dennis, T. Lundstrum, E. Madison, S. Madison, and J. Patterson. VOTING AGAINST: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, L. Ecke, A. Harbison, S. Lloyd, J. Maxwell, and G. McHenry. The motion failed with five members voting in favor and ten members voting against the motion.**
- 773.6 S. Madison asked when they have a new County Judge come into office in January 2017, would they be locked into that new amount for the new County Judge; to which E. Madison quoted from A.C.A. 14-14-1203(d) that states, "Any decrease in the annual salary or compensation of a county officer shall not become effective until January 1 following a general election held after such decrease shall have been fixed by the Quorum Court of the County." Therefore, she believes that the salary could be changed for the new County Judge.
- 773.7 S. Zega stated that presumably they could come back before the General Election and decide to decrease those salaries and it would be legal under that code section.
- 773.8 In response to a question from S. Lloyd, it was explained that they were voting on a \$1,000 salary raise alone without the 3% maximum allowed.
- 773.9 H. Bowman stated that they are making this really complicated because if they issue \$1,000 across the board for all elected officials, there is a disparity in the amount of income so \$1,000 for one is more than the others. He suggested that they look at an 82% compensation level which

for the County Judge would be a \$327 raise and the others comparable right down the ladder. That would be a simple way to accomplish the same thing and give them a number that is easy to deal with.

- 774.1 B. Ussery stated that he agrees to what H. Bowman is saying on the one hand, but on the other hand, it is not right to all employees to have them get the same thing and then to give the elected officials something different, so he would prefer to stick with the original motion.
- 774.2 **With no further discussion, Judge Edwards called for a vote on R. Cochran motion to add \$1,000 to Elected Officials salaries.**
- 774.3 **VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, S. Madison, J. Maxwell, G. McHenry, and J. Patterson. VOTING AGAINST: E. Madison. The motion passed with fourteen members voting for and one member voting against the motion. Adding \$1,000 to Elected Officials salaries was approved.**
- 774.4 **FINALIZATION OF THE 2016 BUDGET CONTROLS:** Judge Edwards stated that the Quorum Court still needs to finalize the language in Section 6 regarding salaries in the revised Budget Controls.
- 774.5 S. Zega read language for this budget control as follows, "Employees who are employed for one year on January 1, 2016, full-time employees will receive a \$500 salary bonus and part-time (APERS eligible) employees will receive as \$250 salary bonus. The bonus will be paid in two equal installments in July and December of 2016. Salaries of full-time elected officials will be increased by \$1,000 over their 2015 budgeted salary amount. "
- 774.6 **A. Harbison made a motion to approve the above language for Section 6 of the 2016 Budget Controls. R. Cochran seconded.**
- 774.7 In response to a question from S. Madison, S. Zega confirmed that this language is consistent with what they had just passed as far as employee bonuses.
- 774.8 J. Maxwell stated his understanding that the employee bonuses were two separate bonuses and not contingent on a full year of employment to which S. Zega responded that they have to have been employed for a full year. J. Maxwell stated that he thought what they originally voted on was that if an employee was here from January 1 to June 30 that they were eligible for the first half year bonus whether part time or full time; and if

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they were here for the second portion of the year from July 1 to December 31 then they were then eligible for the second part of the bonus. He stated that they split it into two payouts and also split it into two eligibility time frames so they could include more people and if they started in the middle of the year or quit in the middle of the year, they were not discounting themselves from this bonus plan.

- 775.1 Executive Assistant Karen Beeks stated that was not included in the motion made by R. Cochran that was voted on. Two installments were approved but not two different eligibility time periods.
- 775.2 In response to confusion, C. Bolinger explained that typically when a raise is given which this is kind of in place of, it is given to employees after they have been employed by the county for one year, and she believes that is the reason for the language in the budget control.
- 775.3 J. Maxwell stated that there were probably others who thought they were voting on two eligibility periods and two different bonuses.
- 775.4 S. Zega responded that he thinks it is important for the intent of the Court to be expressed and followed and the way to do that would be a motion to adopt a previously adopted motion.
- 775.5 **J. Maxwell made a motion that they pay the bonuses out in two equal sums with two eligibility periods of the first six months and second six months of the year. The motion was seconded.**
- 775.6 Executive Assistant Karen Beeks asked what makes the employee eligible in the first six months compared to the employee eligible for the last six months; to which J. Maxwell responded if they were employed for the first six months, then they would be eligible for the first pay out and if they are employed for the second half of the year, they would get the second half of the bonus. There was discussion whether language needed to be included that the employee must have been on the employment roster up to a year at that point.
- 775.7 S. Zega stated that the original wording of the budget control took into account the fact that they had to be employed by the county for a year to get the bonus and the way the motion was worded originally, the threshold question was that they had to be employed for a year and the way he understands J. Maxwell's motion to be seems if they work from January to June 30 and quit on July 1 they receive the bonus check regardless.
- 775.8 J. Maxwell stated he would leave it to the pleasure of the Court.

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- 776.1 L. Ecke asked if the Employee Handbook says anything about the eligibility guidelines for employment of one year, a statute, policy or budget control that directs them how to apply the raise; to which C. Bolinger responded that currently the policy is they have to be employed for one year to be eligible for a pay raise, and there is not per say a policy regarding this, but it is decided by the Court annually in a budget control.
- 776.2 L. Ecke stated she would like to keep it at a year to give the incentive for them to stay and not just six months, get paid and leave.
- 776.3 Judge Edwards pointed out that this is the way it was originally voted on; and L. Ecke questioned therefore what was missing.
- 776.4 **J. Maxwell withdrew his motion.**
- 776.5 **With no further discussion, Judge Edwards called for a vote on the motion to approve the language for Section 6 of the 2016 Budget Controls as read by S. Zega.**
- 776.6 **VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, S. Madison, J. Maxwell, G. McHenry, and J. Patterson. ABSTENTION: E. Madison. **The motion passed with fourteen members voting for and one member abstaining. The language for Section 6 of the Budget Controls for 2016 was approved as presented.****
- 776.7 **AN ORDINANCXE RECOGNIZING REVENUES AND APPROPRIATING MONIES FOR THE EXPENDITURES IN EACH FUND FOR WASHINGTON COUNTY, ARKANSAS, FOR THE YEAR 2016, AND ADOPTING A BUDGET FOR THE VARIOUS DEPARTMENTS REFLECTING THE LINE ITEM EXPENDITURES THEREOF:** R. Cochran introduced **An Ordinance Recognizing Revenues And Appropriating Monies For The Expenditures In Each Fund For Washington County, Arkansas, For The Year 2016, And Adopting A Budget For The Various Departments Reflecting The Line Item Expenditures Thereof**, and County Attorney Steve Zega read the ordinance.
- 776.8 R. Cochran stated that this is the ordinance that approves the budgets and budget controls. In anticipation that Agenda items #5 and #6 above were finalized, the Quorum Court will have reviewed all items for the 2016 Budget and is ready to consider passage.

- 777.1 **R. Cochran made a motion to adopt the ordinance. A. Harbison seconded.**
- 777.2 T. Lundstrum stated that there is more than ample amount of spending in this budget to cause him to vote against the ordinance. However, some of the items that he voted against originally were approved 14-1 so he will probably not change it very much. He stated he is not happy with the \$420,000 going to the Election Commission; with the \$500,000 extra dollars going to the Road Fund; or with the \$123,000 going to Ozark Regional Transit that runs empty all the time, to name a few. However, he will reluctantly vote to approve this budget to get it passed so they can move ahead with the business of the County.
- 777.3 E. Madison stated after much consideration, she believes the problem she has with this budget is that it is based on a very critical false assumption. She stated that this discovery they have all made about the sales tax with percentage to the breakdown, she does not believe there is any authority for them to be dividing up the sales tax like they are, and she does not know where the authority is for the revenue apportionment that they have seen with certain money going to the Road Department and to the General Fund. She noted that they have only been given a brochure from a sales tax election that occurred in the early 1980's.
- 777.4 **A. Harbison called for a point of order because she does not believe that what E. Madison is talking about has anything to do right now with this budget.**
- 777.5 **E. Madison stated that she wants everyone to hear the reasoning for why she will be voting against this budget and is absolutely within order.**
- 777.6 S. Zega this is a discussion about revenue and he believes E. Madison's discussion is germane.
- 777.7 Judge Edwards ruled against the point of order.
- 777.8 E. Madison reiterated that they have this brochure from a committee that supported a political ballot initiative which is Exhibit A; and Exhibit B is a resolution that the Quorum Court passed in 1981 prior to that election saying how they would expect to spend the proceeds of the sales tax if it passed but it was not a guarantee and specifically said it was an approximation. She stated based on that, the revenue numbers they are receiving for the Road Department includes 40% of their general purpose sales tax going to the Road Department and she cannot figure out the

legal authority for them to do that. She noted if the legal authority is the resolution from 1981 that was non-binding and unofficial, and then no other portion of the sales tax is being divided the way the Quorum Court in 1981 said it would be divided. She believes the apportionment of the revenue like they are doing it is without a legal basis because this Court and no Court before this Court has said that is the way their general purpose sales tax should be dedicated. She stated that their entire budget is based off of that interpretation and that apportionment of revenue and she thinks it is incorrect because the Road Department will have \$1 million in reserves and if that money was in the General Fund reserves, they would have \$6.3 million projected for their reserves and then they could have looked at giving their employees an actual raise instead of a bonus. E. Madison urged the Court to consider whether they want to pass a budget based off of something that apparently has no authority from any Court before this Court; and she cannot support the budget for that reason because she thinks they are endorsing a split of revenue that this Court has not authorized, but it is some kind of assumption or tradition that has never been formally put into ordinance and is improper.

- 778.1 C. Bolinger stated she is not sure what year it started, but she knows when she started here in 1999, that it was not 60/40%, but a few years after that she changed it to be 60/40% and it has been that way for years. She recalls when former County Treasurer Roger Haney used to do the breakdown of revenue, he presented it every month showing what 60% was that went into County General and how much 40% was that went into the Road Fund and that was one of the line items that he always pointed out.
- 778.2 E. Madison stated her concern is that there is the lack of an ordinance saying that. She thinks what is presented to them and what is assumed is not the wish of this legislative body.
- 778.3 In response to a question from Judge Edwards whether the auditors have ever said anything about this, C. Bolinger stated that they have not because it is actually part of the ordinance for the budget and when they approve the budget, that is approving that information.
- 778.4 B. Pond stated that the brochure mentioned came off of a resolution passed by the Quorum Court and their intention of what they would do if the 1-cent sales tax passed, so it was the Quorum Court's intention and the voters approved that 1-cent sales tax with the idea that that is where the money was going to go. He stated if this Court had decided to take the 40% away from the Road Department, it would be the first time that he would not vote in favor of passing the budget because the Road

Department was in bad need of that money at that time and they still are. He pointed out that the County in acreage seems to get smaller as they go along, but the number of houses and people in that smaller area still grows and the more traffic you get on those roads, the more need they have for those repairs. He stated he does not see anything wrong with \$1 million in reserves for a Road Department because if there was a disaster, flood, ice storm, etc., and FEMA steps in to help them, they have to have matching money.

779.1 **A. Harbison called for the question.**

779.2 **A. Harbison's call for the question died for lack of a second.**

779.3 R. Cochran stated that he is struggling with passing this budget as there are a few items that are not as conservatively balanced as a lot of the budget as mentioned by T. Lundstrum. He asked that they invite their folks from the Election Commission come back tomorrow night and see if they can reconsider their basic need for voting equipment as opposed to the whole amount that they previously approved. He stated that there is some money to be reduced in that budget as well as in some others, but that one is key for him because they have not given everyone else everything they wanted, but that department has more than enough for their basic need to reestablish the voting equipment and continue to have the same voting sites they had and allow them our forecast that they will fund them over the next couple years to put them to the point that they could go to these voting pods when money is not quite so tight. He noted that this would help their reserves and there are some things that they have not spoken about that they do not know what their expense potentially will be. R. Cochran stated that he would not vote for the budget tonight without going back to the Election Commission and asking them to voluntarily reduce their budget to a level that they can work with and give them their commitment to help them over the next few years to get them to where they wanted to go this year.

779.4 S. Madison stated that they have sat for weeks going through budget numbers department by department. From her perspective, she does not believe they made any hard decisions, but pretty much caved in every time they were asked and she is bothered by that. She stated they are worried about their reserves and she is worried about what their lawsuits could do to them. As far as the original vote on the county sales tax, there were others entities that pledged, were promised, or considered for a certain amount of money. She stated one of the big selling points of that election was the Emergency Medical Services and it was indicated that they would likely receive a certain percentage, and she does not believe

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they have ever kept up with that. She noted that they had significant portions of two bridges torn down in this county and rebuilt with no need to come to the Quorum Court for any additional money which tells her a lot about what kind of money is in the Road Department budget. She stated that if they have that much, why are the roads not in better condition? All she hears are complaints about county roads from JPs and she is not hearing it from constituents. If they have that kind of money, why have they not spent it? She is concerned that they have not really buckled down and made this a streamlined budget like they should have.

- 780.1 T. Lundstrum concurred with R. Cochran, reporting that he spoke with Renee Oelschlaeger, President of the Election Commission, at the Lincoln Day Event the other night and she personally told him that she thought it was way too much money. It sounds like the Election Commission and the lady running the Election Commission may be two different entities and one may be influencing the other. He would also like to see the Election Commission come back, as well as the \$123,000 in the Road Fund for the public transportation line item that he would like reduced back to the previous amount of \$23,000 that they used to give them and put that \$100,000 back in the Road Department. He would like tomorrow night to revisit some of these budgets.
- 780.2 J. Patterson stated that he was of the mind that they should probably pass the budget and move on; however, he has changed his mind. He stated that some of these issues come up during every budget process and they just need to deal with them. He stated they should make a list of the budgets they want to revisit and do what they were elected to do and pass the best budget they can pass.
- 780.3 A. Harbison stated that she believes they should go ahead and pass this budget. She stated there may be some concerns about the Election Commission, but they came in and asked for what she thought they needed and have never come in and asked for something they did not need as elections are very important. She stated that they cut \$4 million out of this budget last year and they had no capital outlay, and they have restored some of that and still have a very lean budget. She knows that there are some pet projects that some of them do not like, such as the bus transit but that is essential for low-income people. A. Harbison stated that she thinks they have a good budget with approximately \$5.3 million carryover with \$3.0 million in holdback; and they have over \$9 million that can be used if they were to have some kind of catastrophe. She noted that they have had a ½-cent sales tax coming into the Road Department for the last three years and will come in another seven years and then it is gone. She believes they need that money in their Road Department.

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There are more and more people living out in the County, and there are more and more people on the roads in the County. These roads are arteries into the main highways of Fayetteville and Springdale and they need to pave every one of them and maintain them and this is an economic development type of thing. She stated that they have 47 bridges that are impaired in some way that need to be repaired and this is no time to take any money out of the Road Department.

- 781.1 J. Maxwell concurred with S. Madison on the point that they have said yes to most budget requests which is usually the easy way out, but now that they are down to sifting this out to come to some holistic number, he believes that they should consider looking at some other places to maybe say no or maybe and get to a little more realistic balance now that they see all the numbers on the table. He stated he further concurs with R. Cochran on the Election Commission because he actually spoke to those ladies before the meeting and they told him directly that they would be fine with one-third of that \$420,000 which would fund the entire project which they hoped to have eventually, but getting the additional \$140,000 would have been very sufficient for them. He stated that he will not be in favor of passing this budget tonight to allow them to do more fine tuning and truly bring the citizens of Washington County a responsible budget and not just one that is easy to get to.
- 781.2 **T. Lundstrum made a motion to table the budget ordinance until their next meeting tomorrow night. E. Madison seconded.**
- 781.3 S. Zega stated if they move to table the ordinance until the next night, they are moving to bring it off of the table and based on what he is hearing, they may or may not be ready to do that tomorrow night. He suggests that simply a motion to table with the idea that it takes affirmative action to bring it off the table is the better way to go.
- 781.4 **T. Lundstrum amended his motion to be a simple motion to table. E. Madison seconded. The motion passed with thirteen members voting for and two members voting against the motion to table by voice vote.**
- 781.5 B. Ussery asked to have the IT Department come back in tomorrow because they are one of the few departments that is an investment for the County, but yet they cut everything from their budget.
- 781.6 In other matters, T. Lundstrum noted that the FBI runs what is known as the Citizens Academy where they try to indoctrinate citizens on what the FBI does in terms of terrorism in different functions that they perform. He

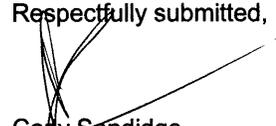
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recently went to their where his granddaughter graduated from that academy; and his son and daughter-in-law have graduated from this academy and his son now serves on the Board. He reported that the Chief of Police of Rogers brought the speech and several times commended Sheriff Helder, stating that the pinnacle of intellect in the law enforcement community in Northwest Arkansas resides in Sheriff Tim Helder. He wanted to let everyone know in what high esteem other law enforcement people hold Washington County's Sheriff and he believes it is very important that they understand it. This is one reason he was trying to increase the Sheriff's pay.

782.1 CITIZEN COMMENTS: There were no citizen comments made.

782.2 ADJOURNMENT: The meeting adjourned at 7:40 pm.

Respectfully submitted,


Cary Sandidge
Quorum Court Coordinator/Reporter