

The Russell County Commission
Meeting Minutes
November 23rd, 2011
9:30 A.M. EST.

Public Comments:

Citizen Billy Alexander discussed the animal shelter regulations, returning animal back to their owners after a fine has been paid.

Citizen Chauncey Loftin discussed status of Lonesome Pine Road and asked if there was any progress being made with paving of the road.

An adjourned meeting of the Russell County Commission was called to order. Members present were: Chair Peggy Martin, Vice Chair Gentry Lee, Tillman Pugh, Ronnie Reed, Cattie Epps, Mervin Dudley and Larry Screws. Also present was the County Attorney Kenneth Funderburk and County Administrator LeAnn Horne, who kept the minutes.

A quorum was established.

Chair Martin requested a motion approving the meeting agenda. Commissioner Dudley motioned to add to the agenda a business item concerning employee benefits policy and its interpretation. Seconded by Commissioner Lee. The vote was unanimous. Commissioner Lee motioned to approve the agenda with the addition and was seconded by Commissioner Reed. The vote was unanimous.

The Invocation was given by Lee Whitman, Pastor of the Seventh Day Adventist Church

Pledge of Allegiance was led by Chair Martin.

Chair Martin welcomed elected officials, department heads, visitors and media.

Chair Martin requested an approval of the November 9th, 2011 meeting minutes. Commissioner Dudley motioned to approve the meeting minutes and was seconded by Commissioner Reed. The vote was unanimous.

Commissioner Pugh motioned to approve a Resolution of Appreciation for Citizen Mark Godwin. Seconded by Commissioner Lee. The vote was unanimous.

Chair Martin read excerpts form the 1863 Thanksgiving Proclamation given by President Lincoln.

Sheriff Taylor presented the Pistol Bid results which were opened on November 21, 2011. Several vendors did not participate or did not meet bid specifications and

other vendors whose bids were also higher. Therefore, he recommended awarding the bid to Gulf States whose bid was \$10, 843 and also met the bid qualifications. Commissioner Lee motioned to approve Sheriff Taylor's recommendation. Seconded by Commissioner Reed. The vote was unanimous.

Commissioner Dudley discussed an interpretation of a Commission policy concerning employee benefits. He read the minutes of the March 22, 1989: A motion was made by Commissioner Allen to provide health insurance for eligible employees that retire from the County, paying the retirees premium only. The motion was seconded by Commissioner Mack. Commissioner Belk and Parkman would like to provide this coverage, but wanted the individual to pay the premium. The vote was 5 yes votes and 2 no votes. This policy has been into effect since that date. If someone is not entitled to the policy they should receive a written explanation, why they are being excluded. Also, once a person attains 10 years in the State Retirement System, regardless of whether they have been terminated, and they have reached the age of 60; the Retirement System of Alabama automatically informs you of eligibility. If you are a retired State employee, they begin paying your insurance. Our county policy has been interpreted differently and the individual has been verbally advised that they are not entitled to the insurance benefit. I would like to clarify the policy and reinforce what the county policy was at the time this employee was hired.

Commissioner Lee made a motion that any employee that has 10 years or more service is eligible for retirement from Russell County will also be entitled to the retirement benefits afforded to any other retiree. Seconded by Commissioner Dudley.

County Attorney Funderburk: this item was to be brought up at the next meeting at an executive session. The motion is not consistent with the policy. The policy as written requires for the employee to be retired from the county. If you are terminated you are not retired. The problem is new State Accounting rules are that the County must set aside \$1.3 million every year as of the last study. Most counties don't have this policy. The State does not require counties to have this policy. Russell County's policy stated: You have to be retired to be eligible. If you are terminated; you are not retired.

Commissioner Lee: If you are terminated, but drawing retirement; are you not retired? Why are you drawing retirement?

Attorney Funderburk: No. This is a legal issue; not a retirement issue. You become vested at 10 years whether you are retired or not. Being vested and what's being contributed to retirement are two different things. The employee pays into their retirement with the State.

Commissioner Lee: My motion was if you are drawing retirement, with 10 years or more service, which it states in our new policy, you will also be entitled to other benefits.

Attorney Funderburk: No; that motion is changing the policy. That's not correct. All we are saying is you may want to put this off until the next meeting and reconsider what the present policy is costing and why. The County is going to have a very difficult time setting aside \$1.3 million in reserves for benefits.

Commissioner Reed: I think we should discuss this at the next meeting in an executive session for further discussion.

Commissioner Dudley: I think this is something that needs to be addressed. We are not talking about the action that just took place in August or September. This occurred in July at that time this individual felt like he should draw his health insurance. We are not talking about \$1.2 million. We are talking about less than \$4,000 a year. If I had too, I would pay it myself. All I'm trying to say is; I have no personal vendetta in anything I'm dealing with here. Policy states: The County will pay for retiree's premium, effected March 22, 1989. I'm saying if we can not honor something that was in effect when a person was hired, regardless of what brought about his dismissal or whatever. The Engineering Department has 14 people that were terminated and has returned to work. My point is, at the time this person was hired by Russell County, the policy was you were to receive paid health insurance at the time you become eligible for retirement regardless of being terminated or not.

Attorney Funderburk: Contesting a retirement and this policy are not the same thing. While we can sit here and do the math; the actuaries have done the math and they come up with the figure \$1.3 million, because of the affect it has on the budget of this county. Every year you have to have \$1.3 million in reserve that includes this year.

Commissioner Lee: So under the new policy that we passed or in the previous policy that was passed. We can terminate someone 1 year before they retire and we do not have to pay their insurance?

Attorney Funderburk: That is correct.

Commissioner Epps: It is hard for me to make a decision on something when it has just been thrown at me. This is the first that I have heard this and I think this should be tabled. We all need to know what we are talking about and what can be done about it. I understand what Commissioner Dudley said and I understand what was said about the policy, but we really need to consider other things before we make a decision on this. The Attorney said we should discuss this issue at the next

Commission meeting. I'm sure a decision two weeks from now will not hurt anyone. Can't the Commission table this until that time?

Chair Martin: We have a motion on the floor.

Commissioner Reed: I'm in favor of tabling this.

Commissioner Lee: You can make a motion to table.

Commissioner Screws: Are you saying we have to put \$1.3 million in the reserve regardless of which way the vote goes?

Attorney Funderburk: If you vote for this it maybe more; if you change it, it would be less. You can't do that every year based on the present budget. This is not a small issue; it is a pretty big issue.

Commissioner Lee: This does not send a good message to county employees. If they are terminated with 25 years of service; we do not have to pay the insurance.

Attorney Funderburk: The message is what the tax payers of this county cannot afford to pay. With \$1.3 million to pay every year in reserves this action will change it.

Commissioner Epps: That is why I think the Commission should table this, because we need to know more about what we are voting on. I think we should be good stewards over the taxpayers' money and more informed.

Commissioner Dudley: I don't have to have someone tell me how much it would cost; I can figure that for myself. You put it off for 2 weeks or argue it financially, all I am trying to say is you are sending a message.

Commissioner Screws: How many years have we had to put this money in the reserve?

Administrator Horne: The last two. The County has been required by GASB 45 to have reserves for OPEBS. I would like to remind you: it was agreed by the Commission to keep the agenda short. That is why we held off until the next meeting in December for these type items. There were plans to go into executive session to discuss benefits. It is not a situation that we were withholding information, it was Thanksgiving and we were trying to keep the agenda to a minimum.

Commissioner Epps motioned to table this item until the next meeting. Seconded by Commissioner Reed. District 1 (Lee) voted, no. District 2 (Pugh) stated, being that I did not have an opportunity to speak on the previous motion that Mr. Lee spoke, I would like to make 3 points: The Attorney referred to current policy. It may

be current policy, but this Commission sets policy when it votes up or down. We can change that. We could be facing a law suit from the individual and is cheaper to pay the premium and do the right thing, than to pay the law suit. We can always take this up if we were to vote to go forward and discuss it at an executive session if calls for it, if not, in a public forum so people can understand. With those three points I will say I'm not in favor of tabling, no. District 3 (Martin) voted, yes; because we did not have this information until today and I will not vote on something that I do not understand. District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6 (Dudley) voted, no; District 7 (Screws) voted; no. 4 no votes and 3 votes yes. The motion to table failed.

The motion of employees drawing retirement with 10 years or more service, and who are receiving State retirement will also be entitled to the county's retirement health insurance benefits. District 1 (Lee) voted, yes; District 2 (Pugh) voted, yes; District 3 (Martin) abstained; District 4 (Reed) voted, no;; District 5 (Epps) voted, abstained; District 6 (Dudley) voted, yes; District 7 (Screws) voted, yes. With 4 yes votes, 2 abstentions and 1 no vote, the motion passed.

Administrator Horne: I want to make sure that I understand; employees that have reached ten years or service, even though they have been terminated, would qualify for health premiums to be paid by the County as all other retiree?

Commissioner Lee: No, if they are drawing retirement that is the key. If they are terminated and they don't draw retirement then they do not get benefits. To not drawn retirement you would have to refund their contributions; which you could do. If they are drawing retirement from the State retirement system and according to the policy that was passed, they get health insurance.

Administrator Horne: Whether they are terminated?

Commissioner Lee: If they are drawing retirement from the Retirement System of Alabama; yes.

Administrator Horne: I wanted to make sure, because this has never happened before today.

Commissioner Lee: If they lose their retirement then they will lose their County benefits.

Administrator Horne requested sponsorship of the Christmas Float for the up going Bi-City Parade. The amount being requested is \$375.00. Commissioner Lee motioned to approve the sponsorship and was seconded by Commissioner Dudley. The vote was unanimous.

Election of Chair:

Commissioner Reed nominated Commission Martin for another term as Chair.

Commissioner Lee nominated Commissioner Dudley for Chair.

Commissioner Screws motioned to close the nominations.

There were 4 votes for Commissioner Martin to serve as Chair and 3 votes for Commissioner Dudley. Commissioner Martin will remain Chair for 2012.

Election of Vice Chair:

Commissioner Dudley nominated Commissioner Lee to serve another term as Vice-Chair.

Commissioner Reed nominated Commissioner Epps as Vice Chair.

Commissioner Screws motioned to close the nomination and was seconded by Commissioner Reed.

There were 3 votes for Commissioner Lee and 4 votes for Commissioner Epps.

Commissioner Epps will be the Vice Chair for 2012.

Chair Martin announced the Courthouse will be closed November 24th and 25Th for the Thanksgiving Holidays.

Commissioner Reed announced Sara Smith extends an invitation to a dinner for Alabama for Obama which will be held December 12th at 6:00 p.m. at the Quality Inn on the 280 By-Pass. Obama Representative Leanne Townsend will be present. Call Sara Smith for reservation.

Commissioner Lee motioned to adjourn the meeting.

The meeting was adjourned.