

The Russell County Commission
Proposed 2015-2016
Budget Meeting Minutes
September 9th, 2015
1:00 P.M. EST

Chair Martin requested a motion to reconvene the Russell County Commission meeting. Commissioner Reed motioned to reconvene the meeting and was seconded by Commissioner Corbett. The vote was unanimous.

The Commission role was called. Members present were: Chair Martin, Vice Chair Cattie Epps, Gentry Lee, Tillman Pugh, Ronnie Reed, Chance Corbett and Larry Screws. Also, present was Administrator LeAnn Horne and Assistant Administrator Vickie Perry.

County Administrator LeAnn Horne gave an overview of the 2015-2016 proposed budget. All funds are estimated totaling \$30,662,000 prior to any changes today. The County's general fund is our primary operating fund for all county government services. The proposed general fund today is \$15,302,781. Budgeted in the general fund expenditures include: County General Government departmental operational budgets along with transfers from general fund to Engineering. Amount requested for ATRIP (Engineering road projects) in the proposed budget for {2015-2016} is \$261,195 match for an additional \$711,000.00 to support engineering department and services due to declining gas taxes and other declining state funding. The total budgeted revenue to pay for road projects (to-date) for ATRIP (county road projects) from General Fund Reserves are estimated at \$894,150.00. These funds have been provided for both City and County road projects. Larry Kite, County Engineer, will provide an overview of the Engineering Budget and Road construction projects.

County received notification from the State Insurance Board of an 8% increase in health insurance premiums for all regular county employees and retirees which increased County expenses for a total annual premium/expense of \$1,781,048 – an estimated increase of \$173,516. Individual employee's insurance monthly premiums of \$396.00 will now increase to \$427.00 monthly per employee and retirees under 65 changes from \$817 per retiree to \$881.00 and over 65 years of age \$394.00 to \$425.00 per retiree. The County Commission funds 58 retirees. Currently, the County Commission pays 100% of this benefit for all regular county employees and retirees. Along with rate increases are deductible changes and prescription coverage changes. Copies of the new health insurance information will be in each employees payroll check this week. Total salaries, including all county departments, is \$9.7 Million annually (estimated gross wages). The County currently employs 310 full-time /regular employees.

In this proposed budget for your consideration is an average salary maintenance adjustment for general government employees of 2% for employees employed at the time budget is adopted, for an estimated increase of \$125,000 salaries which applies to 178 general government employees out of the 310 total. The remaining employees are

classified as law enforcement and their salary will be based on a new and separate pay plan that the Sheriff will introduce to you today for consideration and approval.

The Sheriff plans to discuss with County Commissioners today a new pay plan developed during this past fiscal year that applies to law enforcement personnel classifications which are separate from the general government employee classification along with a request to implement employee evaluations and pay adjustments that will be administered by the Sheriff on an annual basis.

The County's general fund balance reserves are projected for year end 2015 are \$4(M). The County's major revenue sources which are Ad Valorem, County Sales Taxes, Business Licenses, and Rental Lease resulted in moderate increases over budgeted revenue projections. County expenses are under the budgeted revenue.

The County's local financial position is stable for the time being. However, I have major economic concerns that may impact our revenues. A potential financial threat to our County is the State of Alabama has not approved their general fund budget along with reports of their \$200M shortfall in revenues. Another economic factor to consider is the Department of Defense budget reductions affecting our region with the drawdown.

They are estimating between the drawdown and sequestration a reduction in forces of 3,402 soldiers leaving this region. Fort Benning estimates sales taxes to be lost totaling \$229,000 million. Another factor that may affect our sales and use taxes is the continued annexation from the City of Phenix City. Once a municipality annexes the county loses all sales and use taxes along with other associated revenue. I am concerned that the projected Walmart for Ladonia area will reduce the surrounding businesses sales/use taxes they generate for the county which helps to support county services being provided county-wide. The County stands to receive no sales/ use taxes from the new Walmart. Because of these potential economic threats, I have proposed a very conservative budget and projected no increase for the County's sales tax revenue. I will continue to monitor the economic challenges I have mentioned here today along with the County's revenues. If there should be a significant change either way increase or decrease, I will inform the commissioners.

It is very important, given the already approved projects, transfers supporting other departments from general fund, current bond payments and the demand on revenue sources to meet benefit(s) expenses for employees, that I recommend not utilizing any further general fund reserves to fund projects or other services until we complete the projects that have currently been approved and allow for the reserves to build back up.

Included in this proposed budget are several work vehicles that have been requested by departments who generally do not receive vehicles. However, these are vehicles that are truly needed to continue providing services to our citizens and keep our employees safe. I am recommending to the commission the following:

- Jail- one vehicle
- Animal Control - one truck
- Emergency Management - one truck
- Parks and Recreation - 2 trucks

- Coroner - one Van to transport bodies
- Building Inspections – one Jeep

Projects that are proposed and included in the budget today range from continued Parks and Recreation development from installation of recreational / playground equipment for Fort Mitchell, Crawford, Dixie, Ladonia and improvements to both county sports complexes (Ladonia / Seale). Our new Parks and Recreation Director, Mr. Bill Taylor is present and will be talking with you later today on the agenda.

Construction of a new County Ambulance building located in Seale just across from the Seale Sports and Recreation Park and in front of Russell County High School; Courthouse Roof and Seale Elevator Match.

As I stated earlier, Larry Kite will review the County's road and engineering projects that are being funded.

Improvements to county buildings such as the Extension Service and Driver's License office to be painted and new flooring installed.

Proposing to let bids for a new Courthouse Roof estimated \$200,000.

Proposal for the County Administrator to conduct a general government classification and pay study for employees during this next year similar to what the Sheriff has conducted for law enforcement. It has been over 10 years since we have reviewed our employee classifications and salary plan. I would appreciate the Commission's consideration and approval to have the study done this upcoming year. This proposed study may not be covered in this budget. I will bring back both the contract for services for the pay plan along with estimated cost to the Commissioners.

Proposed in the 2015-16 Budget is Appropriations for area civic and social agencies who provide services to our community / region and citizens. The total proposed funding is \$648,377.

I want to thank the elected officials and department heads who continually work daily to reduce expenses and manage their budget closely.

Commissioner Lee asked if there were any elected officials or department heads not satisfied with the way the budget is that they knew of. If not, he would make a motion to approve it. If it is satisfactory and everyone likes it there is no reason to go through the budget line by line? Commissioner Lee acknowledged that he went through the budget book and did not see any problems.

Building Inspector Greg Smith commented that it would be really helpful if his department had two vehicles. Since two inspectors should be out in the field at the same time, maybe they could share a vehicle with another department occasionally. He

suggested borrowing Mr. Leed's vehicle since he is off on Fridays. The Building Inspectors are sharing a 2003 F150 with 220,000 miles on it. We have one truck but would like two more because the one we have is old.

Chair Martin stated that they will divert the way the agenda is listed, so the Sheriff can address his budget first, since Dr. Buford needed to leave for another meeting.

Sheriff Taylor introduced Dr. Buford from Auburn University, who completed a pay study which evaluated every position in Russell County Sheriff's Department and Jail, from the correction officers all the way to the deputies, and dispatch. He did not include county secretarial administrative positions.

Dr. Buford gave a brief biography of his career and explained how the study was conducted and what constituted market value. The study is broken down into tables.

- Table 1 - list employers that were contacted.
- Table 2 - show what was compared job for job.
- Table 3 - is the bottom line result. This is not a sample it is a census, of every participant in the market, which consisted of 183 corrections officers, 642 deputy sheriffs, 184 sergeants, 74 lieutenant and 4 matches for chief deputy. This is the total in the market. All surveys were returned from each agency.
- Table 4 – comparisons for the Russell County average rate with a labor market average rate the difference the sheriff sworn personnel and benchmark jobs are from 17 to 20% below the market average. Also compared were starting rates and was also considerably below the market average. Other surveys came from the Bureau of Labor Certificates, which are not as good as basic data that came from the survey. Comparisons of the Columbus Metro, Lee County Metro and the State of Alabama rate show that the Russell County Sheriff's job is lower in all three. The same is true with the corrections officers. Russell County received negatives in all cases.

Dr. Buford used a grade system: from the lowest (correction officers) to the highest (chief deputy) and generated a line called least square regression. It shows that the line fits ".99". Based on the line, a pay plan was developed around that line the market mid-point and went 10% below and 10% above. The steps are 2% of the market rate. If you hire people at 10% below market rate they are inclined to leave. Therefore, you want to get those hired at 10% below the market rate up to the market rate as soon as possible. That is the purpose of steps up to the market rate.

- Table 11 – is the pay chart and classifications.
Grade 1 – PS1 - Corrections Corporal is the beginning position.

Public safety can be included in the County budget, and is done in a lot of counties, but is not the best practice. That is not the way the government does it, which is a model for local governments. Their pay plan has separate pay plans for their administrative called

“GS”. They have Military services which are called “Public Safety” and Fort Benning has another plan, which is “Labor and Trades Plan”.

Dr. Buford’s firm, which designs plans for municipalities and counties, do a separate Public Safety Plan. In most county plans his firm matches law enforcement, county and city. That was not done in Russell County’s study, though it would be beneficial. Dr. Buford did a study for Phenix City and though he could not reveal their pay plan, he did say that Russell County’s pay plan is lower than the City’s. He pointed out a job in the Sheriff’s Department is a greater job than one in the Phenix City Police Department. There are extra functions such as serving civil papers and running the jail. Therefore, the pay should match for compensation for the extra duties.

Civilian jobs in the Sheriff’s Department, which Dr. Buford did not study, could be classified in the SOC Code. When looking at those jobs and how those are paid, by BLS reports in Auburn, Opelika and Alabama, the civilian jobs in the Russell County Sheriff’s Department tend to be paid closer to the market than the public safety jobs.

Commissioner Lee acknowledged the Commission understands and agrees that the Sheriff’s Department have more duties than the City, but Dr. Buford does not look at the County’s resources for funds as compared to the City’s resources. Though he understands that is not Dr. Buford’s job, but is the job of the Commission.

Commissioner Reed asked Administrator Horne if she has discussed with the City increasing their funding of the Jail, since the County takes care of liability insurance, as well as, other things concerning the Jail’s upkeep and staffing. He felt that the City’s portion should be increase to help support the rising cost.

Commissioner Pugh stated the budget indicates there is a \$50,000 increase for the Jail from the City.

Administrator Horne informed the Commission that the amount the City pays is based on the current contract and their usage. If the Commissioner’s want to renegotiate the contract, that would require setting up another meeting with the City officials.

Commissioner Reed said the reason he said that is because they are constantly annexing property into the city decreasing county revenue and the county needs more revenue.

Commissioner Lee acknowledged that the previous City Council wanted to renegotiate the current contract, but he was not sure about the present City Council, since he has not discussed the contract with them. If there is a part of the contract the City would like to see go away, this could be used as leverage to increase the other part.

Sheriff Taylor said that amount is based on the contract currently and is the reason there is a \$50,000 increase. We found an area that was not being billed correctly, which increased the amount.

Commissioner Lee said that amount needs to increase \$400,000.

Commissioner Pugh did not understand how the Court System reduced \$50,000 and it looks as if we gave it to the Sheriff's Department for the City. To detail Commissioner Pugh's findings on page 1 of the proposed budget line item 45100 County Court fees show \$100,000 being projected compared to last year's \$150,000. Compare to the City's use of jail increasing \$50,000 He thought that amount had been transferred to the Jail to give the City credit.

Administrator Horne clarified those are two separate type fees, one is from Kathy Coulter's Office for fines, tickets and other court related fees through the judicial services to the County. The other is for City jail usage based on inmate count and comes from the current jail contract for reimbursement.

Commissioner Pugh asked why the court fees were down.

Administrator Horne replied that revenue amount is generated by court activities. The amount reflected in the budget reflects how much the court fees have decreased.

Commissioner Lee informed that the County is not being issued fees from tickets that are generated from camera surveillance in the city.

Commissioner Corbett stated that is an additional revenue resource for the City. They have quit patrolling as much because of the cameras. We would not have collected fees from tickets unless an officer happened to be sitting at the intersection watching. When State Troopers write tickets in the county we receive revenue from them, but not much. Maybe we need more Troopers in the county to get revenue up.

Commissioner Screws asked about the PS7 pay being \$68,545.00.

Dr. Buford stated that Russell County Sheriff's Department in rank is very lean. Other Departments that responded to the study even a lot smaller counties had more hierarchy. The PS7 just exists it is an empty grade, but it is available if you want to use it.

Sheriff Taylor wanted the Commission to hear the science of how Dr. Buford formulated numbers, to go over the study results and answer any question the Commission had. The study verifies that deputies are being paid a lot less than market value. Sheriff Taylor informed the Commission that they have completed studies and since he has been in the Sheriff's Department, his office has lost over \$200,000 as deputies leave that was for training employees who early in their careers leave Russell County to work for other law enforcement agencies. That is money that cannot be recouped. At some point, we have to take care of our employees and make salary adjustments. There have been 10 police officers that have been killed nation-wide since June; five for no reason. These guys putting on badge become targets. It has recently become a fad to shoot a

police officer. Sheriff Taylor said he did not know how to stop that, but what we can do is pay them a decent salary. He has reduced the budget in every way possible to absorb the increase of this pay raise. He also wanted it understood that all of his employees are going to get the same dollar value. That will be based on the position and going to the next step. Some positions are drastically under paid and will get a larger increase, if the Commission adopts this pay scale. Some positions are not overpaid and will get only a minimal increase, if any, with this pay scale. It must be done the fairest way for all employees. Sheriff Taylor felt like it is owed to

his employees to pay them a decent 10% below market value. He asked the Commission to allow him, in the future to be, based on a 2% pay for performance plan, evaluate his employees, and let them know what he expects of them. Then several times during the year reevaluated the employees, based on their performance, and give a 2% increase, 3% if they go beyond expectations and possible 4% for more higher education and degrees; or, they could get 0% if their work ethics are not up to standards.

If they use up all their sick time and do not carry their weight they will get 0%. Every department has these issues. There are always employees that you go to because they get the job done, but they get the same raise as someone else that does nothing.

Commissioner Corbett asked to clarify: certified officers are the ones going under this pay plan. Those not under this pay plan is secretarial positions and administrative which will fall under whatever the Commission gives the rest of the county employees. Sheriff's employees falling under the pay plan are not getting an additional 2% on top of what is presented today. They are just going under the pay plan.

As far as a performance based plan, he agreed that is better than across the board raises, which does not give employees incentives to do better or go above the marks.

Commissioner Corbett stated he is in agreement with the Sheriff's pay plan and asked that next year the Commission to do the exact thing for all the other employees in the county; pay market value and give performance raises in the future.

Commissioner Reed announced if the county had a county wide sales tax we could do a lot more for our employees. Phenix City's biggest revenue is from sales tax our biggest revenue is from business license. If the county could receive .01 in sales taxes all county employees could be brought up to standards. We can't pay out more than we bring in.

Commissioner Corbett agreed with Commissioner Reed.

Commissioner Epps reminded the Commission about protecting county investments and every time an employee is trained and leaves the county loses money. She supports the Sheriff's pay plan.

Commissioner Lee asked if there could be a two year contract for new Deputies and Corrections Officers positions, since they have a high turnover rate. At least the county would have them for 2 years before leaving.

According to the law if a new hire leaves within, Sheriff Taylor was unsure of the time frame, 1 to 2 years those new hires that have completed training must pay back cost of the academy training. Sheriff Taylor stated that the largest problem is that most new hires, which would fall in the window of reimbursing for the academy, wait until after the 2 year mark and then leave to go to other agencies. These new hires are perfect candidates for other departments; because they have completed academy training and have 2 to 3 years' experience on the road and want more pay than the County gives them. Money could be saved by using the proposed pay plan.

Commissioner Corbett motioned to approve the Sheriff's Department proposed pay plan. Seconded by Commissioner Lee.

Administrator Horne requested that minutes reflect that this is a separate pay plan for Law Enforcement Personnel and that the Sheriff will designate through employee evaluations the percent law enforcement personnel will receive on an annual basis, not the Commissioners. Commissioners will approve funding amount for department and Sheriff will determine percentage the employee receives. The Commission was polled; the vote was unanimous.

The evaluations will start October, 2015, but there will not be any reflection until next budget time. Salaries have been adjusted for implementation of the pay plan and everybody will go into a slot. Next budget year a proposed salary schedule will be submitted to the Commission based on the Sheriff's evaluations.

Judge Harden stated that he did not have any problems with his proposed budget, but did discuss a bill concerning Probate Judges Retirement. He informed the Commission this was not created by the Probate Judges Association.

Administrator Horne stated that due to a miscalculation in the Probate salary/benefits line, we need to make a budget amendment transferring funds from elections to the Probate budget to meet year-end requirements.

Appropriations were discussed. Commissioner Screws asked to exclude Beyond Expectations so it could be voted on separately.

The Historic Commission, who is trying to establish permanent funding and their funding needs for insurance coverage for the property and structures. Commissioner Corbett

asked if the County Commission would step up and help them if only for a year. The property, structures and artifacts are valuable and need to be insured.

Commissioner Lee stated last year there was \$10,000 in the budget for the Masonic Lodge which is not in the budget this year. He requested to place that \$10,000 in the budget for the Historical Association and let them use it as they wish, but request they insure the property.

Commissioner Pugh stated technically this is county property and the structures have been built by citizens money on county land.

Sheriff Taylor asked if the historical park could be covered under the County's insurance.

Commissioner Pugh acknowledged that in fairness they could be added if the Commission chooses to do so.

Sheriff Taylor stated he thought the Historical Commission would agree to do that if at all possible.

Commissioner Screws said if the Commission was to level fund Lee / Russell Council of Government, who has asked for additional funding and give that to the Historical Commission.

Administrator Horne stated that a portion of the Lee / Russell's requested increase will in part go toward the Russell County Senior Center Management is my understanding.

More discussion took place concerning the County placing the Fort Mitchell Historic Park on the County insurance. If it was voted on today to place the insurance enforce now until the current policy renewal is due then shop the insurance. Also discussion took place about how to help promote the park and generate revenue.

Commissioner Corbett motioned to have Administrator Horne research this and bring back estimates for insurance to the next meeting. If the budget is already approved but the same money will still be allocated we can make a budget amendment if needed. Commissioner Lee clarified that would be added to the current County insurance not separate. Commissioner Corbett agreed it would be added if possible. Commissioners Lee and Epps seconded the motion.

Administrator Horne requested for clarification for Commissioner Corbett's motion.

Commissioner Corbett stated that one reason he did not use the appropriation money is because insurance is not an appropriation, insurance would fall under Public Building, and therefore, he did not want to take the \$10,000 set aside for appropriations. It is agreed that all but maybe one Commissioner thinks this property should be covered by

insurance. Commissioner Corbett motioned to ask the Administrator to get quotes based on placing this property under the County's insurance policy and also as a separate policy to bring back both options to the County Commission to consider funding.

Administrator Horne was concerned that the properties are not covered and the policy for county was renewed in August.

Commissioner Pugh stated that you can always request a property be added. Once pricing is received if there is something that you don't like, you can add or subtract what is not wanted at that time. They can endorse the policy based on the old policy the Historic Commission had. It is imperative that the property is covered.

Administrator Horne asked if the Commission would authorize her to add the property.

Commissioner Pugh instructed Administrator Horne to endorse the policy for the coverage and let the insurance company price it and in the endorsement sent back a prorated cost of that policy will be included.

Commissioner Corbett amended his motion to also authorize the Administrator to endorse the property. Seconded by Commissioner Epps. It was clarified this is the property in Fort Mitchell only, not the house in the City which is not county owned property.

Administrator polled the Commission. The vote was unanimous.

Commissioner Lee motioned to approve the budget as presented with the appropriations as proposed, add no new appropriations. Seconded by Commissioner Corbett. Commissioner Pugh and Commissioner Reed had questions about appropriations.

Commissioner Screws requested that one of the appropriations be voted on separately; Beyond Expectations.

Commissioner Pugh stated that all appropriations were level funded except a couple. One was Teen University.

Commissioner Lee stated the \$10,000 allotted to them is a great investment, but wanted to know if Teen University owned the property.

Commissioner Reed informed that they do own the property. He was contacted by the Director concerning the project and wanted the Commission to approve a one-time appropriation for the park which will cost \$93,000 to build. Commissioner Reed wanted the Commission to approve a onetime \$30,000 to help with the construction. The usual appropriation is \$2,000, but was increased this year to help with the project. The amount was left as proposed.

Several organizations requested reductions, such as United to Save Ourselves.

The motion by Commissioner Lee was to approve the budget as presented, taking out one appropriation's request, Beyond Expectations. Then the Commission will vote on that appropriation.

Chair Martin had discussed the request from Troy University for another appropriation. She learned that the State does not help on their indebtedness and that is why they came to the Commission to help pay off their building.

Commissioner Lee stated he thought they should handle that appropriation the way they did the last appropriation for Troy. Wait to see what happens to the county's revenue and bring that request back in February and readjust if there are funds available.

Chair Martin asked the Administrator if she had anything to report, with which Administrator Horne stated there is not any additional revenue, with the increased health insurance, pay increases for both law enforcement and general government that the county funds are very tight.

Commissioner Lee added that if we get a revenue item that exceeds our estimated then we can look again as we did before.

Administrator Horne said once we get the first quarter behind us and the State approves their budget, we will have a better handle on the revenue for 2016.

Chair Martin requested the Administrator to poll the Commission. The vote was unanimous.

Commissioner Lee motioned to fund the appropriation for Beyond Expectations in the amount of \$2,000. Seconded by Commissioner Corbett. District 1(Lee) voted, yes; District 2 (Pugh) voted, yes; District 3 (Martin) voted, yes; District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6(Corbett) voted, yes; District 7(Screws) abstained. There were 6 votes yes and one abstention. The motion passed.

Administrator Horne requested that since the Commission did not go over every departmental budget, she needs to address an issue with the Utility Fund. When employees were transferred from the Water Department to the County Commission, all benefits that the Water Authority was contributing to as far as retirement, health, insurances were to remain the same when transferred over to County Commission. However, one was omitted. Approval is needed from the Commission to pay retro this oversight which will be funded through the Utility Department. It is for Bill Friend. The portion of his salary that is paid by the Utility fund, the retirement portion did not carry over. Though it was thought everything was correct because we were paying retirement out of the County Commission portion; it was not and then we learned the small portion from Utilities was not included with RSA. Administrator Horne requested authorization

to repay the Retirement System only the portion from the Utilities for Mr. Friend. The error has been corrected going forward since August. Commissioner Corbett motioned to approve Administrator Horne's request. Seconded by Commissioner Lee. The Commission was informed that Bill Friend will pay his portion as well. The vote was unanimous.

Commissioner Lee motioned to adjourn the meeting. Seconded by Commissioner Reed.

The meeting was adjourned.