

Commissioner
Minutes
Journal # 55

COMPENSATION BOARD MEETING
May 29th, 2015
COMMISSION CHAMBERS
COURTHOUSE ANNEX, ROOM 111
9:00 am

Notice: These minutes are paraphrased and reflect the proceedings of the Board of Commissioners. MCA 7-4-2611 (2) (b)

RO306773

PRESENT: Chairman Jane Weber, Commissioner Joe Briggs, Commissioner Jim Larson.

ELECTED OFFICIALS PRESENT: Sheriff - Bob Edwards, County Attorney - John Parker, Clerk of Court – Faye McWilliams, Treasurer – Jamie Bailey

Clerk & Recorder – Rina Fontana Moore (as record keeper only)

STAFF PRESENT: Robert Hamud

CITIZEN MEMBERS: Jean Faure, Anne Martinez & Ted Lewis.

CALL TO ORDER: Chairman Weber called the meeting to order and introduced the citizen members to the elected officials.

Weber advised that a person should be appointed to chair the compensation board and asked for nominations. Jean Faure made the motion that Jane Weber serve as chair and it was seconded by Sheriff Bob Edwards. The motion passed unanimously.

Chairman Weber mentioned that the sheriff has historically been on the board because of the impact the Compensation Board's decision has on his department. By statute, the decision of the compensation board affects the sheriff deputies' raises and their 1% longevity. If the Compensation Board chooses no change in the elected officials salaries, the sheriff's deputies do not accrue the 1% longevity for that year. She also noted that at least two commissioners must agree with the outcome of the Compensation Board's recommendation in order to forward the decision onto a commission meeting.

County Attorney John Parker noted that he brought a copy of the Montana Code Annotated. In the statute, he specified that any recommended salary increase is an "across the board" raise. The deputies' salaries cannot be handled separately, as they are indeed tied to the sheriff's salary. Also, the sheriff's salary cannot be separated from the other elected officials. The decision to be made will apply to all elected officials in Cascade County..

Commissioner Briggs stated that there have been several attempts by the legislature to decouple the sheriff's deputy salaries from the

Compensation Board process, but the Sheriff and Peace Officers Association has always been opposed to that idea for fear that deputies in the smaller counties may never see a salary increase. He acknowledged it is difficult to vote for a raise for yourself, but that is the reality of the situation.

Commissioner Larson expressed uneasiness with the process and was assured by Commissioner Briggs that it makes everyone involved uneasy.

Treasurer Jamie Bailey reminded the Compensation Board members that all deputy wages are tied to the salary decision. The Treasurer's Office, Attorney's Office, Clerk of Court, and Clerk and Recorder also have deputy officials who are affected by today's decision.

County Attorney John Parker mentioned that his situation is a bit different, in that half of his salary is paid by the state because his office prosecutes state offenses.

Commissioner Weber reviewed the Compensation Board decisions from 2011-2014; she noted that there was a zero raise in FY 2012 (made in June 2011).

Fiscal Year <i>(NOTE: decisions are made in Spring of the previous year, as FY begins on July 1)</i>	Compensation Board Recommendation
FY 2015 <i>(meeting held on June 19, 2014)</i>	1.5% COLA Increase
FY 2014 <i>(meeting held on August 21, 2013)</i>	2.1% COLA Increase
FY 2013 <i>(meeting held on June 7, 2012)</i>	3.2% COLA Increase
FY 2012 <i>(meeting held on June 14, 2011)</i>	0% Increase

Commissioner Briggs stated any recommended salary change affects the 1% longevity for sheriff deputies. He recalled in FY 2012 the COLA went down, but giving everyone a pay cut, it would still have allowed the deputies their 1% longevity pay which would have cost the County. The only way around this was to accept a zero raise.

Jean Faure asked about the COLA and was told by the Chief Fiscal Officer Robert Hamud that they would discuss that item during his Powerpoint presentation.

Chief Financial Officer, Robert Hamud presented his outlook for FY 2016, his projection for completion of the FY 2015 budget year, and his

predictions for revenues/expenses in FY 2016 (see attached). The Cost of Living (COLA) increase of 1.6% is based on seasonally adjusted national Consumer Price Index taking into consideration food, energy, housing, clothing etc... Hamud said the 2015-2016 revenues are on track with the second round of property tax collections (May 2015). There is some concern that there may be a higher number of protested taxes from ranchers and farmers in 2016.

Hamud explained the \$49.8 million annual budget did not include transfers and that amendments totaling \$6.2 million were related to grant appropriations. An extra \$460,000 mid-year adjustment occurred due to the Payment in Lieu of Taxes (PILT) federal revenues. Commissioner Briggs stated that the PILT and Secured Rural Schools (SRS) funds are not guaranteed. They have been allocated under a continuing resolution by the federal government. Cascade County has chosen not to budget for these funds, as Congress makes the decision annually and not before the County budget is approved. The County will continue its practice of NOT budgeting for this income until there is a long term solution.

Hamud mentioned the departments are currently operating at about 76% of their budgets this fiscal year. This is not unusual and he did note there could be some expenses that had not posted yet.

Commissioner Briggs stated that they have shut off spending early so we have a better handle on the year-end closeout and minimize the accruals after the FY ends.

Chairman Weber noted the amendments that Hamud mentioned in his report relate to the fact that Cascade County receives about \$6.2 million in grants. These grants are not always on the FY cycle, so they require a budget amendment and appropriation when the funds arrive.

Robert Hamud commented that the county had received \$550,000 from protested taxes in FY 2015 and these "one-time" funds had been used for projects. He said that we will need to budget for a \$2.1 million Courthouse roof replacement in FY 2016. He presented an Excel spreadsheet demonstrating a 1.6% salary increase (COLA) for elected officials and their deputies would result in a \$53,679 increase in the FY 2016 budget.

Anne Martinez mentioned that it was a really tiny portion of the total budget and made a motion to accept the COLA at 1.6%.

Jean Faure seconded the motion.

Chairman Weber asked for discussion on the motion. Ted Lewis asked the Sheriff about retention issues.

Sheriff Edwards stated that his department is competing with federal government and the private sector salaries. He said that the new MACo Trust health insurance costs are a huge issue with his deputies. He also said that they are lacking in man-power. He noted that when a deputy is hired it takes seven months for him to be street-ready.

Commissioner Briggs asked him if 1.6% was problematic. He then explained to the citizen members that the county previously was self-insured health plan, but in 2015 the County joined the MACo Health Trust. He explained that the County pays 100% of an employees' cost for the MACo basic health insurance policy which equates to the bronze plan under the Affordable Care Act. In addition, the County provides up to \$35/month into a flex account for the single employee. Briggs explained that the family rate did go up drastically because under the self-insurance policy, the County was funding an inordinate amount for families. Briggs did note there is no insurance increase planned in FY 2016.

Chairman Weber said as a former federal employee, the MACo trust rates for families are in line with what federal employees pay.

Jean Faure mentioned a 2% increase.

County Attorney John Parker stated that the peace officers are at a daily risk. They routinely put their life on the line for the safety of the community; their jobs are very different than those of our desk employees.

Ted Lewis asked if it would be precedent setting compensation board to deviate from the COLA this one time.

Commissioner Briggs mentioned that the compensation board makes an annual decision, but an excess over the 1.6% COLA could create an expectation issue with both the deputies and other non-union employees.

Ted Lewis wanted to make sure that any deviation could be explained as a one-time issue.

Commissioner Weber mentioned that the deputies are hired at a starting wage of over \$21/hr, where most County clerical employees are hired at \$10.50/hr. She acknowledged the dangers inherent in the sheriff's office, but comparatively the County lower-paid employees face

the same fiscal dilemma regarding the cost of the family policy under the MACo Health Trust.

Commissioner Briggs noted that it has become a retention issue. He said that it is very costly to keep training deputies.

Sheriff Bob Edwards stated that the detention center training is perpetual. Detention Officers start in the jail and then either become sheriff deputies or police officers and in his case, the sheriff.

*Chairman Weber mentioned that there was a motion on the floor to raise the wages per the COLA at 1.6%.
A vote was taken and the motion failed unanimously.*

Jean Faure made a motion to allow a 1.8% raise. Sheriff Bob Edwards seconded the motion.

Chairman Weber asked for discussion on the motion. Commissioner Larson said that he was conflicted. He said that he knew what the rate of pay was when he ran for his County Commissioner position and that he now felt forced to take a raise.

Commissioner Briggs again mentioned the Compensation Board role is a difficult one based on the MCAs. He said that the Sheriff and Peace Officers Association representing the deputies does not want the deputy salaries decoupled from the Elected Officials. He said the Compensation Board structure is a better situation than when the legislature used to decide whether to give elected officials a raise. The Compensation Board cannot change the Montana law, and the deputies are tied to the elected officials salaries.

Commissioner Larson asked if we could provide bonuses.

Both Chairman Weber and Commissioner Briggs stated that they had researched this option and it was not allowed.

Anne Martinez requested that if in the future, the Sheriff would provide a report outlining the costs of employee turn-over. She also asked if the sheriff's office conducted "exit interviews" to determine the reason deputies left County service. She said that she would like to see justification as to why the high-performers are leaving.

Commissioners Briggs noted that the peace officers have a collective bargaining unit that bargain on everything but salaries.

Chairman Weber asked if there was any further or additional discussion. Noting that there was a motion for a 1.8% raise on the table, she asked for a vote.

Motion carried unanimously.

Chairman Weber asked if there was any further discussion from the Compensation Board. There being none,

County Attorney John Parker made a motion to adjourn and it was seconded by Commissioner Larson.

ADJOURNMENT:

The meeting was adjourned at 10:08 am.