STATE APPEAL BOARD

In Re:	Jasper County)	Order
	Budget Appeal)	
)	
	FY 1999-2000)	April 27, 1999

BEFORE STATE AUDITOR, RICHARD D. JOHNSON; STATE TREASURER, MICHAEL L. FITZGERALD; AND THE DIRECTOR OF THE DEPARTMENT OF MANAGEMENT, CYNTHIA P. EISENHAUER:

The above captioned matter was heard on April 9,1999 before a panel consisting of Ronald J. Amosson, Executive Secretary to the State Appeal Board and presiding officer; Stephen E. Larson, Executive Officer II, Office of the State Treasurer; and Donna F. Kruger, Senior Auditor II, Office of the State Auditor.

The hearing was held pursuant to the provisions of section 331.436 and Chapter 24 of the <u>Code of Iowa</u>. The spokesperson for the petitioners was Kent Knudson. Leo Van Elswyk and Glen Jesse represented the county.

Upon consideration of the specific objections raised by the petitioners, the testimony presented to the hearing panel at the public hearing, the additional information submitted to the hearing panel both before and after the hearing, and after a public meeting to consider the matter, the State Appeal Board has voted to sustain the budget.

PROCEDURAL HISTORY

The FY2000 Jasper County proposed budget summary was published on February 24, 1999. A public hearing on the proposed budget was held on March 9, 1999, and the budget was adopted on the same day.

A petition protesting the certified FY2000 Jasper County budget was filed with the Jasper County Auditor on March 25, 1999, and was received by the State Appeal Board on March 29, 1999. On the petition document, the petitioners stated they protested the budget because it included pay raises in excess of the original report of the Compensation Board, including a 20% increase to the supervisors. In addition, the petition stated that the supervisors were already the 10th highest paid supervisors in lowa prior to the raise, while the county was only the 19th largest. Further, the petition stated the county attorney warned the board of supervisors that the procedures used to get a 20% pay increase was illegal since the Compensation Board voted for a 6% raise. Finally, the petition noted that the Board of Supervisors voted to offer the county union employees a 2% pay raise.

DISCUSSION

According to the information provided by the petitioners at the protest hearing, the following are the series of events and comments that led to the appeal:

- The Jasper County Compensation Board met on December 15, 1998 and approved a schedule of salaries for county officials for the following year.
- The Board of Supervisors met on December 22, 1998 and were critical of the salary recommendations of the Compensation Board.
 - Board Chairman Leo Van Elswyk stated that with the farm crisis, the salary increases could not be justified.
 - All three supervisors criticized the "gap" or disparity of the salaries of the elected officials. The recommended increase for the Board was 6%.
 - The Board of Supervisors felt they would still be paid as if it was a parttime job. The Board tabled the salary decision pending the possibility of reconvening the Compensation Board.
- Citing an Attorney General Opinion, the County Attorney stated in a sevenpage memorandum to the Board dated December 28, 1998, that the Board of Supervisors had no legal authority to return the compensation schedule to the Compensation Board for reconsideration.
- On December 30, 1998, the Board of Supervisors countered that a 1989
 Attorney General's letter of informal advice stated that the Board could not
 force the Compensation Board to meet again and come up with a
 recommendation acceptable to the supervisors. However, it further stated
 that this does not imply the board could not request the chair of the
 Compensation Board to voluntarily call an additional meeting to reconsider its
 recommendations.
- The petitioners said that a formal Attorney General's Opinion dated January 6, 1993 stated that the Board of Supervisors had two alternatives. The Board could accept the recommendations as submitted or they may reduce the amount of the proposed salary increases for each officer by an equal amount.
- The petitioners said the Board apparently requested the chairman of the Compensation Board to reconvene.
- The petitioners considered the salary increases excessive and unfair.
- In conclusion, the citizens requested the State Appeal Board to amend the county budget to reverse the pay raises and to return the county salaries to the levels recommended in the original report of the Compensation Board.

Leo Van Elswyk provided opening comments for the county. He read a letter written by Supervisor Loren "Pat" Milligan who apologized for being unable to attend the hearing.

In Mr. Van Elswyk's comments, he stated that at a regular meeting on January 20, 1999 he objected to the recommendations of the Compensation Board due to the substantial increases to some departments. Reducing these salaries would

result in no raises for others. He stated that on February 2, 1999 the Board of Supervisors approved the second Compensation Board recommendations.

Supervisor Glen Jesse also made remarks on behalf of the county. He said the budget appeal was flawed because the budgeted increase in supervisors' salaries was 16% and not 20%. In addition, he believed that Compensation Board needed to compare salaries with other counties, other governmental entities and private industry and not to just counties of similar populations as the petitioners suggested. Mr. Jesse also outlined some of the responsibilities of the Jasper County Board of Supervisors, some of which may be unique to Jasper County.

Supervisor Jesse also noted that the 2% increase in compensation offered by the county in the union negotiations came much closer to 4.5%, including a 3.5% pay increase and \$25 per month per employee in flex benefits.

FINDINGS OF FACT

The Jasper County Compensation Board met on December 15, 1998, established the following salaries for FY2000, and recommended them to the Board of Supervisors. The salaries, dollar, and percent of increase were as follows:

FY1999	FY2000	\$ Difference	% Difference
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		, ,	6.0%
\$36,863	\$39,443	\$2,580	7.0%
\$36,040	\$38,563	\$2,253	7.0%
\$39,690	\$42,071	\$2,381	8.16%
\$51,940	\$60,000	\$8,060	15.5%
\$58,000_	\$68,000_	\$10,000	17.2%_
\$248,356	\$275,449	\$27,093	10.9%
	\$25,823 \$36,863 \$36,040 \$39,690 \$51,940 \$58,000	\$25,823 \$27,372 \$36,863 \$39,443 \$36,040 \$38,563 \$39,690 \$42,071 \$51,940 \$60,000 \$58,000 \$68,000	\$25,823 \$27,372 \$1,549 \$36,863 \$39,443 \$2,580 \$36,040 \$38,563 \$2,253 \$39,690 \$42,071 \$2,381 \$51,940 \$60,000 \$8,060 \$58,000 \$68,000 \$10,000

In a formal meeting on December 22, 1998, the Board of Supervisors tabled the decision regarding the Compensation Board's recommendations to allow research on the possibility of reconvening the Compensation Board and to research Attorney General's Opinions.

In an Attorney General's Opinion dated December 24, 1981 from David M. Fortney, Assistant Attorney General, to the Honorable Delwyn Stromer, Speaker of the Iowa House of Representatives, and Steven S. Hoth, Des Moines County Attorney, Mr. Fortney opined that the Board of Supervisors could not return the recommended compensation schedule to the Compensation Board for reconsideration. The Board of Supervisors may not disapprove the recommended compensation schedule and allow the current compensation to be

carried over through the next fiscal year. If the Board of Supervisors wishes to reduce the amount of the recommended compensation schedule, the equal percentage factor applies to the new annualized schedule.

In a letter of informal advice dated June 15, 1989 from Deputy Attorney General Elizabeth M. Osenbaugh to Ronald D. Bennett, Taylor County Attorney, Ms. Osenbaugh stated there was nothing apparent in section 331.907 which would authorize the Supervisors to force the Compensation Board to meet again and come up with a recommendation acceptable to the Supervisors. The letter continued by stating that, "This is not to say, however, that the Supervisors could not request that the chair of the Compensation Board voluntarily call an additional meeting to reconsider its recommendations."

In a letter dated January 6, 1993, from Christie J. Scase, Assistant Attorney General, to Mr. Thomas J. Ferguson, Black Hawk County Attorney, Ms. Scase gave advice to the County Attorney regarding the application of potential reductions of recommended salaries of the Compensation Board. Ms. Scase outlined the two alternatives open to Boards of Supervisors when they receive recommendations. However, the issue of any reconsideration of the recommended salaries was not a question posed by the Black Hawk County Attorney and it was not addressed in Ms. Scase's letter.

According to information obtained from Ken Slothouber, Jasper County Auditor, Supervisor Ken Milligan and Mr. Slothouber asked Mr. Lee M. Walker, Chairman of the Compensation Board if the Compensation Board would consider reconvening. Mr. Walker agreed, and in a letter dated January 26, 1999 to the Jasper County Board of Supervisors, Mr. Walker stated that the Compensation Board met on January 20, 1999 and adopted the following salary recommendations for FY2000 to the Board of Supervisors, which was approved by the Board of Supervisors on February 2, 1999.

	FY1999	FY2000	\$ Difference	% Difference
Supervisors	\$25,823	\$30,000*	\$4,177	16.2%
Treasurer	\$36,863	\$40,000	\$3,137	8.5%
Recorder	\$36,040	\$39,000	\$2,960	8.2%
Auditor	\$39,690	\$44,000	\$4,310	10.9%
Sheriff	\$51,940	\$60,000	\$8,060	15.5%
Attorney	\$58,000	_\$66,000	\$8,000_	13.8%_
Total	\$248,356	\$279,000	\$32,644	12.3%

^{*}Chairperson receives an additional \$2,000

Steve Johnson, Jasper County Attorney, stated in a seven-page memorandum to Board Chairman, Leo Van Elswyk, dated December 28, 1998, that the Board of

Supervisors had no legal authority to return the compensation schedule to the Compensation Board for reconsideration. However, in a letter dated April 13, 1999, Assistant County Attorney Scott W. Nicholson said that Mr. Johnson asked Mr. Nicholson to address the State Appeal Board in his absence. According to Mr. Nicholson's letter, Mr. Johnson's memorandum was not submitted as legal advice, but as his personal communication to the Board objecting to the Chairman's comments concerning wages and salaries. The letter continued that "Mr. Johnson wanted me to make it clear to you that in his opinion, although the Board of Supervisors could not force the Compensation Board to reconvene, the Board of Supervisors had full authority to request the Compensation Board to reconvene."

CONCLUSIONS OF LAW

The State Appeal Board has jurisdiction over the parties and the subject matter of this appeal, pursuant to Iowa Code sections 24.28 and 331.436.

ORDER

The Fiscal Year 2000 budget for Jasper County is sustained. Since the <u>Code of lowa</u> provides a method for counties to determine salaries at the local level, the State Appeal Board has historically not adjusted salaries of local employees if the statutory procedures for determining them have been followed. No statutory provisions prohibit the Compensation Board from reconsidering its salary recommendations and submitting a subsequent salary recommendation. Therefore, no changes in the compensation schedule approved by the Board of Supervisors is ordered.

STATE APPEAL BOARD

Richard D. Johnson

Chairperson

Cy∕nthia P. Eisenhauer

Member

Michael L. Fitzgerald Vice Chairperson

Date