

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

Tuesday, September 22, 2015  
5:30 p.m.  
Washington County Quorum Court Room

2015 DEC 18 AM 9:57  
OFFICE OF THE CLERK  
WASHINGTON COUNTY  
COURT HOUSE  
JACKSONVILLE, AR

- 472.1 The Washington County Quorum Court met for a special meeting on Thursday, September 22, 2015. The meeting was called to order by Judge Marilyn Edwards who stated the purpose of this meeting was to discuss Washington County financial matters.
- 472.2 J. Patterson led the Quorum Court in a prayer and in the Pledge of Allegiance.
- 472.3 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.
- 472.4 OTHERS PRESENT: County Judge Marilyn Edwards, County Chief of Staff George Butler, County Comptroller Cheryl Bolinger; Interested Citizens; and Members of the Press.
- 472.5 ADOPTION OF THE AGENDA: Judge Edwards asked if there were any additions or deletions to the agenda.
- 472.6 **A motion was made and seconded to adopt the agenda as presented. The motion passed unanimously by voice vote.**
- 472.7 PRESENTATION BY SALARY CONSULTANT BLAIR JOHANSON ON WASHINGTON COUNTY COMPENSATION PLANNING FOR 2016: Blair Johanson, County Salary Consultant, addressed the Quorum Court stating that this is the time of year that he provides an update from the market pay study to help with budget planning for employee pay adjustments or increases. He stated that he would be reporting on data for national, state and regional market pay studies. He stated this year several national studies are pointing towards 3% adjustment overall for employee increases in 2015 and projections for next year are in line with the 3%. He addressed the World at Work Association Study for 2015-16 Arkansas salary adjustments that show a 3% mean and median for the actual 2015 and projected 2016 shows a 3.1% mean and 3% median. He addressed studies that compiled data for the Arkansas Compensation Association (ACA) with 68 public and private organizations participating this year. The 2016 projected general increase adjustment averages 3.14% and the merit 3.02%. He further noted the Northwest Arkansas Human Resources Association (NOARK), the regional human resources association, had 58 organizations participating in the study this year. The 2016 general increase average that is projected is 2.80% with the

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 2

Cost-of-Living Adjustment (COLA) of 2.50% and the merit 3.64%. He noted that this shows influence of the private sector with merit. He further pointed out that participants in the NOARK study are a real mixture of both public and private organizations including some cities, several manufacturing organizations, University of Arkansas, and Tyson Foods.

- 473.1 B. Johanson further stated that for the last several years average annual pay comparisons have been tracked to see how the County is doing internally on average wages compared to state and regional. He noted that the data is a year old because it is pulled from the Department of Labor Bureau of Labor Statistics and its data is about one year out. He reported in 2014 the average for the state was \$37,940 or \$18.24/hour; Northwest Arkansas Regional average was \$42,410 or \$20.39/hour; and Washington County's internal average for 2015 is \$36,421 or \$17.51/hour.
- 473.2 In response to a question from A. Harbison, B. Johanson stated that these average annual pay comparison figures do not include the salaries of elected officials.
- 473.3 B. Johanson addressed a scatter gram that shows each employee employed by Washington County, showing an internal average of 45% of employees above the range midpoint and 55% of employees below the range midpoint. He stated a few years ago Washington County was 58% below the midpoint and 42% above the midpoint so some headway has been made when adjustments were made for pay compression and for people with 2-5 years of service, giving them a little bit more than 3%. In that particular year, Washington County averaged about 4.2% overall budget and last year made a 2% adjustment. Regarding pay lines when comparing to markets, Mr. Johanson reported that the county is being compared with certain organizations from the public sector as well as the private sector. He pointed out that the graph shows comparisons to Northwest Arkansas cities, Benton and Sebastian Counties, NOARK studies, and the Department of Labor study. B. Johanson addressed a table showing how Washington County is comparing its benchmark positions like other cities, county governments, or some private sector positions. Washington County has 231 titles representing the county, comparisons to NOARK with 109 titles, Northwest Arkansas cities with 131 titles, Department of Labor with 126 titles, Benton County with 163 titles and Sebastian County with 122 titles. This shows percent variances anywhere from a -7.2% at NOARK to +3.0% above Sebastian County. He noted historical perspectives for Washington County in 2013 with a market variance of -4.45% on the median and -3.24% behind the mean; in 2014, after the 4.2% adjustment and pay compression issues, Washington County had a market variance median of -2.88% and mean of -1.81%; and

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 3

this last year following the 2% internal adjustment and the market moving at about 3%, they had a market variance median of -4.94% and mean of -3.31%. He stated that these figures track with what happens with the decisions on what Washington County can afford for employee adjustments and how the market participates with its adjustments.

- 474.1 B. Johanson addressed a table showing Regional Market City/County Adjustments for 2015 and plans for 2016. The table for 2015 showed Benton County at a 1% salary structure increase and 3% merit. In the following year, there is a plan for a 1-2% general increase with no merit adjustment planned due to a \$1 million increase in personnel expenditures for new positions. He stated that Sebastian County had a 2% COLA for 2015 and 2% COLA planned for 2016; City of Fayetteville had a 3.77% step increase for uniformed positions and 3.49% step for non-uniformed positions. The plans for 2016 are unknown until the end of the first quarter, when the sales tax is viewed from the preceding year. He stated that the City of Springdale had a 2-3% step increase for non-civil service employees and 5-6% step increase of civil service employees. He stated that the City of Bentonville had a 1.7% COLA and 1.3% merit for 2015, and the 2016 plans are unknown at this time. He stated the City of Fort Smith had a 1% general increase and 1-3% merit increase in 2015 and plan the same allocations for 2016. He stated that the City of Rogers had a \$1,000 for employees making less than \$50,000/year and a 2% adjustment for employees with salaries more than \$50,000/year. The City of Rogers is leaning toward 3% increase that could be tied to a merit pay system in 2016.
- 474.2 B. Johanson stated that given all of this information, he recommends a pay adjustment of 3% general increase. He gave the reasoning that the county's internal pay mean is 3.31% behind the market pay mean and 4.45% behind the market pay median based on the 2015 market pay study. He stated that the regional projected salary adjustments in 2016 will range from 2.8% to 3.6% and the overall average of state projected salary adjustments will be 3.0% and 3.1%. He stated every so often the Quorum Court looks at adjusting the pay range structure, the last time being in 2012, with an upward adjustment to the minimum midpoint and maximum on the structure. He is recommending that the county does not do this for 2016 and really consider it for 2017, because it would have been five years since the last adjustment. B. Johanson suggested adjusting the Washington County Pay Grades and Ranges Structure by 2.5% for the budget year 2017; this pay structure adjustment will increase the lowest grade level pay range minimum from \$10.76 to \$11.03 per hour. He stated that in regards to the Elected Officials, the Court should continue with the current policy of 85% of the state allowable pay range maximum.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 4

- 475.1 E. Madison stated that one issue that has come up is employees who are provided vehicles and asked if that is looked at in terms of additional value in the compensation structure; to which B. Johanson stated that overall benefits are occasionally looked at and believes that two years ago, benefits compared to the market was looked at. He noted the most significant benefits that the County has would be health as far as cost allocation and the retirement plan. B. Johanson stated that on the overall average, the benefit of having a car provided would not be as much, but on a one off or each position, it does have value; however, at this level when looking at the whole organization, it would be hard to name a percentage of the adjustment. He further pointed out that the study figures he is giving are strictly pay and do not include benefits.
- 475.2 T. Lundstrum stated that his calculations of what 3% would cost the county per year is a total of \$821,000 for all departments with County General alone being \$451,000. He noted that these small percentages do not seem like much until the total payroll is multiplied by it. He pointed out if the Court raises pay by 3% this year, the \$821,000 will be left from now on, stating that the Court will need to consider its incoming revenue before making a determination.
- 475.3 L. Ecke stated that when she was at the Association of Arkansas Counties meeting, the President stated that counties may not pay a lot upfront, but has excellent retirement benefits. She asked for B. Johanson's assessment of that statement.
- 475.4 B. Johanson stated in comparison to a 401K Plan as far as the contribution or what it represents to an employee, it is an excellent plan for state employees compared to just a general 401K Plan that is out in the marketplace. However, he stated the marketplace makes up the difference with bonuses, profit sharing, stock, and other ways to compete in the marketplace.
- 475.5 In response to a question from A. Harbison whether the \$821,491 includes benefits, FICA, health insurance, etc., to which B. Johanson stated that it does include benefits. She further asked about \$11.03 per hour wage and B. Johanson explained that the 3% general increase was for employees in general and not the salary structure, but by adjusting the Washington County Pay Grades and Ranges Structure by 2.5% for budget year 2017, the minimum wage would be brought up to \$11.03/hour.
- 475.6 A. Harbison asked if the Court goes with a 2% adjustment to employee pay for a total of \$563,000, what would that do to the structure of the range in comparison to the other entities and could a graph showing the difference

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 5

be presented to the Court; to which B. Johanson responded he can do this comparison

- 476.1 H. Bowman stated that when the Court discussed this before, he expressed his concern about not including benefits in these comparisons, noting that B. Johanson's 3% comparisons does not include retirement plans, but the calculations for proposed raises does include benefits; to which B. Johanson responded stating that the table including benefits is so the Court can see what the total costs represent.
- 476.2 H. Bowman stated that he has had some fabulous jobs and never had a 15% retirement contribution, nor has he found anyone who pays that kind of benefit for retirement, with a good number not paying anything for retirement. He stated that 401K is not a guaranteed benefit, and this is an absolutely guaranteed benefit, noting that the state retirement funds are behind in its accumulation of funds to take care of all these commitments. He stated that he knows this is done by the state, but it is a huge cost to the county and he would like to see the Court press its Legislators in Little Rock to take another look at this.
- 476.3 R. Cochran stated that the average hourly wage was calculated for the Court without elected officials and asked if that was the same case when comparing to other counties; to which B. Johanson responded that the other counties' calculations for the average hourly wage was calculated without elected officials as well. R. Cochran asked if the NOARK study excluded higher paid management, CEO, etc.; to which B. Johanson responded that there is senior management in the study. R. Cochran asked if B. Johanson took the highest paid people off of the NOARK study, what that would look like; to which B. Johanson responded that it is the Department of Labor study and it includes every paid position in the county. He noted that the NOARK study has 150 titles in it, so it would not be similar to the Department of Labor's study as far as every title being paid. The NOARK study is a pretty good statistical average for comparison purposes, but not compared to the Department of Labor's study.
- 476.4 J. Maxwell asked if it would be possible to get some similar projected numbers like these that would include just counties rather than a mix of cities and counties; and if the Court could look at that county by county and how the County compares in total compensation.
- 476.5 B. Johanson responded to J. Maxwell's question stating that Benton County is right in Washington County's market, which is important from a recruitment standpoint, plus it is a Class 7 county and comparable. Historically, Sebastian County was a good one to compare with; however,

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 6

they are behind in giving pay increases and have been for several years now. He stated the other Class 6 counties from a market standpoint, there is a measurable difference between Eastern, Southeast and Southwest Arkansas, so those counties can be included, but it would bring the averages down and would skew the numbers as these areas are not reflective or representative of the Northwest Arkansas market.

- 477.1 J. Maxwell stated if it was not too much work to get those numbers together for the other counties that are relevant to Washington County, not just geographically but according to our class anyway as it might be nice to have those numbers alongside what he has given the Court tonight to have for reference as well. He stated if the Court could also have the numbers with the elected officials included it would be helpful as well.
- 477.2 S. Madison stated that she is somewhat concerned about B. Johanson's dismissive attitude about the value of a vehicle, because the Court is not just talking about having a vehicle, but having a vehicle that is serviced and filled with gas to go back and forth daily. She stated from B. Johanson's perspective, she would think that there would be some concern about the huge discrepancy it causes between employee compensation. She further stated that in her notes from the Jail/Law Enforcement/Courts Committee meeting on June 8, 2015, T. Lundstrum stated that the compensation package should be corrected and include the value of a vehicle when an employee has one provided. He also stated that if a vehicle is part of a compensation package, then the Quorum Court should approve it, and that no employee should have the authority to give another employee a vehicle. S. Madison stated that the matter of a vehicle kind of warps the Court's whole system when there are two essentially equal employees, but one has a car and the other does not.
- 477.3 B. Johanson asked how many employees out of the total number of employees in the county require a vehicle; to which S. Madison responded she believes it is about 67 out of 600+ employees. He further stated that the point he made earlier was not specifically the value of the vehicle as relationship to the vehicle as value compared to the total dollars for 600+ employees. He stated the value of a vehicle to a specific position does have value, but when comparing the total cost of that vehicle and access for that employee to have it compared to the total compensation for the employees, it does not really tie into the total value to the whole compensation comparison. B. Johanson further stated in response to S. Madison's request that he could find out how many employees of Benton County have vehicles provided. He further stated that city employees are given access to vehicles when they are in use as a part of the employee's job or some utility positions that are on call.

- 478.1 B. Ussery stated that the discussion that the Court is having is how Washington County is being compared to the other counties. How one employee is being compared to another employee is a different discussion in his mind. He asked how the benefits of other counties are compared to Washington County's benefits; to which B. Johanson responded that usually the counties are pretty close because of the state retirement plan and typically the way health plans are handled are similar. From a cost standpoint, he stated when you look at benefits, you look at two major benefits, the retirement and health plans. B. Ussery asked how that compares to NOARK because he has a feeling when looking at private industry, Washington County is lower on salaries, but higher on benefits, and asked if there was any way to equate those; to which B. Johanson responded that he can pull the two that were looked at a couple of years ago on benefits. He noted in the NOARK study, you mainly look at the cost to the employee and family for co-insurance or premium share, stating that it can be compared against the NOARK average. B. Ussery stated that he can report that most industries is moving away from insurance and employees who do have insurance are paying a much higher premium and benefits have decreased dramatically. B. Johanson stated that as a rule-of-thumb reference, the cost share average for the employee's coverage is 25% paid by the employee and 75% paid by the company; and this moves to a 40/60 or 50/50 split when you move to employee family coverage.
- 478.2 L. Ecke presented a list of vehicles that are taken home by the county employees, asking if the county also pays for the insurance on the vehicles as well. She pointed out that the value of having a work vehicle would be insurance, gas, maintenance, car payments, etc. is a huge benefit and needs to be considered. She added that B. Johanson did a good job on the comparisons that he provided, but she wants to be able to look at things clearly.
- 478.3 S. Madison stated that she was unable to see and read the charts and graphs on her screen from B. Johanson's presentation and requested the next time the Court has this type of data to review, that JPs be given a printout as well.
- 478.4 REVIEW OF 2016 BUDGET CONTROLS: Judge Edwards explained that it is the responsibility of each elected official and/or department head to operate within the guidelines of the budget as adopted or amended by the Quorum Court. The budget for each County department consists of appropriations of authorized expenditures in the following major categories: Personal Services (regular salaries, extra help, overtime & fringe); Supplies; Other Services and Charges; Capital Outlay; Debt Service; and

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 8

Interfund Transfers. Expenditures will be limited to the amounts appropriated in the above categories.

- 479.1 Judge Edwards stated that County Attorney Steve Zega will read the budget controls section by section and followed by the court's discussion, Executive Assistant Karen Beeks will make changes as they go along. Comments will be taken from the audience, and then the Court will vote on each section.
- 479.2 E. Madison stated that she was unable to find any legal requirement for budget controls or any other county in the state that had budget controls. She distributed copies of budget controls from 2-3 counties in New York that had very similar budget controls and noted how different they were from Washington County's budget controls because they are very general. She stated that by the Quorum Court having these budget controls, it is like passing an ordinance and some of the items seem very procedural. She stated that those items might be better addressed as a procedure of the Comptroller's Office as opposed to the Quorum Court having them as she does not believe this is something the Court should be legislating.
- 479.3 S. Madison stated that she reviewed some budget controls and she questioned who the budget controls are intended for, why the Quorum Court needs budget controls, and how the budget controls are used. She asked if County Attorney Steve Zega could give her some background on budget controls.
- 479.4 County Attorney Steve Zega addressed S. Madison stating that there are some budget controls that apply to everybody, some that apply to budgeting units specifically, and some that apply to the Quorum Court members; wherein, they are essentially voting rules upon themselves and upon those who spend money in the county on the ways in which those funds can be expended. He stated one that comes up most frequently in his experience is the one that deals with approval of new personnel positions and that requires coming before this process in the fall and asking for the new positions. He gave the example of when the Quorum Court changed a Public Defender from part-time to full-time this year. He stated that these budget controls can be tantamount to an ordinance in that the Court votes to adopt the budget controls as part of the budget ordinance that is eventually passed, but the budget controls are rules that can essentially be vacated or suspended by a 2/3rds vote similar to Robert's Rules. With regard to line item transfers, S. Zega gave the example of a department that exhausted their supplies budget for the year and requested additional money in that line item which is an area for concern for the court and the



Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 9

determination of how much, if anything, should go into that line item to finish out the year.

- 480.1 County Attorney Steve Zega read the first Budget Control that stated that requests for additional funds will be made in the following manner: (1) Personal upgrade ordinances (with the exception of grant funds) shall be brought to Personnel Committee, and if approved forwarded to the Finance Committee of the Quorum Court. New positions will be considered during the annual budget process (with the exception of grant funds), unless circumstances warrant that Budget Controls be suspended. Non-urgent requests for new positions will be heard during budget hearings and will go into effect in the first pay period of the following year.
- 480.2 E. Madison stated that the introductory language that "Requests for additional funds will be made in the following manner:" to that section is not reflective of what is actually there and all controls are not relating to additional funds. She stated that obviously the Quorum Court does not have a Finance Committee any longer and thinks that this is really a financial request. She doubts that it even needs to go to the Personnel Committee which was overkill because it was being considered in two committees and then at Quorum Court for the third time. She stated the personnel upgrade ordinances should be simply brought to the Court as there is no longer a Finance Committee. E. Madison stated that one thing that troubles her is that these budget controls are ordinances, though they still need to be suspended if they are not going to be followed and therefore are rules governing the Court. She stated that she does not know what "non-urgent" means as far as requests to be heard during the budget hearings and stated every elected official or department head may have a different take on what is urgent. She stated given that this has the power of an ordinance, she believes that the terms need to be well-defined. She suggested that the Court eliminate having personnel upgrade ordinances go to committees and instead have them go straight to the Quorum Court and figure out a way to clarify what is "urgent" and what is not.
- 480.3 A. Harbison stated if the Court is adding personnel, then it certainly has to add funds. In this current budget process, there are several departments asking for new personnel for next year and those would be the non-urgent requests. She stated that next year there may be an emergency or need an additional person. In the past, the Quorum Court has handled that by suspending the rules and allowing another person to be hired. She stated that she has used these budget controls for ten years and does not see much of a problem with them.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 10

- 481.1 S. Zega stated that in order for E. Madison's edits to be properly before the body, they need to be made in the form of a motion with a second.
- 481.2 **E. Madison made a motion to delete budget control #1 and the introductory phrase to the budget controls. R. Cochran seconded.**
- 481.3 L. Ecke asked with regard to the Personnel Committee, whether the past procedure has been for the Chair of the Personnel Committee to have communication with the HR Director anytime there is a new employee; and questioned whether the Personnel Committee needed to be omitted from the paragraph altogether and just to handle these matters as the Quorum Court.
- 481.4 S. Zega stated the thought process or logic behind the way A. Harbison noted they had handled budget controls for a long time was if they were for instance creating a new Deputy Circuit Clerk position, K. Sylvester creates the job description for the position, passes it onto Blair Johanson who recommends a mid-point for the salary, after which it goes to the Personnel Committee, then to the Finance/Budget Committee for approval of the position at the designated compensation.
- 481.5 E. Madison stated the Personnel Committee still does a lot such as managing the personnel policies and there is no reason for doing away with the committee. She stated she is suggesting that the Court make things more efficient by just having these personnel requests come to the Quorum Court instead of going through the four stops to pass, noting that it is already going through the JESAP process for which the Personnel Chair is a member.
- 481.6 L. Ecke stated that she believes they should have less discussion and debate in committees also with a lot of it being repetitive. She concurs that four processes is a lot to create a new position especially when it is the same people at the committee meetings and suggested that the Court should work on how to do these tasks more efficiently.
- 481.7 B. Pond stated with regard to deleting the introductory sentence regarding requests for additional funds, with each one of those transactions someone is requesting additional funds for a line item. He stated that this court will know what that was for, but future courts may question this.
- 481.8 A. Harbison stated that every one of the budget controls requested money in some form or a change in the budget which has to do with money.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 11

- 482.1 R. Cochran noted that budget control #7 is talking about a policy for purchases made with a purchase order, etc., and budget control #8 relates to notification, so not all budget controls are dollar funding type items. He suggested that the heading should be changed as opposed to removed.
- 482.2 A. Harbison suggested changing the heading to "Requests for additional funds and list of policies in financial matters" because each has to do with buying something.
- 482.3 E. Madison suggested that the Court members think about the replacement introductory language once they are done with budget controls 1-13, stating it is self-explanatory and not worth debating.
- 482.4 S. Madison stated that she will vote in favor of E. Madison's motion because she sees this introductory sentence totally unnecessary.
- 482.5 B. Pond stated that the Court is getting ready to take something totally off of the page and do not know what it is going to be replace with, so he would rather leave it for now and then return when the amendments are complete. He further has a problem with the statement that this is not worth debating.
- 482.6 E. Madison questioned taking citizen comments after each budget control as that is not the Court's procedure, suggesting that public comment should be at the end before the final product is voted on.
- 482.7 County Attorney Steve Zega stated that Judge Edwards had announced what she intended to do ahead of time, but the court members can say that they do not want public comment and it should be in the form of a motion at this time. He stated this motion for practicality takes precedence because the JPs need to decide now whether they are going to have item by item public comment.
- 482.8 R. Dennis stated he would like to hear from the department managers.
- 482.9 **R. Dennis made the motion to take public comment after each budget control. L. Ecke seconded. The motion passed unanimously by show of hands.**
- 482.10 Judge Edwards asked if anyone would like to comment on the discussion that they have had on budget control #1.
- 482.11 Citizen Comments: Lindsi Huffaker, HR Director, addressed the Quorum Court stating that she had no opposition to removing budget control #1, but for uniformity sake, wants the committee to be aware that it will also need to

visit the salary administration program sometime in the future because it currently states that any exceptions on salaries are required to go through the Personnel Committee, Finance Committee and then to the Quorum Court.

- 483.1 **With no further discussion, Judge Edwards called for a vote on E. Madison's motion.**
- 483.2 VOTING FOR: D. Balls, H. Bowman, R. Cochran, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, and J. Patterson. VOTING AGAINST: R. Dennis, G. McHenry, B. Pond, and B. Ussery. **The motion passed with eleven members voting in favor and four members voting against the motion. The introductory phrase and budget control #1 will be deleted.**
- 483.3 S. Zega read the next Budget Control: (2) Requests for appropriations regarding Personal Services (other than full time positions), Supplies, Other Services & Charges, and Capital Outlay funds shall be brought to the Finance Committee of the Quorum Court monthly, and forwarded to the full Quorum Court for consideration. Transfers in Personal Services categories or transfers between departments may only be made by Ordinance.
- 483.4 E. Madison stated that everything but the final sentence needs to be removed because any request for appropriation necessarily has to come to the Quorum Court and that is the effect of removing the committee anyway. She further stated that the last sentence may not be necessary either.
- 483.5 **E. Madison made a motion to delete budget control #2. T. Lundstrum seconded.**
- 483.6 A. Harbison suggested that the Court only remove the language that brings requests for appropriations to the Finance Committee of the Quorum Court monthly.
- 483.7 S. Madison asked County Attorney Steve Zega if this language was not there and there was a request for appropriations or a need for a transfer in personal services between departments, how would that be accomplished; to which he responded that it would still have to be done by ordinance. S. Madison stated if this was omitted, the department would still follow an ordinance procedure of coming to the Quorum Court.
- 483.8 S. Madison stated that since Comptroller Cheryl Bolinger is the one approached for these changes, what she would tell someone who came to

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 13

her with these requests; to which C. Bolinger responded that this was put in more for the Quorum Court's benefit than for the Comptroller's benefit. She further explained that currently departments cannot change any line items in Personal Services without an ordinance and if this language was removed, then those departments would be able to transfer money from one line item to another without an ordinance.

- 484.1 In response to S. Madison's statement that this language does not currently have the effect of an ordinance as it is just policy; C. Bolinger responded that the budget controls are part of the ordinance when the budget is passed.
- 484.2 S. Zega addressed S. Madison stating the Comptroller is correct and what the Court is doing tonight is setting the budget controls out as guidelines for themselves and the folks in the audience made up of the budgeting units. He stated eventually when the Court votes on the full budget package, if approved, there will be language in the adopting ordinance saying the 2016 budget controls as passed by the court are hereby adopted and confirmed, so eventually this will have the effect of an ordinance.
- 484.3 S. Madison stated if they delete budget control #2, the Comptroller can make all of these changes without the Court ever knowing; to which S. Zega responded yes, within a line item as just described. She further verified that currently line item transfers within a category are allowable if the Court deletes #2 and the effects are different than with budget control #1 because no ordinance is required.
- 484.4 J. Maxwell asked for clarification on whether line item transfers could be done at a Comptroller level without an ordinance or Quorum Court participation.
- 484.5 S. Zega responded to J. Maxwell, stating that he may have misunderstood JP Madison's original question, explaining that if the Court wants to move between line items it would require an ordinance.
- 484.6 J. Maxwell stated that if the Court members want to have input into transfers, they need to leave the last line in budget control #2. He asked if by deleting the rest of #2, would that render no changes to the way the Court does things.
- 484.7 R. Cochran stated budget control #3 works together with #2 and if the Court does want to take out #2, then the text in #3 needs to be removed. He stated essentially #3 deals with line item transfers and #2 deals specifically with personal services as opposed to the rest of the budget.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 14

- 485.1 E. Madison stated when they go to the trouble to budget by line items, her understanding that the beginning point of that is if you have \$100 in 2001 and \$200 in 2002 that is what you can spend out of each of those line items in accordance to what the Comptroller's Office deems proper. She stated that departments could not transfer any line items because the Court puts so much money in each of those; and then budget control #3 allows some line item transfers to occur. She thinks that S. Zega's first advice that doing away with #2 is fine, because the Court breaks down personal services as a budget into all of the categories (salaries, benefits, retirement, etc.) with separate line items; that is the ordinance that the Court passes. She stated that department heads cannot deviate from that unless they do it by ordinance and the only way they allow line item transfers is by #3, so she does not think that any of the language in #2 is needed because departments start off with the foundation that line item transfers cannot be moved. She stated that the Court does not need #2. Instead, the court can designate which of the broad categories 1-6 can have line item transfers and this could not be moved without an ordinance unless an exception is given at #3.
- 485.2 J. Maxwell asked for County Attorney Zega's thoughts on the original questions; to which he responded that he has been thinking about two things that have come up in the bigger picture of line items; one an Attorney General's opinion from several years back that deals with the broad category of line item transfers and he believes it had some bearing on JP Madison's original question. He stated the answer to the question comes to where the Court wants to exercise those points of control or "budget controls", so it is intended to say that money cannot be taken from full-time salaries and put it into part-time salaries, this is not just guidance for the court, but for people who are consumers of the budget.
- 485.3 R. Dennis asked who wrote the budget controls and what was the original intent; to which S. Zega responded that a version of these budget controls have been around since 1977 when this Quorum Court was established.
- 485.4 E. Madison stated when the Quorum Court puts money in line item, that is the ordinance and then the Court would have to allow for transfers within those line items and that is the purpose of a control to say they lift those line item restrictions for a certain purpose. She stated if the budget is legislation, it seems to her the starting point is any transfer from one line item to another would require an ordinance, but through the controls, some of those would be alleviated.
- 485.5 S. Zega responded that is the subject of the Attorney General opinion that he mentioned and believes is about 15 years old that opined once you

allocate funds within a line item that transfers within the sub line items were within the discretion of the County Judge since she is charged with the administration of the budget. He stated he would locate that Attorney General's opinion for the Court to review.

- 486.1 A. Harbison stated she is wondering where this discussion is going because the Court was supposed to be only talking about Personal Services that #2 and #3 deal with, but it sounds like it should be removed as it concerns every line item in every budget; and that there has to be an ordinance to transfer anything within a budget. She stated that the Court needs to be very careful with what is decided here.
- 486.2 In response to a question from S. Madison, S. Zega explained that the Attorney General's opinion dealt with all line items as he remembers it. She stated that #2 restricts line item transfers under Personal Services so money from a car allowance could not be moved to contract labor; to which S. Zega responded yes, without the striking of it as the language currently exists and goes on to say that such transfers would have to be by ordinance.
- 486.3 It was noted the motion on the floor was to strike budget control #2 entirely.
- 486.4 R. Cochran stated that since the Court had not dealt with item #3 and both items go together, he would move to amend the motion to keep the last sentence in budget control #2, "Transfers in Personal Services categories or transfers between departments may only be made by Ordinance."
- 486.5 **R. Cochran made a motion to amend the motion keeping the last sentence in budget control #2 as above.**
- 486.6 E. Madison stated that she would accept R. Cochran's motion as an amendment to her motion without the need for a vote because she would like to see the AG's Opinion before they really decide how this all works.
- 486.7 **T. Lundstrum concurs with the friendly amendment.**
- 486.8 Citizen Comments: There were no citizen comments made.
- 486.9 **With no further discussion, Judge Edwards called for a vote on E. Madison's motion.**
- 486.10 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by**

**those present. Budget control #2 was deleted, keeping the last sentence.**

- 487.1 S. Zega read the next Budget Control: (3) Line item transfers within a departmental budget may be made within and into all categories, with the exception of the Personal Services Category as outlined in Budget Control #2. Transfers going into or out of the Capital Outlay Category shall not exceed \$5,000 per year in the General Fund; any transfers exceeding this limit will require approval by the Finance Committee of the Quorum Court. All transfers are at the discretion of the elected officials with the proper approval of the Comptroller under the direction of the County Judge. The Comptroller will report on a monthly basis all line item transfers.
- 487.2 S. Zega noted that reference to Budget Control #2 in the first sentence should now be #1.
- 487.3 E. Madison stated she feels the last two sentences in this budget control are procedural and does not belong in the ordinances, that the Comptroller has to approve all transfers and the Court has asked the Comptroller to report about line item transfers on a monthly basis. She stated this budget control should deal strictly with the issue of whether line item transfers can occur or not
- 487.4 **E. Madison made a motion to delete the last two lines of budget control #3. R. Cochran seconded.**
- 487.5 B. Pond questioned if the motion was to delete that all transfers are at the discretion of elected officials with the prior approval of the Comptroller and under the direction of the County Judge; to which E. Madison confirmed.
- 487.6 S. Lloyd stated that that the Court does need that monthly Comptroller's Report and is concerned if it is removed from #3, that the Court can be assured it will be stated somewhere else.
- 487.7 R. Cochran stated the Court has a lot of reports received on a monthly basis from various departments that have been requested, and they will continue. He is not sure that the Court needs to have it as a part of the ordinance, because it is more of a policy.
- 487.8 S. Madison stated that she would like the Court to consider the larger issue of whether any kind of transfers would be granted among line items within a category. She believes there was an incident earlier this year where some money was moved from food to something else in supplies and if departments have the full discretion to do this, then why does the Court



Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 17

even look at it in a budget and have this discussion. She stated before anyone proceeds with E. Madison's motion, she would like to hear some discussion about whether that is the way the Court wants to do the budget where the breakdowns are meaningless.

- 488.1 R. Dennis stated if this was done in 1977, the \$5,000 then should be changed to \$20,000 now. Further, he does not want to micro-manage to that level as a JP, the department managers as they should be allowed to make corrections to their budgets and he trusts them to do so.
- 488.2 E. Madison requested that the Court go ahead and vote on her motion to delete the last two lines of budget control #3 as she did it simply to get it out of the way so other bigger issues could be discussed and S. Zega concurred with her point.
- 488.3 Citizen Comments: There were no citizen comments made.
- 488.4 **With no further discussion, Judge Edwards called for a vote on E. Madison's motion.**
- 488.5 VOTING FOR: 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 B. Ussery. VOTING AGAINST: B. Pond. **The motion passed with thirteen members voting for and one member voting against the motion. The last two lines of Budget Control #3 were deleted.**
- 488.6 J. Maxwell stated that he has had a chance to visit with most of those affected by budgets and are on the receiving end of these budget controls. He had some really good conversations and discovered that there were a lot of misunderstandings about line item transfer caps. He stated he concurs with R. Dennis that micromanaging is the last thing that the Court needs to do; that the administrators of departments have a lot of work to do; and their directive should be to make sure that they are not administering, but keeping a good understanding of the budget and just managing exceptions rather than details. J. Maxwell stated one thing mentioned was a high level cap to make sure if there is a major exception; either in one transfer or if there was a whole lot of transfers that an aggregate totaled a major exception to the budget, which would be helpful in catching things that have caused a lot of problems. He gave the example of the \$42,500 move on a line item from the Animal Shelter in Building and Grounds' budget. The Court is well aware that it generated at least six meetings and a lot of work and time for everyone involved. The transfer had happened in

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 18

February of this year, which left the Animal Shelter with a budget shortfall and a lot of stuff to sort through.

- 489.1 A. Harbison stated that the transfer referred to by J. Maxwell went from one department to another and was not a transfer of line items within a department. She stated the Court members need to address when that occurs, they need to be aware of so they can unappropriate and appropriate the money to the correct place.
- 489.2 R. Cochran stated that the Court does have another anomaly in the budget where the utilities are paid in one lump sum under one budget, so instead of spreading the total to various budgets, one budget is covering the other departments in actuality. He does not think it is reasonable to split those out so the Court could forecast each one but would hate to see the same type of thing that happened recently with the Animal Shelter's funding, happen in another department.
- 489.3 E. Madison stated that what occurred with the Animal Shelter violated Budget Control #2, and what A. Harbison referred to about needing a restriction for department to department transfers is actually the part that was left in Budget Control #2.b. She is not sure how Buildings & Grounds' budget paid for the Animal Shelter's cleaning supplies in light of Budget Control #2.
- 489.4 Comptroller Cheryl Bolinger addressed E. Madison, stating whenever the Animal Shelter was built, the Buildings & Grounds Department was initially buying its cleaning supplies and this ended up being more than what it would have been to buy for other departments. She stated when that was realized there was not a line item transfer between departments; the bills were just being paid out of the appropriate department of the Animal Shelter. She noted that Animal Shelter Director Angela Ledgerwood tried to get through the year without asking for more money, but when she realized that she could not, she came back to the Quorum Court to explain the situation and why she needed the ordinance. C. Bolinger stated that there was no money being transferred between departments.
- 489.5 S. Madison stated that she does not have a problem with what is being described as micromanaging. She stated if the Court members are going to allow all of these transfers, then they need to be aware of what some of the line items are, because they are not spelled out that well. She noted under supplies, one line item is medicine and drugs and another is food. She does not understand why departments are using public money to pay for food for anyone other than the inmates at the jail and the juvenile detention center. She believes that an elected official should not be

spending public money to throw a retirement party for someone leaving. She stated that surely except for the Animal Shelter and Jail, no one else is buying medicine and drugs. She stated if the Court is going to allow these transfers, then it will not know how the money is being spent, so there should be some line items eliminated from budgets, noting every budget in the county needs a line item for food. She noted it was a surprise to find out bottled water, which she thought the court decided was bad policy, was being paid for out of a food budget when she thought water came from a water fountain and was part of a utility expense. She stated if the Court is going to keep janitorial supplies in every budget, then departments will not be able to buy janitorial supplies in bulk and on contract to get a better price as suggested by T. Lundstrum. S. Madison stated that while the Court may not want to micromanage, it is still responsible for how the public's money is being spent.

- 490.1 **R. Cochran made a motion to amend Budget Control #3 to state that “No department may purchase supplies or other services and charges for another department except for utilities, which are aggregated in the general budget.” E. Madison seconded.**
- 490.2 S. Zega stated that this would not be an amendment, but additional language for Budget Control #3.
- 490.3 B. Pond stated that R. Cochran's motion is pretty broad and questioned whether departments would have to purchase its own cleaning supplies for Buildings & Grounds' workers to use. He pointed out in making a lot of these changes to various budgets will cause a lot of things to pop up that the Court had not thought about before.
- 490.4 J. Maxwell stated that he asked Ron Wood how it was determined for which departments he paid the janitorial supplies and the real distinction was that the Animal Shelter does massive amounts of cleaning on a regular, several times a day on a scheduled basis. R. Wood advised the janitors that he was paying for whatever supplies they needed to do their jobs.
- 490.5 B. Ussery stated that the Court needs to be very cautious because there are a lot of departments that cross, noting IT gets into situations wondering who was going to pay for equipment. The Court also needs to make sure that it is not boxing itself in and work on the wording of the Budget Control.
- 490.6 E. Madison stated she is confident that R. Cochran can figure out a way to get the Court out of this, because the overall goal is to figure out what the costs are by department. She stated the issue is the services that Buildings & Grounds department provides by cleaning offices. She believes

the ultimate goal is if the Information Technology (IT) department is buying computers for one department and not the other, the Court needs to know that, because that department should be covering those expenses. Also, IT should not be buying for one department and not the other. She stated that point made by B. Ussery, where IT should only cover IT expenses and if the Health Department needs a computer, then that department should figure out a way to buy it, is one that the Court is striving to address. She further stated that some of the Court members would like to know what the utilities are per department; however, there is no good way to it. She stated if the departments could help the court identify what issues are impossible to break out, then the Court could try to address them. She noted that the existing Budget Control #2 states "transfers are not to be made between departments," and somehow it is being done. E. Madison suggested that R. Cochran's motion state, ". . . except for utilities and cleaning services provided by the Buildings and Grounds department."

- 491.1 T. Lundstrum stated that he concurs with S. Madison about micromanaging because their main job as JPs is to control the budget. He stated during his nine years on this court, he has seen two interdepartmental transfers, one when the former Circuit Clerk transferred \$50,000 out of one of her funds to the county employees in order to pay their increase in medical expenses and the other was when Circuit Clerk Kyle Sylvester transferred \$20,000 to the Animal Shelter. He stated that the Quorum Court is not really living by its current budget controls. He stated that the Court only has money that comes from the taxpayers, so the Court needs to know on a factual basis what it costs to run the departments in order to budget them. He recalled Ron Wood had \$1 million in his maintenance budget and the court took \$500,000 out of it and he still made it through that year. T. Lundstrum stated that he likes the information prepared by the Comptroller where it shows what was spent in several years past so the Court can get a feel for what a line item is costing to operate for a particular department.
- 491.2 R. Cochran stated that he will accept E. Madison's motion as a friendly amendment to the original motion to amend Budget Control #3:
- 491.3 In response to a question from J. Maxwell regarding exceptions that needed to be addressed, Comptroller C. Bolinger pointed out that grants received is obviously spending money for various departments, so that would need to be addressed as well.
- 491.4 S. Zega explained that grant funds are appropriated and the issues with those are that you get the funds piece meal. You may get a \$200,000 grant in February that had not been budgeted which then has to be appropriated specifically. He stated that the other part is that the funds are

controlled by the terms of the grant, for example how the grant must be accounted for and what the requirements are back on the county in terms of essentially proving that the money was spent for the reasons the grant was given. He stated that it is important that the budget controls not have contradictory language.

- 492.1 R. Cochran stated that he will accept the friendly amendment adding "With the exception of grant funds," to the beginning of Budget Control #3.
- 492.2 Citizen Comments: County Planning Director Juliet Richey addressed the Quorum Court stating that there seems to be a fine line, because the departments share costs on a lot of things such as leasing a copier between four departments and split the invoices. They also take turns buying copier paper. She stated that the Buildings and Grounds department occasionally does other work on the buildings that impact a specific department, so this seems like a hard line to draw and it may be difficult to get a true cost for each department. She stated sometimes the Planning Department takes care of landscaping replacements at its building and the Road Department takes care of a lot of it. She pointed out that these budget controls have been in place for a long time and many of the department heads have planned their budgets around them. She further stated that if the Budget Controls are changed radically, then the budgets that were submitted will not be accurate anymore.
- 492.3 E. Madison suggested that ". . . and maintenance services" be added after cleaning. She does not see a problem with cost sharing of equipment because each department is paying its share. She stated the trouble that the Court is having is with the general services that the Buildings and Grounds Department provides for everybody. Technically, the IT and the Comptroller Departments provide services for everybody; however, that is the purpose of the office.
- 492.4 J. Richey noted that when the Planning Department had issues come up with programs, sometimes the IT Department will foot the bill and sometimes the Planning Department would foot the bill; to which E. Madison responded that it is a purchase that is taking money out of a line item. J. Richey stated she is talking about contract services to work on one of the Planning Department's programs; to which E. Madison responded that she believes that her department should bear those costs so the Court can know what it takes to run the Planning Department. J. Richey stated that the departments do a lot of work together. For example, her department has purchased training classes before and the Assessor's Office sits in on them because the classes are for the County's Geographic Information System (GIS) Program, which is used by both offices. She

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 22

stated that the departments function as a county together across department lines, and she believes it will be unclear on how to handle a lot of things if that is restricted.

- 493.1 T. Lundstrum stated that he concurs with J. Richey, but there are other examples such as the IT Department requesting \$90,000 for security cameras, which would normally be in the Buildings and Grounds' budget; so the Court took the money out of the Buildings and Grounds' budget to pay for the cameras instead of giving the money to the IT Department.
- 493.2 J. Richey stated that some things do not have a proper budget. For example, Washington County does not have a GIS Department for the GIS system, and all four of the primary system users talk about how they can split costs when new things are needed, such as new servers or licenses.
- 493.3 H. Bowman stated it would appear to him that things like copier paper would be bought by purchasing and kept on hand for the departments to access because something like that could be bought by contractual agreement, have it on hand, and charge it out by department as the supplies are requested.
- 493.4 R. Cochran stated what J. Richey is speaking of is when departments get together and his intention with this paragraph was where one department is purchasing for another. He stated that "This does not apply to departments who work together in cost sharing projects." should be added.
- 493.5 R. Cochran stated that Budget Control #3 shall read as follows: **"With the exception of grant funds, no department may purchase supplies or other services and charges for another department except for utilities and cleaning and maintenance services provided by the Buildings and Grounds Department aggregated into the general budget. This does not apply to departments who work together in cost sharing projects."**
- 493.6 **E. Madison accepted the above on her second.**
- 493.7 L. Ecke stated that the Court really needs to understand those departments that work interdependently with one another to save costs before the budget control is reworded. She stated that this budget control should be tabled so the Court can come up with something that will work. She stated that if the departments are doing this and do not know what the cost is per department then that is what needs to be requested.

- 494.1 **L. Ecke made a motion to table Budget Control #3 until the next meeting. R. Dennis seconded.**
- 494.2 A. Harbison stated that her problem with all of this is that she does not want the Court to do something that ties the hands of the department heads to the point that they do not feel that they can work together any more.
- 494.3 B. Pond stated if the Court postpones this for a short period of time, then it would give department heads and elected officials time to give some input on what is being done and how it will affect their departments.
- 494.4 Judge Edwards stated that she appreciates what everyone is saying, but the Court needs to move forward with these budget controls because time is running out to get budgets ready as the millage has to approved at the regular meeting in November. She stated that the budget approval can be carried over into December if needed, but she urged the court to think about this before making too many commitments.
- 494.5 R. Cochran stated that he agrees with tabling this budget control to get further input and recommendations from the elected officials and operating department heads. He stated that the Court really does not want any more surprises on monies sliding between operating departments, because the Court does want to know what the departmental costs are.
- 494.6 **R. Cochran withdrew his previous motion for the amended budget control.**
- 494.7 E. Madison stated that the part about the Finance Committee needs to be taken out and numbering of the budget controls needs to be changed.
- 494.8 **E. Madison made a motion to change the numbering of budget controls #3 to #2; and strike reference to the Finance Committee. R. Cochran seconded. The motion passed unanimously by those present by voice vote.**
- 494.9 S. Zega read the next Budget Control: (4) Additional appropriations must be approved by the Quorum Court.
- 494.10 **A. Harbison made a motion to approve Budget Control #4 as is. The motion was seconded.**

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 24

- 495.1 S. Madison stated that she does not see anything remotely necessary about #4 as appropriations of course must be approved by the Quorum Court so why does it have to say that.
- 495.2 S. Zega stated that budget appropriations have to be approved by the Quorum Court, but legally if #4 is taken out; it would have no effect and would not change anything.
- 495.3 E. Madison noted that the Court needs to make these budget controls simpler, so things that legally have no reason to be said should not be said and she will vote against A. Harbison's motion.
- 495.4 Citizen Comments: No citizen comments were made.
- 495.5 **With no further discussion, Judge Edwards called for a vote on the motion to approve Budget Control #4 as is.**
- 495.6 VOTING FOR: D. Balls, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, G. McHenry, and B. Ussery. VOTING AGAINST: H. Bowman, R. Cochran, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, and B. Pond. **The motion failed with seven members voting for and seven members voting against the motion.**
- 495.7 County Attorney Steve Zega explained that this takes affirmative action and since the motion failed, that budget control is gone.
- 495.8 S. Zega read the next Budget Control: (5) Surplus personnel appropriations shall be de-appropriated from Full-time Salaries on a quarterly basis (April/July/October). These surplus funds shall be restored to unappropriated reserves.
- 495.9 **R. Cochran made a motion to strike Budget Control #4. E. Madison seconded.**
- 495.10 E. Madison asked what would happen if this budget control was eliminated because it seems like at some point the Court would have to de-appropriate those funds anyway. She asked if there was a legal obligation that the Court talks about this and what happens without it; to which S. Zega responded there was no statutory authority stating that the Court had to do this. He explained the reason it has been done is every 90 days all the money that has not been spent on salaries and wages for employees who have quit, retired or ended employment gets put back into unappropriated reserves. This gives the Comptroller a mechanism and timing to do that every quarter.



Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 25

- 496.1 C. Bolinger explained that this started back when the County did not actually have funds to pay bills and this was one way to get money back to appropriate for paying bills. She noted that every quarter, there is not that much money that goes back into the funds, so she does not know that it is necessary and it would save her a lot of work.
- 496.2 E. Madison stated it seems like it might be easier to deal with it when the Court deals with the rest of the budget leftovers at the end of the year. C. Bolinger concurred stating that it has to be done at the end of the year, because every position has to be budgeted and no one can be paid more than what is appropriated.
- 496.3 A. Harbison stated that this is money that will sit in a line item somewhere in someone's budget if it is not moved over to unappropriated funds. It also gives the Court an idea of how much money is not being used. She thinks leaving those funds in those line items until the end of the year is not being wise because this is one way that the Court can know where personnel money is not being used. She stated if there is an emergency of some kind and need to vote for monies not budgeted, then the Court will have that small amount of money to use.
- 496.4 S. Madison stated that this money cannot be transferred anywhere else and sits stuck wherever it is. She was impressed that C. Bolinger said it would save her a lot of work striking the budget control; work is money and she can be doing something else that translates into money. She sees it as another redundant statement and is not necessary.
- 496.5 R. Cochran stated that eliminating unnecessary work is always a good thing for the Court, yet the money is captive in those accounts and is not going anywhere. If the County was in dire straits and needed the money, then an ordinance could be drafted at that time.
- 496.6 Citizen Comments: There were no citizen comments made.
- 496.7 **With no further discussion, Judge Edwards called for a vote on R. Cochran's motion.**
- 496.8 VOTING FOR: H. Bowman, R. Cochran, R. Dennis, L. Ecke, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, G. McHenry, B. Pond, and B. Ussery. VOTING AGAINST: D. Balls and A. Harbison. **The motion passed with twelve members voting for and two members voting against the motion. Budget Control #5 was deleted.**

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 26

- 497.1 S. Zega read the next Budget Control: (6) Appropriations for use of grant funds may be made by ordinance with a grant agreement approved by the County Judge. Written approval from the grantor must be provided to the Comptroller's Office through the County Judge for line-item transfers within grants. If approved by the Grantor, line item transfers involving Supplies, Other Services and Charges, and Capital Outlay categories can be made at the discretion of the Comptroller's Office. All personnel positions funded by grants will be annotated as such and may be abolished upon expiration of the grant. All grantees must follow all Washington County accounting procedures. The Quorum Court must approve in-kind cost for grants prior to grant acceptance. All Grants will be administered through the County Grants Administration Office with all billings and financial reporting being handled in the Comptroller's Office.
- 497.2 E. Madison asked Comptroller C. Bolinger for her input in terms of what the Court should say in ordinance form because a lot of this looks like procedures coming from her office; and what would happen if this item was not in the Budget Controls.
- 497.3 S. Zega responded to E. Madison stating that he would recommend leaving some of the language in this budget control, such as "Appropriations for use of grant funds must be made by ordinance with a grant agreement approved by the County Judge." He stated that Grant Administrator Renee Biby could probably address this better. However, as a former budget chair, he believes that the annotation of grant positions as grant funded soft money positions was something that was put in the budget controls when he was on the court for the Court's protection so if the grant money ran out, the Court would not be obligating themselves to later fund that position. He would therefore leave the sentence, "All personnel positions funded by grants will be annotated as such and may be abolished upon expiration of the grant."
- 497.4 E. Madison stated that it seems like the Court is covering a lot in this budget control that are internal procedures and maybe Grant Administrator Renee Biby could speak to what it really needs to say and what can be handled internally. She said to some extent if it is done this way, then the Court is tying R. Biby's hands.
- 497.5 Grant Administrator Renee Biby addressed the Quorum Court stating that she would recommend leaving the first sentence as suggested by S. Zega and the last two sentences, which states "The Quorum Court must approve in-kind cost for grants prior to grant acceptance." That way once the Court accepts the grant, it is a contract and should not be appropriated without the court's approval. Further, "All Grants will be administered through the

County Grants Administration Office with all billings and financial reporting being handled in the Comptroller's Office." She believes this is important, because the county is subject to an A133 federal audit and since there are multiple elected officials, it could subject the county to multiple audits and repercussions without having that one central office.

- 498.1 **E. Madison made a motion to amend Budget Control #6 by keeping the first sentence, changing the "may" to "must"; keep the fourth sentence beginning, "All personnel positions . . ."; and keep the last two sentences with the remaining language to be covered internally. R. Cochran seconded.**
- 498.2 Citizen Comments: There were no citizen comments made.
- 498.3 **With no further discussion, Judge Edwards called for a vote on Budget Control #6 as amended.**
- 498.4 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, J. Maxwell, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by those present. Budget Control #6 was approved as amended.**
- 498.5 S. Zega read the next Budget Control: (7) All purchases must be made with a Purchase Order or P-Card and follow the written purchasing procedures as outlined by the County Judge. All purchases should be made prior to November 15 to assure the merchandise is received in the current year. No purchase orders will be issued for merchandise for the following year until January 2 of that year.
- 498.6 R. Cochran stated that this item had been discussed earlier in the Finance Committee where it was approved with the addition of the word "written".
- 498.7 **R. Cochran made a motion to approve Budget Control #7 as is. R. Dennis seconded.**
- 498.8 E. Madison stated that she might offer an amendment in the theme of simplifying by keeping the first sentence and deleting the rest.
- 498.9 R. Cochran stated when the Court discussed this a year ago, he recalls that Comptroller C. Bolinger stated that it was necessary to have the November 15 date in there to make sure that bills were submitted and paid before the end of the year.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 28

- 499.1 E. Madison stated that she is trying to giving C. Bolinger some flexibility by putting that language can be put in the written procedures and change the date if she needed to.
- 499.2 Comptroller C. Bolinger addressed the Quorum Court stating that she is good with whatever, but the Comptroller's Office has a written policy regarding this issue and can add the date of November 15 to it.
- 499.3 R. Cochran stated that if the Comptroller already has this policy as to what the Comptroller's Office will do, then the Court does not need Budget Control #7 at all.
- 499.4 **R. Cochran withdrew his motion to approve Budget Control #7 as is.**
- 499.5 A. Harbison stated that this budget control was added because this was policy that needed to be included and if it is removed, then there will not be anything there for new Quorum Court members to review, which could be detrimental, causing them to dig deeper than new members currently do to see how the county works.
- 499.5 S. Zega stated if the Court does not have this in the form of an ordinance, then the little bit of teeth that the Court has in a county ordinance is not there. He noted that P-Cards are touchy and if he were to misuse his card, then he is answerable to the County Judge and potentially to the County's Prosecuting Attorney. He suggested that the Court be very cautious about taking this budget control out of the ordinance entirely.
- 499.6 E. Madison suggested that the budget control read, "All purchases must follow the written purchasing procedures as outlined by the County Judge," because that gives the Comptroller's Office the discretion that it addresses S. Zega's issue of giving the purchasing policies force of ordinance.
- 499.7 **R. Cochran made a motion to approve Budget Control #7, with the friendly amendment as above. A. Harbison seconded.**
- 499.8 S. Lloyd stated that County Attorney Zega made a good point to keep "Purchase Order" and "P-Card" in there so she would like to see that remain in the budget control.
- 499.9 E. Madison asked if she did purchase orders any other way; to which County Attorney S. Zega stated that there were exceptions to that. E. Madison stated that she feels like C. Bolinger should address that in her written procedures depending on the nature of the expense.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 29

- 500.1 S. Zega stated that there could be an emergency purchase that receives county court approval later in the year, such as salt for the roads. He stated that these are rare and Judge Edwards has the state statutory authority to approve emergency purchases if she declares an emergency and the state statute in this case would trump the Court's county procedures. He stated in this case, less is not more when it comes to purchasing and more guidance is better in general.
- 500.2 E. Madison stated that she does not think it is a good practice to state things to emphasize them in ordinances. She said if someone is purchasing with taxpayer dollars, then the Comptroller's procedures need to be followed to the letter and the Court does not need to reiterate those procedures in part as it makes them more confusing.
- 500.3 S. Lloyd stated that if someone were to come forward and say that it was not there, then there could be a good argument saying that "Purchase Order" or "P-Card" was not there and she would like to have the teeth in it.
- 500.4 **S. Lloyd made a motion to amend the motion leaving the language "Purchase Order or P-Card" in the sentence of the budget control. A. Harbison seconded.**
- 500.5 **With no further discussion, Judge Edwards called for a vote on S. Lloyd's motion to amend.**
- 500.6 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, S. Madison, G. McHenry, B. Pond, and B. Ussery. VOTING AGAINST: E. Madison. **The motion passed with twelve members voting in favor and one member voting against the motion to amend. Budget Control #7 was amended.**
- 500.7 Citizen Comments: There were no citizen comments made.
- 500.8 **With no further discussion, Judge Edwards called for a vote on Budget Control #7 as amended.**
- 500.9 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, S. Madison, G. McHenry, B. Pond, and B. Ussery. VOTING AGAINST: E. Madison. **The motion passed with twelve members voting in favor and one member voting against the motion. Budget Control #7 was approved as amended.**
- 500.10 S. Zega read the next Budget Control: (8) General Services shall be notified by the Elected Official/Department Head of any capital items that

have been assigned to that office/department which are no longer in use by that office/department so that the items can be made available to other offices/departments.

- 501.1 E. Madison stated she has a hard time figuring out why this is a budget control because it does not have anything to do with the budget and since General Services is under the County Judge's purview, it seems like departments can just be directed to do this.
- 501.2 **E. Madison made a motion to delete Budget Control #8 in its entirety. R. Dennis seconded.**
- 501.3 Citizen Comments: There were no citizen comments made.
- 501.4 **With no further discussion, Judge Edwards called for a vote on Budget Control #8.**
- 501.5 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by those present. Budget Control #8 was deleted in its entirety.**
- 501.6 S. Zega read the next Budget Control: (9) All budgeted full-time positions are subject to health insurance charges. The Quorum Court sets rates for these charges. These Monies are transferred monthly from individual departmental budgets into the Insurance Benefit Fund. These monies are transferred regardless whether all positions in the departments are filled.
- 501.7 E. Madison questioned why this was necessary as it seems to be obvious. She asked what happens if the Court does not have this budget control.
- 501.8 Comptroller C. Bolinger stated unlike those budget controls that have been thrown out, this is a budget issue.
- 501.9 S. Zega stated that part of the issue here comes from the fact that the County is self-funded and the heart of this particular control is in the last two sentences in that departments are expected to budget for health insurance in accordance with the number of positions it has, not necessarily the number of employees it has at a given time.
- 501.10 E. Madison stated that she would then question the way it was worded because the Court is directing the Comptroller's Office to do something which is not clear with this wording.

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 31

- 502.1 E. Madison suggested that the budget control read, "The Comptroller will transfer monies monthly from individual departmental budgets into the Insurance Benefit Fund for all full-time positions and qualifying part-time employees regardless of whether all positions in the departments are filled."
- 502.2 C. Bolinger stated that Human Resources Director Lindsi Huffaker needs to address this because it also should probably include some part-time positions.
- 502.3 L. Huffaker addressed the Quorum Court stating that under the Affordable Care Act there is a new definition of what a full-time employee is and full-time employees for health insurance benefits are not necessarily full-time employees under county personnel policy. She suggested language for "qualifying part-time employees" to be added, stating that the County does have very few that qualify, but do have some.
- 502.4 **E. Madison made a motion to approve Budget Control #9 as amended above. S. Lloyd seconded.**
- 502.5 L. Ecke asked about the Quorum Court setting rates for these insurance charges; to which Judge Edwards responded that this rate is set by the County's insurance representative.
- 502.6 T. Lundstrum stated that the last time the insurance rates were raised, the Court maxed out the rates that employees could be charged and keep the county's present grandfathered clause. If the Court increases the rates anymore, then the county's insurance rates would increase by 40%. Therefore, he does not believe that this needs to be a part of this budget control.
- 502.7 **A five-minute recess was taken.**
- 502.8 Citizen Comments: There were no citizen comments made.
- 502.9 **With no further discussion, Judge Edwards called for a vote on Budget Control #9 as amended.**
- 502.10 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by those present. Budget Control #9 as amended was approved.**
- 502.11 S. Zega read the next Budget Control: (10) Longevity pay will be paid to all full time employees, excluding elected officials, in December for employees of record on November 30 and effective anniversary from date

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 32

of hire as of November 30. The net pay will be based upon the following schedule: 5-9 years @ \$250; 10-14 years @ \$350; 15-19 years @ \$500; 20-24 years @ \$600; and Over 25 years @ \$750.

- 503.1 E. Madison stated that L. Huffaker does not believe this longevity pay appears anywhere else and C. Bolinger believes that longevity pay is done annually with budget controls. She believes that longevity bonuses should be a stand-alone ordinance and something that employees can rely on and not something that has to be renewed annually.
- 503.2 **E. Madison made a motion to table Budget Control #10 to consider a more permanent ordinance form. L. Ecke seconded.**
- 503.3 R. Cochran asked County Attorney Steve Zega to weigh in on needing an ordinance versus having it as a budget control; to which S. Zega responded that he thought while he was on the Quorum Court that this employee bonus scale was established by ordinance. In the case that it is not already an ordinance, then having the force of its own seems to be the right thing to do.
- 503.4 R. Cochran concurred with S. Zega and stated that he would support tabling the budget control.
- 503.5 Citizen Comments: There were no citizen comments made.
- 503.6 **With no further discussion, Judge Edwards called for a vote on tabling Budget Control #10.**
- 503.7 **VOTING FOR:** D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by those present. Budget Control #10 was tabled.**
- 503.8 S. Zega read the next Budget Control: (11) All full-time employees who qualify for annual leave will receive a 2% pay increase effective the first paycheck of 2015. Full-time employees with less than one year's service shall receive a 2% pay increase upon his/her anniversary date. Full time elected officials will receive a 2% pay increase above their current salary.
- 503.9 Executive Assistant Karen Beeks stated that Budget Control #11 is the one that deals with salaries that they typically will wait until later to address.



- 504.1 **A. Harbison made a motion to table Budget Control #11. R. Cochran seconded. The motion passed unanimously by those present by voice vote. Budget Control #11 was tabled.**
- 504.2 S. Zega read the next Budget Control: (12) Grant funds are tracked separately and in accordance with grant regulations; if any money is advanced by the General Fund, the Comptroller recoups the funds advanced when the grant funds become available and does not require Quorum Court action. Reimbursements to the General Fund shall not be recognized until all other anticipated revenues are 100% satisfied. Reimbursement revenues are not subject to automatic appropriation to a particular budget.
- 504.3 E. Madison stated she would like to hear from S. Zega, C. Bolinger, and R. Biby on what the Court needs to do on this because she believes it is another situation where it is passive voice. She does not know who the Court is directing to do what and what is contained in this budget control that the Quorum Court should be doing.
- 504.4 Grant Administrator Renee Biby addressed the Quorum Court stating she would be in favor of striking the budget control completely as far as she is concerned because she is unclear about what it all means.
- 504.5 A. Harbison stated she believes this is directed towards when the County has large grants, such as the water project, where the money comes in partially. The Court might use county money to do a project, because it is known that the federal money is coming in to replace it.
- 504.6 E. Madison stated the situation that A. Harbison is speaking of would require Quorum Court action so she does not know how the Court could address it.
- 504.7 R. Biby gave an example of what this budget control refers to stating that that Department of Emergency Management expends grant money to buy equipment, the County does a reimbursement to the state, the state sends that money, but the Court has already anticipated and appropriated the money prior.
- 504.8 E. Madison stated since the Comptroller and Grant Administrator both agree, she would suggest that the Court delete this budget control altogether.
- 504.9 **E. Madison made a motion to delete Budget Control #12. R. Cochran seconded.**

- 505.1      Citizen Comments: There were no citizen comments made.
- 505.2      **With no further discussion, Judge Edwards called for a vote on the motion to delete Budget Control #12.**
- 505.3      VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by those present. Budget Control #12 was deleted in its entirety.**
- 505.4      S. Zega read the next Budget Control: (13) Approval must be provided to the Comptroller's Office by the County Judge for line item transfers within the County Judge-Emergency Budget. If approved by the County Judge, line item transfers involving supplies, other services and charges, and capital outlay categories will be processed by the Comptroller's Office. These monies are not to be granted to individual citizens, but are to be used to pay for expenses incurred by the County in assisting the citizens at large when the County Judge has declared an emergency pursuant to A.C.A. §12-75-101, et. seq.
- 505.5      E. Madison stated she believes the Court only needs the last sentence that deals with how the monies can be used.
- 505.6      C. Bolinger stated that she believes the purpose of this language in this budget control was to make sure whenever the County Judge's \$75,000 Emergency Budget was put in place, that she could not spend that without these stipulations.
- 505.7      E. Madison questioned whether the County Judge has the authority to do what she wants with the \$75,000 Emergency Budget anyway with the current budget controls for line item transfers; to which S. Zega responded that the entire purpose of emergency funds is that they have to be spent right now and once the emergency proclamation is issued, she would not be coming back to the Court. He stated that he does not know that this is legally necessary, although he does agree with E. Madison that the last sentence needs to be changed if the first sentence is taken out, because "these monies" are not otherwise referred to.
- 505.8      A. Harbison stated that she thought that the Court did this by ordinance after the Cincinnati, AR tornado.
- 505.9      R. Cochran stated that right after he came on the Quorum Court, the County had the disaster in Cincinnati, where several department funds were depleted very heavily. The Court brought this into the next year's budget

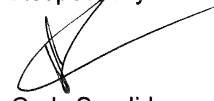
as a new department for the County Judge to expend in the event of an emergency. He stated that he believes Budget Control #13 was put in to explain what it was for and how it would be expended. He stated the way the budget control should read now is, "The County Judge-Emergency Budget monies are not to be granted to individual citizens, but are to be used to pay for expenses incurred by the County in assisting the citizens at large when the County Judge has declared an emergency pursuant to A.C.A. §12-75-101, et. seq."

- 506.1 **R. Cochran made a motion to amend Budget Control #13 as amended above. A. Harbison seconded.**
- 506.2 C. Bolinger stated because of the way the budget controls are currently, if for some reason the County Judge needed a capital item, which the Court currently has set at \$5,000, she would not be able to spend the money for that, because money cannot be moved into capital outlays.
- 506.3 R. Cochran stated the intent of what he asked for and the court approved initially was for Judge Edwards to have ample funds to do what she needed to do to take care of an emergency. He does not want the budget controls to keep the County Judge from doing what is needed. He stated that this is the best \$325,000 that the Court has not spent and are fortunate to not have had the situation again. He questioned whether the Court would need to amend this budget control or go back and amend budget control #2.
- 506.4 S. Zega responded to R. Cochran stating that he would recommend that the Court go back to budget control #2 and amend the last sentence to read, "Transfers going in or out of the Capital Outlay Category shall not exceed \$5,000 per year in the General Fund, **excluding the County Judge-Emergency Budget**; any transfers exceeding this limit will require approval of the Quorum Court." and that should take care of it. He further stated that the Court would still keep the last sentence in budget control #13 as set out above in R. Cochran's motion.
- 506.5 R. Cochran stated that since the Court tabled budget control #2, he would further amend his motion to include this change to budget control #2 to bring both amendments together.
- 506.6 Citizen Comments: There were no citizen comments made.
- 506.7 **With no further discussion, Judge Edwards called for a vote on the motion to approve Budget Control #13 as amended.**

Minutes of the Special Meeting of the  
Washington County Quorum Court  
September 22, 2015  
Page 36

- 507.1 VOTING FOR: D. Balls, H. Bowman, R. Cochran, R. Dennis, L. Ecke, A. Harbison, S. Lloyd, T. Lundstrum, E. Madison, S. Madison, G. McHenry, B. Pond, and B. Ussery. **The motion passed unanimously by those present. Budget Control #13 was approved as amended.**
- 507.2 **S. Madison made a motion to delete the last two paragraphs of the budget controls. E. Madison seconded. The motion passed unanimously by those present by voice vote. The paragraphs will be deleted.**
- 507.3 NEXT MEETING: Judge Edwards reminded the Court that the next Special Meeting-Finance is scheduled for Tuesday, September 29, at 5:30 p.m.
- 507.4 CITIZENS COMMENTS: There were no citizen comments made.
- 507.5 ADJOURNMENT: The meeting adjourned at 9:00 p.m.

Respectfully submitted,



Carly Sandidge  
Quorum Court Coordinator/Reporter