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

Thursday, July 28, 2016  
5:30 p.m.  
Washington County Quorum Court Room

- 230.1 The Washington County Quorum Court met in special session on Thursday, July 28, 2016. The meeting was called to order by County Judge Marilyn Edwards. The purpose of this meeting was to discuss the County Attorney and Grant Administrator personnel issues, the community sewer system ordinance, county employees' health insurance and salaries for 2017.
- 230.2 S. Lloyd led the Quorum Court in prayer and in the Pledge of Allegiance.
- 230.3 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.
- 230.4 OTHERS PRESENT: County Judge Marilyn Edwards, Chief of Staff George Butler, Treasurer Bobby Hill, Comptroller Ashley Farber, Sheriff Tim Helder, Renee Biby, Nelson Driver, ; Interested Citizens; and Members of the Press.
- 230.5 ADOPTION OF THE AGENDA: Judge Edwards asked if there were any additions or deletions to the agenda.
- 230.6 **A motion was made and seconded to adopt the agenda as presented. The motion passed unanimously by voice vote. The agenda was adopted as presented.**
- 230.7 AN ORDINANCE CREATING THE POSITION OF PARALEGAL IN THE COUNTY ATTORNEY BUDGET; AND, APPROPRIATING THE AMOUNT OF \$18,586 FROM THE GENERAL FUND TO THE COUNTY ATTORNEY'S BUDGET FOR 2016: B. Pond introduced **An Ordinance Creating The Position Of Paralegal In The County Attorney Budget; And, Appropriating The Amount Of \$18,586 From The General Fund To The County Attorney's Budget For 2016**, and County Attorney Steve Zega read the ordinance that was tabled at the July 21 regular Quorum Court meeting.
- 230.8 B. Pond explained that this ordinance was originally brought to them in a joint ordinance for two positions and has now been separated out into two ordinances as requested at the last meeting by members of the Quorum Court.
- 230.9 **B. Pond made a motion to adopt the ordinance. A. Harbison seconded.**

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- 231.1 In response to some confusion raised by E. Madison on this issue, Executive Assistant Karen Beeks explained at the last meeting, the motion was made to separate into two ordinances and that it be placed on the agenda for this meeting.
- 231.2 County Attorney Steve Zega stated that he feels confident in saying he believes this is in order.
- 231.3 S. Zega stated with respect to the position requested for the County Attorney's Office, that he felt like some of the comments he has heard over the last couple of meetings indicated that there was some lack of satisfaction with the way this happened from the County Attorney's Office. As he is the department head and responsible for that, if there is anyone unhappy with the way he has handled this situation, he wanted to apologize. He reiterated that he is unable to do the job of the County Attorney by himself; that Lanie Miller has been a godsend to him, over-qualified for the job, and brings skill sets to this County and county government that are unique and very valuable. He stated that what he is asking for is to simply not take his help away and to keep her paid at a two grade reduction, but at the same pay rate; and to ask them very respectfully to take into consideration what the County Attorney's Office does for this County. He pointed out besides what the Court sees, they do an awful lot for every elected official and if he does not have full-time help, his office will take a serious hit in how the performance goes for the County. S. Zega stated he has asked Sheriff Helder to say a word or two and he would appreciate the Court's consideration and respectfully request that they support this ordinance.
- 231.4 Sheriff Tim Helder addressed the Quorum Court stating that he attends nearly every meeting and had told County Attorney Zega if it is an issue of the Court not understanding that he serves all elected officials other than just the County Judge, he wanted to speak to that because the Sheriff's Department utilizes the County Attorney and his staff quite a bit since much of what they do has a high level of liability. He stated he cannot speak to whether or not S. Zega needs help in his office, but the position of County Attorney and whoever he needs to staff it is a vital function in county government. He reported just this week they had an order through their civil group that came out of Pulaski County that wanted the Sheriff's Department to lay hands on somebody and put them in jail basically to retrieve property. He stated this was a lawful order, but he was really uncomfortable with it and needed to hear from S. Zega whether they were legal in doing that. He reported S. Zega did the research and was back to them immediately, so they were able to fulfill that function. He further noted that their FOI requests are crazy big numbers and often times they

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- are able to bounce critical questions off of him before they release information that could cause the County to be liable.
- 232.1 B. Pond stated that he has been on the Quorum Court for a long time and it comes out in Sheriff Helder's testimony and different ones that the County has lawsuits and they have to have attorneys on staff to manage those issues. More than that, he stated it is the amount of advice they receive from him, noting that he personally has called him a number of times, and noted the County avoids lawsuits by ensuring that they stay within the law.
- 232.2 Citizen Comments: Tom Bartlett, resident of the County, addressed the Quorum Court stating this week he watched the Personnel Committee meeting and the April 21 Quorum Court meeting, as well as the Quorum Court meeting on July 21 that he was involved in. In watching the Personnel Committee meeting, it seemed clear to him that there was such confusion as to the \$2 that is being collected.
- 232.3 Judge Edwards stopped Mr. Bartlett, advising him that his question was out of order as he was not speaking on this particular ordinance and would have the opportunity at the end of the meeting.
- 232.4 Mr. Bartlett stating he was trying to understand in these positions, with regard to the \$2 being charged per customer on the sewer systems, they have heard over and over again that it is going to pay for a certain position.
- 232.5 Judge Edwards reiterated that she will recognize him at a later time.
- 232.6 **With no further discussion, Judge Edwards called for a vote on the motion to adopt the ordinance.**
- 232.7 VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, T. Lundstrum, J. Maxwell, G. McHenry, and J. Patterson. VOTING AGAINST: S. Lloyd and S. Madison. ABSTENTION: E. Madison. **The motion passed with twelve members voting for, two members voting against the motion, and one abstention. The ordinance was adopted.**
- ORDINANCE NO. 2016-49, BOOK NO. 10, PAGE NO. 476**
- 232.8 AN ORDINANCE CHANGING THE TITLE OF THE ASSISTANT GRANT ADMINISTRATOR/LEGAL ASSISTANT POSITION IN THE GRANTS ADMINISTRATOR BUDGET FOR 2016: B. Pond introduced **An**

**Ordinance Changing The Title Of The Assistant Grant Administrator/Legal Assistant Position In The Grants Administrator Budget For 2016**, and County Attorney Steve Zega read the ordinance which was tabled at the July 21 regular Quorum Court meeting.

- 233.1 **B. Pond made a motion to adopt the ordinance. R. Cochran seconded.**
- 233.2 Grants Administrator Renee Biby addressed the Quorum Court stating that she had prepared a power point to show what her office does, but because of the long agenda, she is going to forego that. However, she has asked a couple of people to talk about what she does in regard to grants.
- 233.3 Steve Crawford, resident of the Rheas Mill Community, addressed the Quorum Court stating when they were trying to fix their Community Building at Rheas Mill, he had no idea how to go about raising funds other than to call a community meeting to get some input. He reported they raised some funds and learned that they could come to the County and get matching funds which they did. S. Crawford reported that Renee Biby did a wonderful job getting those funds for them, helping them to fill out the paperwork in the proper order and the way it needed to be done. He stated they learned filling the forms out improperly would probably cause their request to be denied.
- 233.4 Circuit Judge Cristi Beaumont addressed the Quorum Court stating that Renee Biby has served a central part in the over \$1.0 million in grant funds for their Drug Court and Veteran's Treatment Court. R. Biby is meticulous and on top of every single requirement and this is essential for someone in a Grants Administration position. She believes that without the assistance of Renee Biby, she has no doubt that they probably would not have received the large amount of grants they have in Washington County. Judge Beaumont stated that she has required R. Biby to be at her office a number of times for grant meetings and additionally, she has called her after hours on several occasions to make sure that everything was done exactly as it should be on their grants.
- 233.5 B. Pond noted that they still have some pockets scattered around the County where there is no potable drinking water and he knows R. Biby has mentioned that there is grant money available for that and he is counting on her to do whatever she can if those who do not have potable water will help her, to get some of those water lines completed.

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- 234.1 H. Bowman stated he learned from R. Biby's predecessor in this position that he did a whole lot of travel for all kinds of issues. He noted hearing from several people that R. Biby is not in her office from 8 to 5 and he would like her to explain what her activities involve that take her away from the courthouse and issues that would keep her from being in her office from 8 to 5.
- 234.2 R. Biby addressed H. Bowman's questions stating that she makes numerous trips to Harrison, Little Rock, Biloxi, New Orleans, Winslow, Evansville, or wherever the money needs to be or can be found, is where she can be found on a daily basis from 8-5. She stated she works a lot of after-hours and attends a lot of POA barbecues and meetings on Saturday afternoons, and has gone out and looked at a well that was beginning to be drilled on a Saturday morning. She stated she is always available through her phone to call, text, and message or email her and wants everyone to know she is accessible and approachable.
- 234.3 R. Cochran inquired about the total grants the County received in 2015; to which R. Biby responded the amount of federal dollars received in 2015 was \$1.1 million and with state grants totaled about \$1.6 million. He stated that it appears a similar case can be made for her office as was made for the County Attorney; that she needs help. He stated if they continue on the course of monitoring septic systems that are outside the county, inside the cities, that adds to the burden R. Biby already has. He stated her department is very beneficial to their County in that many grant funds of all natures, and he supports this ordinance to keep a full time person to help R. Biby. He noted there has been some talk of a part-time position, but given the level of expertise and credentials that the individual should have, does not lend itself to finding a part-time person.
- 234.4 T. Lundstrum stated he has been very happy with R. Biby's work on grants and his problem with this ordinance is not with grants or how much time she spends in her office because she does a lot of work that they do not see her do. He stated his problem is with the community sewers and he has come to the position of being totally opposed to the County fooling with these city sewers as it is the cities' responsibility and liability to take care of them. He stated if they had some sewers that were in the County, that may be a different situation, but it would not be as many as are in the cities currently. When he voted on the previous ordinances regarding the \$2 fee, he voted basically out of a large degree of ignorance at the time. He mentioned there was a gentleman there that was going to argue that the people that are using these sewers do not want to pay the \$2 because it is his understanding that they are already being inspected and taken care of by authorities responsible for doing that. T. Lundstrum stated with

the sewer aspect of this ordinance, he cannot support a Grade 16 employee for this position, asking if this was because they needed to be knowledgeable about water quality, etc.

- 235.1 R. Biby responded to T. Lundstrum, stating that is partially correct, but Salary Consultant Blair Johanson and JESAP rated the position at a Grade 16, but there are also a lot of funds and fiduciary responsibilities that are held by the position.
- 235.2 T. Lundstrum stated that he will probably oppose this ordinance at this time without further information. R. Biby does a wonderful job and probably needs at least some part-time help, but this Grade 16 position is about \$40,000 plus a year and he does not like to grow government especially when it does not need to be grown. He stated he is interested in the gentleman's point of view that wants to speak to this on what these sewers are and what the County's responsibility in his mind should be.
- 235.3 R. Biby asked if it would be out of order to table this ordinance until after the next agenda item regarding the community sewer ordinance is addressed; to which S. Zega responded that a JP could move to change the order on the agenda.
- 235.4 B. Pond stated as sponsor of this ordinance, he would move to change the agenda and address the community sewer discussion (Agenda Item #7) before further discussion on this ordinance (Agenda Item #6).
- 235.5 S. Zega pointed out to change the agenda at this point after there had been a motion and second to adopt the ordinance, it would take a two-thirds vote to pass.
- 235.6 **B. Pond made a motion to change the agenda, addressing the community sewer system discussion first. R. Cochran seconded.**
- 235.7 **Judge Edwards called for a roll call vote on B. Pond's motion to change the agenda.**
- 235.8 **VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, S. Madison, J. Maxwell, G. McHenry, and J. Patterson. VOTING AGAINST: E. Madison. ABSTENTION: T. Lundstrum. **The motion passed with thirteen members voting for, one member voting against the motion, and one abstention. The agenda was changed to set aside ordinance #6.1 and address the community sewer systems item first.****

- 236.1            DISCUSSION CONCERNING COMMUNITY SEWER SYSTEMS: Earlier this year, the Quorum Court adopted Ordinance 2016-24 and Ordinance 2016-40 concerning community sewer systems.
- 236.2            County Attorney Steve Zega stated he was there on this issue in two capacities; historical and legal. He stated as discussed in County Services Committee, the rationale for passing this ordinance in the first place was that they had something very similar to this passed early after the dawn of community based sewer systems, or as he used to call them "decentralized sewer systems". He stated they passed an ordinance similar to this primarily for two reasons; one to get financial oversight because the systems were owned and run by various entities and the worry then was when these systems malfunctioned or failed, that the call would not go to a state representative, but would go to the JP of that district. Secondly, to put some money aside for those kinds of failures in the event that someone who had been operating the systems just stopped.
- 236.3            S. Zega stated in 2014 the Quorum Court repealed this ordinance in its entirety partially because the state had a very similar set of statutes and regulatory requirements and they did not feel it was a good idea to double regulate. He stated 2-3 months after they repealed this ordinance, the state took theirs away as well and what is left with the state are some Arkansas Department of Environmental Quality (ADEQ) regulations and the Department of Health about construction and about things such as nutrient loads, effluent storage, land application, discharge and non-discharge or issues that go to whether they can be legally operated or not. What is left on the financial side from the state is a Trust Fund which is supposed to pay for failures if they happen, in the event that there is no responsible party. He stated this Trust Fund is capped at \$2.1 million statewide and it is his understanding at this time that the Fund has \$36,000, which would not fix one of these sewer systems.
- 236.4            S. Zega stated that the County has options, noting that this ordinance was passed as an emergency in April and its affect is ongoing currently, and they amended it in June at his and R. Biby's request because they caught something that should have been fixed with respect to public entities. He stated he has been working with R. Biby and Chief of Staff George Butler on the regulations that are called for in the system, drafting back and forth for about a 1-½ months, but they are not done yet and they have not held the required public hearing, so the regulatory piece of this is not finished. He noted that the Quorum Court has a lot of things they can do with this just like they do with any ordinance by amending it and he would be happy to field any questions in that regard.

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- 237.1 Judge Edwards asked and S. Zega verified that the money set aside at the state level was for the entire State of Arkansas, all 75 counties and at this time that fund holds about \$36,000. He explained the way that particular fund gets money is each of these sewer systems in the State pay into it until there is a \$2.1 million fund, and then collections stop until the fund goes back down below \$1.5 million at which time the State sends a bill out.
- 237.2 H. Bowman reported he had the opportunity to speak to an engineer doing work with subdivisions on a routine basis and asked him about state inspections of these sewer systems. He was advised there are no regular state inspections of these systems, nor was the mayor aware of any state inspections. He stated that they could have a substantial problem develop for a long period of time if there is no one inspecting these sewer systems to ensure they are functioning properly. Therefore, as far as he is concerned, to have an oversight and routine inspection process is totally appropriate as it does not sound like the State is willing to fund any number of issues that might arise.
- 237.3 S. Lloyd asked how many community sewer systems there were throughout the state; and R. Biby stated she did not know that number, but that Washington County currently has twelve.
- 237.4 S. Lloyd asked whether the one at Valley View that caused so many problems that they are currently in litigation with was it the only sewer system they have had issues with; to which R. Biby responded out of the twelve systems, there have been issues with nine of the systems.
- 237.5 A. Harbison stated they have two issues; whether they want to take over the oversight of these sewer systems that are in the small cities such as Farmington and Prairie Grove, and whether they are going to do this with the systems in the county. It would not take that much more to help out the small cities in overseeing their systems for which they would be paid for. She stated, however, doing oversight for Fayetteville and Springdale is another issue.
- 237.6 J. Maxwell asked R. Biby what an average issue with one of these sewer systems would cost to repair; to which she responded the systems currently out there vary so she would not know the average issue of repair costs. She stated one recent repair required replacing all risers on the interceptor tanks for the entire 50-lot subdivision at a cost of \$20,000. With respect to Valley View, it is her understanding that the Improvement District has already spent approximately \$100,000 and it would cost



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\$350,000 to get it in good working order to be permitable. She noted that the receiver for Valley View was also at this meeting to speak to the issue.

- 238.1 J. Maxwell further asked if the County does not regulate these sewer systems, what happens to the homeowners without that oversight; to which R. Biby responded she sees this ordinance as a consumer protection ordinance for the end user. She gave the scenario where the operator who has collected \$50 per month for several years from the homeowners and then decides to quit leaving the sewer system not in good working order with multiple violations. The homeowners, subdivision, the POA and owner of the system are left holding the bag with no money because they have not generated any revenue to repair these systems with no oversight or help. She stated this is what could happen if there is no financial oversight over the entities that collect, operate and maintain these sewer systems.
- 238.2 T. Lundstrum referred to the system which required all risers on the interceptors to be replaced at a cost of \$20,000, asking who paid for this service; to which R. Biby responded she assisted the subdivision to obtain funding through FEMA to pay for the risers.
- 238.3 T. Lundstrum stated his concern that the County could end up paying for some of these repairs. He reported in his community of Elm Springs, they have a step sewer system that is not adequate to handle the city, so their ordinance has been changed so the property owners can fix their own systems. He further noted that Springdale is beginning to take their graywater because they do not have the facilities to handle it. He suggested that these small cities could deny the subdivisions to install these sewer systems; to which R. Biby responded the towns they are talking about having an interlocal agreement with are not towns that are approving new systems, but rather these are existing systems that were platted and final platted in the Year 2005 or 2006, that were in the County and then annexed later into the city. R. Biby stated she believes what would be good for the County is to have one central office to be able to come to for these areas served by decentralized sewers and the operator is not performing properly, or there is a billing issue. T. Lundstrum stated he still does not understand why anyone could not go to their local mayor or city council with problems in these systems that are inside of an incorporated city.
- 238.4 County Attorney S. Zega addressed a question asked by J. Maxwell, stating that there is more to the answer given by R. Biby. He stated hopefully one of the things they get out of this ordinance is not a situation where the plant or system falls out of permit status. He noted there are

responsible operators that do not let that happen and there are also irresponsible operators who have let that happen. He stated the consequence to the homeowner legally could be that ADEQ could come in and shut the system down and enjoin its operation; ADEQ can and does fine and impose civil penalties on these systems. He stated they are working with ADEQ currently on just one of these situations where the only people left to pay are the homeowners and they are trying to convince them that this is not the way to go about their goals. He stated that though he has not seen this happen, besides being responsible for the payments to fix the system, the owners could conceivably be fined because they are operating out of permit. He stated the only questions legally in that situation are whether there was a valid permit and if not, did they operate the system anyway, noting there is a current case in the County where one of these systems has been operating out of permit for six months. He noted that ADEQ by statute can go after civil penalties in this case.

- 239.1 B. Ussery stated that a \$2 per month fee is cheap insurance compared to what could happen. If they monitor these systems and catch any problems while they are small and make sure they stay in compliance, it seems to him the homeowners should be protected a lot more than the consequence of not doing that.
- 239.2 S. Lloyd stated the County has 425 county lots and 1,091 city lots. She questioned whether the County has taken on more than it should and whether it is encroaching on some cities that it should not be. She concurred with T. Lundstrum that these cities should take care of their own lots. Further, she questioned what authority the County would have that ADEQ does not do.
- 239.3 R. Biby responded that it would be financial oversight, because there is no fiduciary oversight for any of the operators or managers of these systems currently. She stated there is no entity at the state level that has oversight over the operators who collect these monthly utility fees every month. If these operators run off and leave, the homeowners will be left holding the bag and owing a fortune. She noted that Act 575 repealed the requirement that ADEQ had for catastrophic failure as it required five years of operating expenses to be placed with a letter of credit or bond. She stated that State Representative Andy Davis, who is an operator of new water systems with a couple being in our area, brought forth this Bill to repeal the financial requirements based on those fees being arduous. She stated the County agrees to disagree that those fees are arduous, which is why the County needs to be involved. She stated there are counties all over the State that are worried about who will pay in the event

of failure. She stated that the homeowners who have paid their bills every month thinking that everything was fine find out that they could be fined by ADEQ for flushing their toilets, because the operators are gone. She stated that the cities currently do not have oversight on these 1,091 lots and that is why they have proposed the interlocal agreements with the Cities of Goshen and Prairie Grove, and will be for Farmington to have one central office to oversee the financial responsibilities for these sewer systems.

- 240.1 E. Madison stated she wants to suspend the rules to open this discussion up for public comment because they are talking about something that they have passed already and is existing law; there are issues on this agenda that a lot of people are there to discuss that are very important and she wants everyone to have a chance to talk and then move on.
- 240.2 **E. Madison made a motion to suspend the rules and allow for citizen comments at this time. R. Cochran seconded. The motion passed unanimously by voice vote.**
- 240.3 Citizen Comments: Kenneth Jenkins, a homebuilder, addressed the Quorum Court stating that he has built in most cities in Northwest Arkansas, in Washington and Benton Counties, and has built with the step sewer systems in Bethel Heights and Lowell and unfortunately the Homestead Estates between West Fork and Greenland. He reported no major problems in Bethel Heights and Lowell, but Homestead Estates has been the financial nightmare of his life as most of the builders involved filed bankruptcy when the economy crashed except him and he built 16 homes there, still owning six; one that he built for his wife and five that he rents. He offered evidence that things at Homestead Estates were mishandled from the very beginning with finances, with the central sewer system not installed as per plan to not being kept up to being constantly inspected with improvements not made by the ADEQ, along with tanks not having gravel causing them to collapse to some degree, risers having to be replaced in the entire subdivision because they were not done properly. K. Jenkins stated the problem is not with the sewer systems, it is with the operators of the systems; Tom Bartlett installed the system in Homestead Estates. He stated he entered into this situation in good faith and has been really disgusted with the entire situation until he met Renee Biby when she first took the job. He noted he has been shocked at how fast she came up to speed when he contacted her, telling him who he needed to talk to and what he needed to do and if she needs \$2 or \$5 per customer more per month to get the help she needs, he is there to pay the money on his six homes because she is a person of integrity.

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- 241.1 T. Lundstrum stated that they seem to always overlook the doctrine of "let the buyer beware". He stated they had a sewer system installed in Elm Springs that was installed very poorly and they have had all kinds of problems with it. He stated if a sewer system is that bad when installed, he does not see how R. Biby inspecting it will fix it because someone still will have to pay the money it takes to repair it.
- 241.2 Mr. Jenkins responded that is the point that all of the homeowners are stuck spending the money in order to fix them as quickly as possible. His take on this is when he went down there to build houses in the Homestead Estates subdivision, Greenland issued building permits as it was in their growth area and other builders who did not want any oversight went to the County Judge and got them dismissed and they had to return their funds, even after they did inspections, over a technicality in the law. He reported that as soon as they did not have oversight, they started cutting corners. If someone does not want oversight, they need to be asking themselves why. He stated he hired a state inspector from Greenland and paid him to do his inspections so that he would have oversight. He stated they cannot go back and reinstall the system in Homestead Estates, but they can stop it from happening in the future.
- 241.3 T. Lundstrum stated most of these subdivisions are POAs (Property Owners Associations) and builders want to build on smaller lots to get more houses in a subdivision rather than meet the ¼ acre that Washington County Health Department requires for a septic tank. He stated they tried to get away from that and in order to have more lots per acre, install the little step systems and are knowingly buying into those problems by making more money by building more homes per acre.
- 241.4 Dawn Whittington, resident of the County, addressed the Quorum Court stating she was there when they passed the ordinance to start taking over responsibility for the step systems that are being installed. As she told them before, her system has been a disaster and continues to be a problem maker. She stated the reason she believes the County needs to financially oversee these operators is because when Tom Bartlett operating as Greenfield Capital Development, decided to resign in 2011 and then they were asked for the funds that he had been collecting to take care of their system, their funds were co-mingled with other funds in a bank account and it took a while to get them separated. She stated when this system was installed, they got a bond to buy all of the interceptor tanks for the lots in the subdivision and when she first became involved they were \$380,000 in debt; out of the interceptor tanks delivered to the property, 29 of them have disappeared and no one knows what happened to them and they are still paying \$373.21 per year per household to pay off

the bond that had to do with this step system. For these reasons, she stated the County needs to have financial responsibility with rules, regulations and guidelines for the operators.

- 242.1 William Stephenson, current POA President for Valley View, addressed the Quorum Court stating that the community septic system installed in Valley View was installed when those subdivisions were rural and not annexed into a city and also designed to work in tandem and service a golf course as this is a golf course community. He stated that they have a small sewer treatment plant that goes to a lagoon and through all the processes, goes to two holding ponds on the golf course which is how they irrigate. He stated this is a good system if it is operated and was operated by an Improvement District Board, and they pay a \$40 sewer fee every month, in addition to POA dues, as a utility bill. He states in the six years he has been there, the Director of their Improvement District Board never operated the system and they do not know what he did with the \$20,000 a month in fees he was collecting. He reported ADEQ inspected every year and he would get fined on violations and ordered to make corrections which would be done temporarily, but it was not ADEQ's job to ensure he was fixing the system correctly or question what happens to the fees because that is not their job. Mr. Stephenson stated there is no legislation to give oversight to Improvement District Boards and they pretty much operate under public trust, so he believes some oversight on a county level is essential. In his case, parts of them are in Farmington and part in Prairie Grove who have their own municipal systems. He stated without Renee Biby being diligent investigating and finding these violations, they would not be in the position they are now in getting their system up and operational. He stated it took removing the Director and other board members and they have a receiver now to straighten not just the mechanical part of their system, but also the financials so they know they have enough money to fix it when it breaks. He reported ADEQ advised him in the beginning and told him if they did not get this system fixed, they would be fining every household.
- 242.2 In response to a question from B. Pond, W. Stephenson explained that the ADEQ inspector will go to the Director of the system and also talk to the code compliance officers from Farmington and Prairie Grove with the violations. He further stated he is unaware of how often ADEQ site inspections are done.
- 242.3 B. Pond stated he would like to see ADEQ and the County through R. Biby grow into a working relationship to inspect these sewer systems as this process goes on.

- 243.1 Jerry Kopke, resident of Round Mountain, addressed the Quorum Court stating he works for Communities Unlimited, a non-profit organization whose headquarters is in Fayetteville, working throughout the State of Arkansas as well as six other states in the mid-south helping small towns and rural communities develop, manage and operate water and waste water systems. He stated he is there as the court-appointed receiver for the Valley View sewer system, Property Owners Improvement District #5. He stated when the receiver took over this sewer system, they had less than \$800 in the bank and over \$9,000 in past due bills. He reported for 14 years the 487 sewer customers have been paying \$40 a month in sewer bills and after 12 years had virtually no money in the bank and no reserves. He stated that ADEQ does a very good job of permitting and with public health concerns and Valley View is currently in the process of permitting this system that has been in operation for 14 years because the permit was allowed to expire and was not renewed. He stated this permit requires attention to a lot of details, all operational in nature, but ADEQ does not ask for a single document as far as financial capacity or how they are going to manage the system. He stated he would encourage any county in the State of Arkansas that has community sewer systems within that county to set up oversight like Washington County has done. He noted folks that move into a subdivision served by a community sewer system do not have a choice as far as where their sewer system is provided and count on the fact that when they buy a house, that water and sewer service is going to be adequate and well operated.
- 243.2 Kyle Pattillo, Chairman of the Board of Directors of Waterford Estates POA, addressed the Quorum Court stating that he has heard some things that he believes are a lot of assumptions. He talked to ADEQ officials and found out that they do a lot more than what he is hearing, reporting that someone is at their plant daily taking readings that have to be reported. He stated that there are these layers of government that they are running into, noting the City of Goshen has an ordinance that they have to follow including a requirement for an assurance bond in favor of the City of Goshen which will cost them money and if this county ordinance is passed, for them it is five times the amount the City of Goshen requires that will have to be in favor of the County. On top of that they are already paying into the fund for the state, so pay at the state, city and county levels that they would not only be paying \$2, but for a bond for Goshen and Washington County, and paying into the State Trust Fund that does only have a \$36,000 balance. K. Pattillo reported that an attorney for the ADEQ told him if something breaks in a system or there is a disaster, the State has appropriated \$2.1 million for it regardless of the balance, so if needed, it is there. He stated that when they have a repair, the average

bill is \$400 - \$600 and up to \$1,200. He questions what extra oversight they would be getting with the \$2 from the County.

- 244.1 In response to a question from R. Cochran, Mr. Pattillo stated that his community sewer system was within the city limits of Goshen and R. Cochran advised him that this ordinance did not apply to him. Mr. Pattillo responded stating that the proposed interlocal agreement does for the \$2 fee and R. Cochran concurred. R Cochran stated one thing that has not been mentioned is that Article 6 of this ordinance covers the construction aspects which is the strongest feature of this so that the system is built correctly and under good instruction preventing these problems long-term down the road. Mr. Patillo questioned whether the County really knew the ADEQ's requirements and guidelines and how often they inspect the systems as he has seen them and they are pretty specific and stringent. R. Cochran stated that he can promise him that Renee Biby is all over this.
- 244.2 A. Harbison stated that they are not questioning ADEQ's responsibility in inspecting these systems; what they are questioning are the financial oversight and how the money is handled. She noted that Valley View was taking in \$18,000 a month and there was no money there when the system needed to be fixed because the operator had taken off.
- 244.3 Mr. Patillo responded to A. Harbison that it is his understanding that Valley View went into bankruptcy and went into receivership prior to the State making this change. He stated part of the problem was the bond that the state required that people could not or did not get, so they took that responsibility away from the POA subdivisions because they could not afford it. He questioned if Homestead could afford to purchase a bond or should they take that responsibility away from the POA and create the State Trust Fund that is there automatically and let the State handle it which is what they did and what is fair.
- 244.4 Kathy Bartlett, owner Northwest Arkansas Utility Services, stated that in listening to the discussions going on with the Quorum Court and comments being made by people from Homestead, Valley View and Waterford, it should be quite clear that there are a lot of history, issues, problems, oversight, management, construction, responsibility and other matters that need to be addressed. As a company who has been in this industry through the entire process, what concerns her is that the ordinance was passed in emergency status because the State repealed to get them overseeing these systems which has been a real problem here. She stated that there have been comments made by Ken Jenkins or Dawn Whittington about her company that are wrong, but her request is that the

Quorum Court repeal the ordinance, look at it a lot closer, and implement into it what needs to be done and make sure what they are doing is being done correctly. She stated they have worked with the County in the past and would love to work with them again.

- 245.1 Judge Edwards asked how many community sewer systems they operate, and Ms. Bartlett responded in Washington County, they operate three systems and there are no problems with any of these systems.
- 245.2 T. Lundstrum asked County Attorney Zega if they do these interlocal agreements and charge a fee to offer a service, would the County have zero liability on these if problems arise and the service is not adequate; to which S. Zega responded that this risk would be marginal to low in his opinion because when you exercise a legislative function, you have immunity but that would be breached or set aside if you act in conscious disregard to state statute. He believes it would be tough to make such a case, but he would not say that it could never happen.
- 245.3 T. Lundstrum stated where they are charging a fee for a service and hire a person who they do not know yet or how adequate they are going to be, if they are derelict in their duty, would there be tort immunity; to which S. Zega responded if it came to the point where there was conscious and deliberate indifference, the County could be held liable, but he believes that would be a tall legal hill to climb.
- 245.4 AN ORDINANCE CHANGING THE TITLE OF THE ASSISTANT GRANT ADMINISTRATOR/LEGAL ASSISTANT POSITION IN THE GRANTS ADMINISTRATOR BUDGET FOR 2016: Judge Edwards that the meeting will now return to this ordinance. A motion made by B. Pond, seconded by R. Cochran, to adopt the ordinance is still on the floor.
- 245.5 Citizen Comments: There were no citizen comments made.
- 245.6 **With no further discussion, Judge Edwards called for a vote on the motion to adopt the ordinance.**
- 245.7 VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, E. Madison, S. Madison, J. Maxwell, and G. McHenry. VOTING AGAINST: S. Lloyd, T. Lundstrum and J. Patterson. **The motion passed with twelve members voting for and three members voting against the motion. The ordinance was adopted.**



- 246.1 **A five-minute recess was taken at this time.**
- 246.2 CONSIDERATION OF EMPLOYEE HEALTH INSURANCE PLAN CHANGES FOR 2017: County Insurance Consultant Nelson Driver was present to discuss these changes.
- 246.3 County Insurance Consultant Nelson Driver addressed the Quorum Court and referred to the revised handout as he had some number errors when he merged his spread sheets requiring these corrections to his figures. He noted that this would be a continuation from the meeting two weeks ago and to ask for the Court's consideration in making adjustments and changes to the Employee Health Fund and Program in order to give Human Resources enough opportunity and adequate time to get information out to the Washington County employees for their decision making processes prior to open enrollment for 2017 which occurs during the Month of November.
- 246.4 N. Driver stated that the 2017 Health Program Proposal which showed (a), (b) and (c) options noting the present calendar year deductible for health care in Washington County is \$345 and has been at that point for quite some time. He stated Option (a) would be to increase that deductible to \$1,000 per calendar year which would result in a savings of approximately \$348,000 to the Health Fund; Option (b) would be to increase that deductible to \$750 per calendar year which would result in a savings of approximately \$244,000 to the Health Fund; and Option (c) would be to increase that deductible to \$500 per calendar year which would result in a savings of approximately \$180,000 to the Health Fund.
- 246.5 N. Driver stated in order to stop the excessive outflow of money to the tune of about \$820,000 a year would be to change the co-pays on prescription drug coverage from 10/30/55 to 15/35/60 which is generic preferred to non-preferred which would save the County about \$100,000 a year in prescription drug cost. He reported that year-in and year-out for the last 5-6 years, there has been an excess of \$800,000 in prescription drug cost paid out of the Washington County Health Plan.
- 246.6 N. Driver stated raising the in-network annual out-of-pocket expense from \$1,000 to \$6,000 would be a savings of approximately \$180,000 to the Health Plan.
- 246.7 N. Driver noted by removing the end of the year 3-month carry over provision which is if the deductible had not been reached prior to October, costs that go toward deductible registered during the Months of October,

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November and December, carry over to the next plan year, this would save the Health Plan approximately \$20,000.

- 247.1 N. Driver stated raising the primary care physician co-pay from the current level of \$25 to \$30 would give the plan savings of approximately \$32,000.
- 247.2 N. Driver stated that the total estimated plan savings range with these changes the three deductible options would be (a) \$680,000; (b) \$576,000; and (c) \$512,000.
- 247.3 N. Driver stated that this does not include a wellness program. Also, this will require an adjustment to the premiums paid by the County and/or the employees in order to achieve the goal of an overall increase into the Health Fund of \$820,000.
- 247.4 R. Cochran asked if employees would still have access to the medical clinics program where they current do not have co-pay; to which N. Driver responded that is an option to not only the employee, but the employee's family, if they are covered under Washington County's Health Plan. He stated they have two providers; a contractual agreement with ImWell Health, which is a free standing express care clinic, and with UAMS, also has an express care portion of their facility at North College and North Street. Any employee or dependent covered under the plan can go see a primary care team at either of these two facilities with no co-pay or out-of-pocket cost for that visit. He explained this is an area of utilization with the reasoning to get someone having to make a decision whether to buy groceries or go to the doctor, to be able to see a doctor and receive treatment before their illness turns into a full blown case of the flu or something that would put them in the hospital. He reiterated that these two services are still available and they strongly encourage employees and dependents to use this service, but must identify themselves as a Washington County employee or dependent when they go.
- 247.5 N. Driver addressed a spreadsheet showing figures for each deductible with the number of employees on each type of plan, current monthly cost to employee, current plan contribution by the County; compared to the 2017 proposed monthly cost to employee, projected plan contribution by the county, and percent increase. He reported on each plan category with 256 employee-only plans, 120 employee/spouse plans, 80 employee/children plans, 77 family coverage plans, 12 retiree only plans, and 11 retiree/spouse plans for a total of 610 budgeted positions of Washington County. He pointed out that Washington County is currently funding each position for a total of \$250,710 per month.

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- 248.1 N. Driver stated under the \$1,000 deductible plan proposal, there would be no increase to the employee only monthly cost of \$74.56, a 15% increase in the employee/spouse and employee/children and family plans, and a 6% increase in the retiree/spouse coverage; for a total projected monthly plan contribution of \$379,545.47. He stated the net goal was \$140,000 to achieve revenue neutral in the Health Plan and with these increases, that would put approximately \$155,000 in the plan.
- 248.2 N. Driver stated under the \$750 deductible plan proposal, there would be no increase to the employee only monthly cost, a 20% increase in employee/spouse and employee/children plans, a 30% increase in the family coverage plans (due to this being where the majority of claims are hitting the fund), no increase to the retiree only plans, and a 20% increase to the retiree/spouse plan. He noted the differentiation goal is \$244,000 and this would achieve a net of about \$11,000.
- 248.3 N. Driver stated under the \$500 deductible plan proposal, there would be no increase to the employee only monthly cost; a 30% increase in the employee/spouse, employee/children, and family coverage plans, no increase to the retiree plan, and a 28% increase to the retiree/spouse plan.
- 248.4 N. Driver stated his recommendation for plan changes is that they implement the changes in co-pays and strongly encourages them to consider the \$1,000 deductible level which would put their employees on par with not only their peer group, but most other businesses in the area. He noted with his insurance coverage at the University, his deductible in the last three years has gone from \$500 to \$1,250. He pointed out that they have held off making substantial changes to the plan for the 16 years he has been working with it; and the Court has been very gracious, as has their former and current Circuit Clerks, of putting in money into the Insurance Fund to keep it solvent over the years, but at best, this has been a bandage approach and they are at that point in time when the fiduciary responsibility is about to kick in hard and fast. He reported that the Employee Fund balance currently is a little bit over \$1.5 million and this does not count the \$350,000 that is about to come out; and they need to remain consistently solvency in the Fund to the point of a little over \$2 million as they cannot predict health claims.
- 248.5 N. Driver addressed a previous alternative suggestion by T. Lundstrum to kick the self-funded plan to the curb and go with a fully insured plan and he did get a price on that and instead of \$4.1million, they would be looking at over \$5.2 million with no guarantee of premium. He stated if they started having losses in the first quarter, they would come back with a

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20% to 25% rate increase and continue to do this quarterly if necessary to maintain their profitability spread.

- 249.1 N. Driver stated that he did not factor in any increase in contribution on the county side and likewise did not factor it in his numbers.
- 249.2 In response to a question from A. Harbison, N. Driver stated they are still looking at putting in \$820,000 this year into the Insurance Fund and the goal if they go with the \$1,000 deductible and co-pays, they would not have to infuse any money into the Fund next year.
- 249.3 L. Ecke stated that employees are concerned that even if the County gives them a raise, whether it be 3%, 4% or 5%, it will not cover the amount of increase in their insurance premiums so they would be taking home less money; and N. Driver responded that is a possibility. He further explained that employees and their dependents on the Health Plan that utilize the ImWell and UAMS express care clinics will have no out-of-pocket co-pay or cost to the patients. He explained that they discount the pricing to them to offset them waiving that co-pay. He stated that not enough employees and dependents take advantage of these clinics with ImWell reporting 43 office visits in one week. L. Ecke reiterated her suggestion that they should have departmental chats to encourage all county employees to take advantage of this program offered to them as a savings to help offset the increase in deductible.
- 249.4 S. Lloyd commended N. Driver for keeping the employee only plan at a zero percent increase, as well as the retiree only plan. She asked if the reason they do not have too many employees using the ImWell clinic is because they want to see their own doctors; to which N. Driver responded that does factor in because people develop a relationship and comfort level with their Primary Care Physician (PCP). He noted with these two express care clinics are not trying to replace PCPs but want to get the patient in the clinic and back to work. S. Lloyd noted the employees could still use the \$1,000 deductible if they go to their PCPs, but for little things that would not require a long discussion with their PCPs, they could access the express care clinics. N. Driver noted that the employees may like the doctors at the express care clinics and decide to switch because they can get in sooner to be seen, but the clinics will not try to recruit patients to change doctors.
- 249.5 R. Dennis asked if their county employees have been surveyed to see what they want or do they have a choice; to which N. Driver responded that they have received information on upcoming changes to their health insurance plan, but have not been formally surveyed. R. Dennis stated he

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would like to hear from their county employees on what they want before making a decision.

- 250.1 J. Maxwell inquired about the health care savings account and whether that was a possibility to make it an option for their employees; to which N. Driver responded they are making preparations to go out for bids in September to see what a high deductible HSA (Health Savings Account) plan would look like for the county employees and is definitely in consideration. He stated that would be a bare bones plan that would be basic coverages according to the Affordable Care Act as far as compliance, and on the high deductible plan would probably be looking at a minimum of a \$3,500 deductible with a HSA attached.
- 250.2 J. Maxwell stated for people who are not huge medical users end up paying nothing for their medical treatment over the course of a year even with a lot of claims that were not anticipated. He believes that making HSA an option for anyone who wants to choose that it might fit some of their employees and make them financially better off.
- 250.3 N. Driver stated one of the things they have looked at along those lines industry wide is for younger employees and their families who are healthy and do not have utilization on the Health Plan, it is a perfect option because unlike the medical spending account which is a use it or lose it type situation that forfeits what is left unused in that Plan, but the HSA is a roll over that continues to grow and build; to which J. Maxwell stated he would like to know about any hiccups to this, but otherwise he believes they should offer this as an option to their employees.
- 250.4 R. Cochran stated he is aware of one hiccup which is when you take a large percentage of your employees who are very healthy and they go to a HSA account and all of a sudden now your actuarial computation for your remaining people boosts the cost of the expense for everyone else and the total plan.
- 250.5 Judge Edwards stated they need to review their options and move forward on it when they are ready so HR Director Lindsi Huffaker can get the information out to the employees in September to be ready for open enrollment in November.
- 250.6 E. Madison stated she heard from a county employee today who was very confused when a letter came out in the past couple of days and thought that the Quorum Court was going to be voting at this meeting to raise their insurance deductible to \$1,000, and thought the ImWell clinic was being discontinued. She stated she is concerned at the level of misinformation

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that is out there with county employees, so does not believe they should take any action immediately until they get better information out to their employees as to what exactly the options are that they are considering so that they can weigh in.

- 251.1 Nelson Driver asked that the JPs take an opportunity to really think about all three of these plan options because it will be a heavy impact on some employees and not quite so heavy on others. He noted that health care costs are not slowing down for anyone and they are still seeing double digit increases in health care delivery costs that are very problematic and concerning.
- 251.2 A. Harbison asked when they will need to put the \$820,000 into the health fund; to which N. Driver responded that it needs to be in the fund by September 1.
- 251.3 Judge Edwards stated she is sorry about the confusion with some employees and Lindsay Huffaker will make sure they are all aware of the situation before the Quorum Court has to make a decision.
- 251.4 R. Cochran stated one other consideration they might do with this is Nelson Driver has put together something that is as close to revenue neutral as he can with the three different deductible plans. He pointed out that items 2-5 are separate from item 1 that shows the deductible plans on the 2017 Health Program Proposal he prepared and some could be left off in the consideration. He stated another consideration is that they could as a county absorb some of this cost in lieu of the raises which would potentially make it palatable for the 155 that are on employee/children and family coverage which are the heaviest hit by raising the county's contribution.
- 251.5 AN ORDINANCE TO RAISE THE SALARIES AND WAGES OF NON-ELECTED COUNTY EMPLOYEES BY FOUR PERCENT (4%) OVER 2016 BASE PAY FOR BUDGET YEAR 2017: Robert Dennis introduced **An Ordinance To Raise The Salaries And Wages Of Non-Elected County Employees By Four Percent (4%) Over 2016 Base Pay For Budget Year 2017**, and County Attorney Steve Zega read the ordinance by title only. This ordinance is being co-sponsored by JP Robert Dennis and JP Daniel Balls.
- 251.6 County Attorney Steve Zega stated that this ordinance is an appropriation ordinance even though it is not listed that way; therefore, if it is discussed,

voted on and passed by 10 votes tonight, it becomes law. He does not believe the Court was necessarily prepared to think about it in those terms tonight.

- 252.1 **S. Madison made a motion to suspend the rules and read the ordinance by title only. D. Balls seconded. The motion passed with the majority of the votes in favor of the motion.**
- 252.2 County Attorney Steve Zega read, **An Ordinance To Raise The Salaries And Wages Of Non-Elected County Employees By Four Percent (4%) Over 2016 Base Pay For Budget Year 2017**, by title only.
- 252.3 R. Dennis stated when he thinks about a raise and what it would do for him if he had employees, is motivate the employees to perform at a higher rate, perform more work and do better work if they are being paid a decent wage, so some of the raise comes back to them just through work performance. Secondly, it is expensive to have trained employees and if you have to constantly train employees to take someone's job that left for a better paying job that runs into expense and actual cost. He stated he is proud of their employees and he wants them to be proud of where they work and also attract the best replacement for employees who retire. He further stated they want to be fair with their employees and when they see the difference that they pay vs. other counties and the private sector, they need to do what is right which is to give them a raise. He noted that the workload has increased in any department you go into and the level of work they do for the county with the addition of thousands of people moving to Northwest Arkansas. Washington County employees have earned and deserve a raise.
- 252.4 R. Dennis stated his point in bringing this issue up so early is related to how they will pay for raises because they always bring this up at the end of the budget process. He stated by bringing this issue up now, they can set aside money for the raises and the department managers would then know what is left over to budget with. He stated he has heard several of them say at the end of the budget process that their employees are the most important thing that they have in Washington County to do the work, and they need to treat them as such.
- 252.5 **R. Dennis made a motion to adopt the ordinance. D. Balls seconded.**
- 252.6 T. Lundstrum stated he does not disagree with anything he heard R. Dennis say except when to pass this ordinance. He stated that he believes a 2% raise would cost around \$500,000 a year, so a 4% raise would equate to \$1 million a year or more. He stated he does not like to

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make these kinds of decisions before County Treasurer Bobby Hill gives him an idea of what kind of revenue they can expect, pointing out with sales tax being up some and collections on property taxes increased, they may be able to do this. He stated he is not opposed to giving raises, but is opposed to passing a 4% raise tonight before he knows how much revenue they have coming in.

- 253.1 A. Harbison stated she thinks they need to step up and tell the employees of Washington County they are important. She stated they have gone through some really hard years, cutting their budget over and over again, only giving their employees a very small bonus. She stated she would like to see them pass this ordinance tonight and find the money to fund it.
- 253.2 E. Madison concurred with T. Lundstrum that it feels a little early to do this and one of the things that complicates it for her is the presentation they heard from Sheriff Helder on law enforcement pay compared to other agencies in Northwest Arkansas. She stated they put law enforcement in the same grading system with all other county employees and she does not believe that is right. She believes their law enforcement system needs an overhaul and they need to bring their law enforcement officers up to the market level which should be apart from any discussion about a raise. She would like them to dig a little deeper into the complexities of compensation which will take some time and work and while she wants to give a raise, but thinks it will be more complicated than just a flat 4%.
- 253.3 L. Ecke stated having sat through a budget process for the first time last year, about to go through it again this year, and sitting in the public gallery the year before, the definition of insanity is doing the same thing over and over again and expecting different results. She is hopeful this year they will not go through the budget process the same as they have done it in the past because they have new issues and new pressing circumstances facing this Court, and believes they should come up with a new template that is relevant for today's issues. She stated she has stated before that they should give a 5% raise, 2% short-term capital outlay and 3% long-term capital outlay, and before they even look at any other budget, they need to take care of that which takes care of them and that is their employees. She stated it does not matter what the revenues are because they need to take care of their employees and if this is what it will cost, then the numbers and everyone else's budget needs to fall in line and she believes the elected officials would support employee raises. She concurs with E. Madison that they need to look at the Sheriff's employees in a completely different way. She stated that there are 15 JPs with brilliant minds that and need to be creative and come up with another budget process.



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- 254.1 H. Bowman stated he has no doubt that their county employees need a raise, but they are responsible for the entire budget and for balancing the budget. They do not yet have information from Treasurer Hill about anticipated income. They already know that they face increasing costs everywhere they look and will have to spend \$300,000 on their parking deck, and cannot make a big commitment until they know there will be money in the bank. He noted they may have to maximize their assessments in order to pay for the kind of things they are talking about spending.
- 254.2 B. Pond stated he does not disagree with Sheriff Helder's presentation at the Jail/Law Enforcement/Courts Committee meeting comparing their law enforcement with other agencies in the area, but he has not heard anything from their Salary Consultant Blair Johanson that this is any different from the rest of the employees. He does not feel comfortable dividing the law enforcement out from the rest of the county employees as they need to treat all of their employees comparably the same. He stated that County employees are an asset and they should be considering them before anything else. He noted that they know they will have to do something about healthcare coverage and at the same time, they need to be concerned that their most valuable asset are being paid enough to cover their healthcare. He reported taking part in a vote a few years back where they could afford to reduce property tax by ½ mill and he was proud to let the landowners of the county keep some money that the county did not have to have then. In order to maintain reasonable comparable salaries for their most valuable asset, they may need to put some of that revenue back so they can continue to provide the services that the people in this county need.
- 254.3 T. Lundstrum stated he recalls last year asking for a raise for the Sheriff that failed not based on the fact that he is in a different department, but based on the number of people that worked for him. He stated that is why they have the JESAP Program with different levels of pay based on the job and amount of intelligence that is required to do the job and he does not believe, outside of some jobs at the Road Department, that there are any jobs in the County that is even half as dangerous as a police officer. He stated HR Director Lindsi Huffaker advised him that they can separate out the Sheriff's Department and he would like to take a close look at that before they decide what they want to do about raises.
- 254.4 **T. Lundstrum called for the question. E. Madison seconded.**
- 254.5 **Judge Edwards called for a vote on the call for the question.**

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- 255.1 VOTING FOR: B. Pond, H. Bowman, L. Ecke, T. Lundstrum, E. Madison, S. Madison, G. McHenry, and J. Patterson. VOTING AGAINST: B. Ussery, D. Balls, R. Cochran, R. Dennis, A. Harbison, S. Lloyd, and J. Maxwell. **The motion to close debate failed with eight members voting in favor and seven members voting against the motion.**
- 255.2 B. Ussery stated that the Sheriff's Department is in a different situation than the rest of the county employees and in order to be competitive they should have Salary Consultant Blair Johanson show them where they need to be, come up with a three year plan and each year do a certain amount toward that amount. He stated it would give the employees hope and put it into sized pieces that they can realistically attain and still keep it together. He stated he would like them to consider this while they go through the process.
- 255.3 H. Bowman stated that the market sets the price of employees and if they give a consistent raise for everyone across the board, they could be looking at a situation where they have nobody in enforcement because it is a dangerous and difficult job that requires different skill sets than many other jobs do. He stated they need to continue the process of evaluating department by department and skill required for each job.
- 255.4 J. Patterson stated that there are a lot of factors involved and a lot of things they need to process and weigh regarding this issue and they were just told they need to spend \$820,000 for insurance just for starters. He stated law enforcement is pretty valuable to him having been a victim of breaking and entering, and wages and the budget always weighs heavy on his mind, but they have to do what is right to the best of their ability and do what is best for their employees with what they can afford.
- 255.5 R. Cochran stated that everyone has received a copy of a Financial Forecast spreadsheet that he has been working on. In reviewing the document, he stated that he has been told that 25 people move into Northwest Arkansas per day; ½ of those move into Washington County or 4,562 persons per year. He factored this figure into some historical data and census of their urban, rural and total for Washington County. In 2010 we took a hit in the new census, dropping their revenue by 21.48% and this will be coming again in 2020. He stated they need to be looking down the road at where and when their money comes rather than one year at a time because if the trend that they have between the 2000 census where they had 37,201 people and in 2010 they had 37,609, they can see where the cities continually annex their outlying areas and their county population continues to stay about the same. He addressed the 1% general revenue sales tax and over the last four years shows they have averaged an

increase of 3.8%; and forecasting 3.8% going forward each year. He addressed the real estate forecast with assessments and real estate millage rate shows 3.54 mills in 2000, a jump to 5 mills for three years after that backed it off to 4.75, 4.5, 4.4, and 3.9 mills. He stated their reason for reducing it further was they had a large reserve and there was no other way to give it back. He stated they do not have that large reserve anymore, so adjusting it back up to help them find the money they need for insurance, raises, work on the parking deck, etc. He stated looking at an average of 3% increase year to year in the tax collection rate at a current 3.9 millage rate, in 2017 they would have an increase of \$260,000 in sales tax revenue and \$419,000 in real estate tax increase for a total of about \$700,000 increased revenue. He stated they have more than that in increased cost, so they have to look at where they are going to get the money they will need and while he believes it is too early to vote for insurance or raises, he commended those JPs who brought this forward to bare right up front because once they know what they will do with those issues, they can address the rest of the budget fairly efficiently. R. Cochran stated if anyone wanted this spread sheet in electronic form in order to dial in different numbers, Executive Assistant Karen Beeks can email it to them to use as a tool in this budget process.

- 256.1 County Attorney Steve Zega stated after hearing several of them say they may not be prepared to do this tonight, because this is an appropriation ordinance, if it gets an up or down vote, that may present problems with bringing it back at a later time. He suggested as parliamentary advice that they may want to table this ordinance to a meeting in the future or indefinitely, with an indefinite table being debatable and a date in the future non-debatable.
- 256.2 **R. Dennis made a motion to table the ordinance until the August regular Quorum Court meeting. G. McHenry seconded.**
- 256.3 **Judge Edwards called for a roll call vote on the motion to table.**
- 256.4 **VOTING FOR: B. Pond, B. Ussery, D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, E. Madison, J. Maxwell, G. McHenry, and J. Patterson. The motion passed unanimously by those present. The ordinance was tabled until the August Regular Quorum Court meeting.**
- 256.5 As a matter of other business, Judge Edwards noted Sergeant Ty Augustine of the Sheriff's Office was at the meeting stating it was an honor to have him there; and the Quorum Court and audience gave him a round of applause.

- 257.1 CITIZEN'S COMMENTS: Courtney McNair, employee of the Washington County Planning Office for eleven years, addressed the Quorum Court stating she had some concerns with the proposed increase to the employee's Insurance Fund. She stated she completely understands the importance of making their Insurance Fund solvable, but fears the significant impact it will have to most county employees who are paid below market wages. She stated while they have had great benefits in the past that includes their retirement plan and very affordable health care, it is not fair to ask them to carry the burden of market place insurance rates when their wages are below market place rates. C. McNair stated that many of the younger employees at the county have large student loan payments for the degrees that their job description requires, as well as healthcare, mortgages and rent, car loans and insurance and other costs that many older employees do not have to bare as they have paid off their mortgages, do not have young children or the burden of student loans.
- 257.2 Juliet Richey, Washington County Planning Director, addressed the Quorum Court stating that she is there on behalf of some of her employees who have these stated concerns. She stated it sometimes feels like it is hard to find a good venue to speak to the Quorum Court about important personnel issues when they are limited to a 3-minute discussion at the end of a meeting. She stated she felt many of the things said at that meeting were positive and much more encouraging to her than last year. She understands this part of the Quorum Court's job is overwhelming, how to allocate huge amounts of taxpayer money not having completely solid ideas of what they will have in revenue. She stated she worries about potential retention problems that they may run into and believes that there is a cost that goes with it. She personally does not have an issue with separating out law enforcement, but believes they still need to look at all other employees as well. She stated when she is trying to hire people she feels like she has limited tools and why should they should work for the county that pays 5% below market rates.
- 257.3 **R. Dennis made a motion to allow Juliet Richey to talk longer. R. Cochran seconded. The motion passed unanimously by those present by voice vote.**
- 257.4 J. Richey stated one of the big selling points the County has is its insurance plan which has been much better than others in the past and she understands that this Fund has to remain solvent and requires huge infusions of revenue. She addressed the statement that employee only plans are revenue neutral, stating that is not really true because that is only for premiums and not an out-of-pocket maximum. She stated it seems disturbing to her that they would move forward with reducing actual

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money coming out of people's checks, but with a much higher risk that employees have to plan and save for with their families and not be able to compensate people at a market level. She feels that they are headed in a scary direction if they cannot find a way to turn it around and do something other than to just talk about it. She suggested finding revenue neutral ways if they cannot do anything else. She stated as a department manager she is struggling to recruit people and retain people and at some point if there are no incentives for people to work for them. J. Richey stated she likes Washington County and lives here for a reason, feels secure with their law enforcement that is run by good people, all of the services provided by good people with good hearts that are community minded and care about people.

- 258.1 A. Harbison addressed the Quorum Court and encouraging them to study the Financial Forecast spreadsheet prepared by JP Cochran that shows pretty accurate projections.
- 258.2 Lorraine O'Neal, citizen of Fayetteville, addressed the Court stating that she understands the overwhelming process involved with the budget, but stated this country is overwhelmed with debt and they cannot unconscionably give raises and they should consider going to a merit system and not across the board pay raises. She agrees that law enforcement should be separate because in this day and age, they need all the support they can be given. She stated bottom line they need to be responsible to the budget and all JP's opinions are important and should not be silenced.
- 258.3 Russell Hill, Washington County Assessor, addressed the Quorum Court stating at the beginning of this year his office created an internal employee Employee Love Fund (ELF) where they help employees going through different struggles and they take care of each other. He encouraged the Quorum Court that they have a way to find the money and they need to take care of each other.
- 258.4 ADJOURNMENT: The meeting adjourned at 8:20 pm.

Respectfully submitted,



Carly Sandidge  
Quorum Court Coordinator/Reporter