



ISAC VOTING WEBINAR – ARTICLES, LEGISLATIVE PRIORITIES, AND COMPENSATION BOARDS

Thursday, October 10, 2024

ISAC Articles Amendment

Background and History:

- ISAC is a private non-profit entity organized under Iowa Code Chapter 504.
- Private non-profit entities can be considered instrumentalities of the government for tax purposes when they meet certain tests based on their functions.
- ISAC's position is that we qualify as an instrumentality of the government and we have requested a private letter ruling from the IRS to determine our status under Internal Revenue Code Section 115.

ISAC Articles Amendment

Background and History (continued):

- Qualifying as an instrumentality of the government has been an important priority of the ISAC Board, not just due to the tax status, but to also provide clarity regarding applicability of various laws and programs for ISAC.
- The IRS has found that in order for ISAC to meet the requirements of an instrumentality of government under Internal Revenue Code Section 115, changes to ISAC's governing documents need to be made to demonstrate that ISAC is controlled by the counties.

ISAC Articles Amendment

To achieve this result with the IRS, *the ISAC Board of Directors is proposing the following changes to ISAC's Articles of Incorporation* (redline and clean versions are linked in the webinar email):

- Clarifying that the counties of Iowa (which pay their dues to ISAC) are the members of ISAC;
- Establishing that the Board of Supervisors shall designate the County Voting Representatives.
 - This is not a change to who can vote on ISAC matters. The County Voting Representatives are the same as the current Voting Members, which are all elected officials and the principal officer for each county department represented by an Affiliated Association of ISAC.
 - This change is proposed to demonstrate to the IRS that it is the counties that control, act and vote on ISAC matters. Because a geographical area cannot take action, a county must act through its representatives.
 - Having the Boards of Supervisors designate the County Voting Representatives is intended to demonstrate that it is the county taking action on ISAC business.
 - It does not change who can vote on ISAC matters. This is a “rubber stamp” action of the Board of Supervisors, similar to many places in the Iowa Code where the “Board of Supervisors shall” take a certain action. If the Board of Supervisors does not take action to make this designation, ISAC will default to its determination of who qualifies as a County Voting Representative.

ISAC Articles Amendment

Proposed changes (continued):

- Reiterating that individual County Voting Representatives do not have capacity on their own to vote and are only able to vote as a representative of their county.
 - Again, this is not a substantive change – you have always been acting on behalf of your county when voting on ISAC business, but this is to show the IRS that it is the counties (not individuals) that control ISAC.
- Clarifying that all county officials and employees of dues paying counties have the right to participate in the events and activities of ISAC.
- Stating that all members of the ISAC Board of Directors shall be County Voting Representatives.
 - This is a language change, but not a substantive changes. ISAC Board members have always been elected officials or department heads of an affiliate of ISAC.
- Additional changes were made that were ministerial in nature, to consistently use terminology throughout the document (such as “Association” instead of corporation) and to update ISAC’s Registered Agent.

Proposed 2025 ISAC Legislative Objectives

- **Conduct of Elections**
- **Confidentiality of Information**
- **County Access to the Iowa Communications Network***
- **Driver's License Testing Fee**
- **Emergency Management Funding and Governance**
- **Emergency Medical Services Levy in TIF Districts**

Proposed 2025 ISAC Legislative Objectives

- **Eminent Domain**
- **Funding of State Mandates***
- **Iowa's Natural Resources, Outdoor Recreation, and Water Quality and Quantity***
- **Medicaid Funding***
- **Payments During Road Construction**
- **Property Tax Reform***

Proposed 2025 ISAC Legislative Objectives

- **Recording Fee Modernizations**
- **Retention of Medicaid for Employed Persons
with Disabilities**
- **Secondary Roads Tax Reform Cleanup**
- **Security Interest Discharge**
- **Treasurers Omnibus**

2025 ISAC Legislative Priorities Voting Process

- **October 21-November 1, 2024 – ISAC Online Member Voting**
 - ISAC Voting Members vote on Policy Statements as a package, Legislative Objectives individually, and recommend to the Board up to five Top Priorities (comments allowed throughout).
 - *Voting on the Articles amendments will happen at the same time.*
- **November 13-14, 2024 – ISAC Board of Directors Meeting**
 - The Board ratifies the member vote of Policy Statements and Legislative Objectives and sets the Top Priorities.

Definition and Clarification of Voting Members

- **Voting Member is defined as “All elected officials of an Iowa county or the principal officer for county departments that are represented by an Affiliated Association” in Article IV of ISAC’s Articles of Incorporation.**
- **Pursuant to Article VI, subsection e, of ISAC’s Bylaws, “[e]ach person that qualifies as a Voting Member has only one vote, even if that person holds multiple positions that would qualify him or her as a Voting member.” No proxy voting is permitted.**

Clarification of Top Priorities, Legislative Objectives, and Policy Statements

- **Top Priorities** – Top Priorities are discussed and highlighted with legislative leaders during meetings at the start and throughout the legislative session. ISAC staff will have legislation drafted and actively lobby to support Top Priorities.
- **Legislative Objectives** – ISAC staff will have legislation drafted and actively lobby to support Legislative Objectives.
- **Policy Statements** – Overarching statements that guide ISAC lobbying efforts. ISAC will not draft bills specific to policy statements but will lobby in accordance and register on bills based on their guiding principles.

County Compensation Boards

Division V, SF 2442 – 2024 Legislative Session

All compensation boards dissolved as of July 1, 2024

Boards of supervisors authorized to re-establish compensation board or take on responsibilities and requirements themselves.

Simple motion and majority vote to re-establish comp board. ISAC has developed resolution template if preferred.

Action can be taken at anytime to re-establish or dissolve, and boards of supervisors can switch preference in future years.

Re-establishing Compensation Boards

Boards of supervisors can re-establish or dissolve the compensation board at any time, but consideration should be given to the typical timeline for wage and budget decisions.

Can make a simple motion, use ISAC resolution template, or develop own resolution.

ISAC will track the choices made by each county so members can see what other counties are doing.

Because comp boards were dissolved, elected officials can appoint their same representative or a different individual.

Re-establishing Compensation Boards

In the case of re-establishing the compensation board, ISAC recommends drawing lots to determine three members to serve an initial term of two years in order to implement staggered terms.

The responsibilities and requirements of the comp board contained in Iowa Code remain largely the same.

A new provision known as “show your work” was put in place requiring the comp board to provide documentation and justification for its recommendations.

The documentation must include information on comparable officers in other counties, other states, private enterprise, and the federal government.

Changes for Supervisors

If the compensation board is re-established, several changes affect how supervisors may handle the recommendations.

The supervisors may approve a compensation schedule that is greater than or less than the comp board recommendations.

The supervisors may make adjustments to the recommended compensation schedule for individual elected officials without adjusting others by the same percentage.

The supervisors cannot set compensation below current year unless the position is moving to part-time (county attorney only).

Compensation Board Dissolved

If the compensation board is not re-established or is later dissolved, the duties and requirements for comp boards contained in Iowa Code §331.905 are transferred to the board of supervisors.

This includes the new requirement to document comparable positions and justify recommendations.

In the absence of a compensation board, “the board of supervisors shall set the sheriff’s salary so that it is comparable to the salaries paid to professional law enforcement administrators and command officers of the state patrol, the Division of Criminal Investigation of the Department of Public Safety, and city police chiefs employed by cities of similar population to the population of the county.”

Compensation Board Key Takeaways

The board of supervisors decides if the county will utilize a compensation board or not.

Re-establishment or dissolution can be done at anytime now or in the future.

Supervisors assume responsibilities in absence of comp board.

Supervisors can go higher or lower than recommendations and other elected officials no longer linked together for compensation adjustments.

Compensation board or board of supervisors must provide documentation and justification for recommendations.