

## LEGISLATIVE COMMITTEE REPORT

April 11, 2016

A Legislative Committee meeting was held on Monday, April 11, 2016 at 6:00 p.m. in the Quorum Court Meeting Room, Benton County Administration Building, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JPs K. Harrison, Sheridan, J. Harrison, Sandlin, Anglin, Chiocco, Slinkard, Meyers

Others Present: JPs Adams, Leadabrand, County Judge Bob Clinard, Assessor Linda Hambrick, Treasurer Deanna Ratcliffe, Comptroller Brenda Guenther, Human Resources Manager Barbara Ludwig

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette

Legislative Committee chair JP K. Harrison called the meeting to order at 6:00 p.m.

### **Discussion: Potential Impact on County Turnback Funds if the Arkansas Works Program is Not Adopted:**

JP K. Harrison discussed the financial ramification to the County if the funding is not passed for the Arkansas Works Program in the State legislature. He stated that they have been asked by the Association of Arkansas Counties (AAC) to do a resolution stating the County's position on this issue to send to the State legislators.

County Judge Bob Clinard stated that the executive committee of the county judges met to discuss alternatives to not funding the Arkansas Works program. According to the administration and the governor, if it does not pass, the County will have to find \$100 million in the budget. He stated that this will have huge financial ramifications for Benton County if it is not funded.

Lengthy discussion was held about whether or not to support funding the Arkansas Works program.

JP Sandlin made a motion to forward a resolution requesting that support be given for the governor's bill to the April 12, 2016 Committee of the Whole agenda, seconded by JP Anglin.

A show of hands vote was recorded as follows:

6 in favor: K. Harrison, Sheridan, Sandlin, Anglin, Chiocco, Slinkard  
2 against: Meyers, J. Harrison

Motion passed.

JP Slinkard clarified that this resolution is showing support for the funding of the law in support of the governor's plan.

**Discussion: Arkansas Public Employees Retirement System (APERS); Sponsor: JP Anglin:**

JP Anglin stated that she asked Human Resources Manager Barbara Ludwig to report on APERS at the last Legislative Committee meeting.

Human Resources Manager Barbara Ludwig stated that last week she called Jason Willett, the CFO of APERS. He stated that the report took a little longer to get posted on the website because of the legislative audit and new requirements due to GASB 68. Currently APERS funds approximately 80% of what is needed based on actuarial studies. She stated that the money stays with APERS if an employee leaves before they are vested or they pass away and do not leave anyone as a beneficiary. She stated that, according to a research report written in 2010/2011, Arkansas was ranked 28th. She said when you take the actual mean, however, Arkansas is in the top 25% for funding. She stated the County pays at 100%. As far as the possibility of a 401K, she said it would not be beneficial because the County is already paying 14.5% into a required pension plan. She does not think it would be good for the County to take extra money to pay into a 401K. She said that, if there is an economic downturn, a 401K will suffer as much as the pension plan because they invest in similar things. She stated that the teacher's retirement was brought up last time. She said they have reciprocity but they did not merge the funds.

JP Anglin suggested that Barbara Ludwig forward this information to Mike Clifford, since he was the one who brought up this topic and he was not in attendance.

Short discussion was held about the funding of APERS and if the funds are insured.

**Proposed Ordinance Setting Raises for Elected Officials; Sponsor: JP Anglin**

Human Resources Manager Barbara Ludwig stated that this was proposed last year because there was a large gap forming between Washington County and Benton County elected officials' salaries. She presented a possible solution for this to the JPs from the dashboard. She suggested a 4% raise across the board for all elected officials in 2017 (not including JPs), another 4% in 2018 (assuming a 2% raise in Washington County that year), 3% for Sheriff and County Judge and 4% for all other elected officials in 2019, and 2% for Sheriff and County Judge and 3% for the other elected officials in 2020. At this point, Benton County would have reached parity with Washington County. She stated that the objective of this is for Benton County to not be the lowest paying of the Class 7 counties and for this to be planned for in the budget and not have to be discussed every year. Benton County JPs are currently paid \$125 per committee meeting and \$200 for Committee of the Whole and Quorum Court. She suggested leaving the Committee of the Whole and Quorum Court meetings at \$200 and begin paying \$145 for each committee meeting in 2017, \$165 in 2018, \$185 in 2019 and \$200 in 2020 to make it \$200 for every meeting, no matter what kind it is, which is the same as Washington County. Lengthy discussion was held about this proposal, why Benton and Washington counties' salaries are compared, and where Benton County's salaries fall on the State range.

JP Chiocco made a motion to move this proposed ordinance to the Personnel Committee for more discussion, seconded by J. Harrison.

A show of hands vote was recorded as follows:

- 6 in favor: K. Harrison, J. Harrison, Sandlin, Anglin, Chiocco, Slinkard
- 1 against: Sheridan
- 1 abstain: Meyers

Motion passed.

**Proposed Resolution in Support of the “Protecting Workplace Advancement and Opportunity Act” (S. 2707 and H.R. 4733)**

Human Resources Manager Barbara Ludwig stated that she sent out an email to everyone about a bill that was being introduced in the Congress called the “Protecting Workplace Advancement and Opportunity Act.” She stated that this has been a terrible year with the Department of Labor changes and what jobs can be exempt salaried and which ones are not. She said that they are changing the test that determines this. Part of this test used to be that they had to have a minimum of approximately \$400 per week or \$23,000 per year. The proposed Department of Labor regulation to be put in place will raise that minimum salary threshold by 113% to \$50,440. This is not going through the US Senate or the US House; it is a regulation that will likely be passed by executive action. She stated that there will be cost to this. The County will have to adjust the budget to increase overtime, and increase salaries for a few directors and department heads that are right around \$50,000. She said that, when the Department of Labor was putting together the regulation, they did not do a cost analysis on it. One of the things that this bill does is require them to put in a cost analysis. She stated that she sent an opinion in to the Department of Labor suggesting they raise it by 25% each year and bring it up over four years because she thinks it would be more do-able. She said that JP K. Harrison asked her to put together a draft resolution in support of this bill. She stated that this bill is currently in Congress. She said that Congressman Womack is already on board with it. She said that this is also being sent to Senators Cotton and Boozman. They have both responded that they will support anything that comes through the Senate. She then read the resolution in its entirety to the JPs.

JP Anglin made a motion to send this resolution request to the April 12, 2016 Committee of the Whole agenda, seconded by JP Chiocco.

A short discussion was held about the wording of the proposed resolution.

Barbara Ludwig clarified that this resolution is supporting the act and is against the regulation.

Motion passed by unanimous show of hands vote.

**Public Comments:**

None.

**Announcements:**

JP Anglin announced that she is going to Little Rock on Saturday for the Association of Counties Quorum Court meeting. She asked the JPs for any questions they have that she could take with her. Human Resources Manager Barbara Ludwig said that some people have asked her if the AAC should be supporting the “Protecting Workplace Advancement and Opportunity Act.” She suggested that JP Anglin take them the resolution.

JP Anglin stated that she will.

JP K. Harrison also suggested that a copy be sent to the local municipalities in Benton County because it affects them, too.

Barbara Ludwig suggested sending it to the Municipal League. She said that she will get it to her counterparts in Bentonville and Rogers.

JP Meyers made a motion to adjourn, seconded by JP Chiocco.

JP K. Harrison declared the meeting adjourned at 7:22 p.m.