



ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

September 10, 2024

Pamela Hoots, Mayor
City of Columbia
116 Campbellsville Street
Columbia, Kentucky 42728
Via Email: mayor@cityofcolumbiaky.com

RE: Summary of Examination Results

Dear Mayor Hoots:

The Auditor of Public Accounts (APA) has completed a limited-scope special examination of the City of Columbia (City). This special examination was initiated after our office received concerns about certain activities. The purpose of this special examination was not to provide an opinion on the City's financial statements but to review the specific matters brought to our attention and to make recommendations to ensure the City's operating activities are consistent, transparent, and follow established policies and statutory requirements. To address the expressed concerns, the APA reviewed certain information related to the City, including policies and procedures, reports, and other necessary materials. The examination period of this engagement was from January 1, 2021, to December 31, 2023. Our examination resulted in the below finding and corresponding recommendations.

Finding

Finding 1: Compensation paid and positions filled by the City during the examination period did not always reflect the rates, positions, and number of positions adopted through ordinance in the City's personnel pay and classification plan as required by KRS 83A.070(2).

KRS 83A.070(2) requires the compensation of city employees and nonelected city officers to be fixed by adopting, through ordinance, a personnel and pay classification plan. Personnel and pay classification plans, as required by state statute, consist of two documents: a position classification plan and a pay plan. In a position classification plan, all city jobs are listed and classified according to duties and responsibilities. Pay plans (also called salary scales) ensure all employees are paid equally according to the nature of the work performed rather than according to subjective, non-job-related standards.



The City's current personnel and pay classification plan does not include all positions filled during the period of January 1, 2021, to December 31, 2023. In addition, some employees' rates of pay during this period do not fall within the pay ranges in the most recently adopted salary scale. A comparison of employment reports for 58 employees to the personnel and pay classification plan showed 28 instances in which either the number of individuals filling a position exceeded the number of such positions listed on the position classification plan or an employee filled a position that was not listed on the position classification plan. At least 15 employees' actual rates of pay also failed to fall within the pay ranges last approved by the City Council. Inequitable treatment of City employees, or even the perception of such treatment, based on inconsistent application of the personnel and pay classification plan may lead to both employee and taxpayer concerns about lack of transparency and potential abuse of power.

Further, despite KRS 83A.060(11) requiring an examination of all ordinances in the composite index or code of ordinance at least once every five years to identify inconsistencies and other issues, the City failed to update its personnel and pay classification plan as required. The City last made an amendment to the pay and classification plan through Ordinance 230.53, which was passed on March 23, 2011. Additions or updates to the City's pay plan were last made in fiscal year (FY) 2012.

While certain personnel issues were discussed and even approved during City Council meetings during the examination period, no action was taken by the City to revise the personnel and pay classification plan or amend the ordinance that adopted it. For example, the minutes for the July 5, 2022 City Council meeting noted there was a motion to change the personnel policy to reflect two full-time employees in Parks and Recs (instead of one full-time and one part-time employee) and to add one full-time Maintenance employee. The motion was passed. However, on August 9, 2024, City officials stated, "no updates have formally been done."

The City is currently working with the Kentucky League of Cities (KLC) to update their personnel policy and KLC has indicated their staff is "happy to discuss their pay and classification plan with the [C]ity" even though it "is generally outside the scope of the contract."

Recommendations

We recommend the City update the personnel and pay classification plan to incorporate all current positions (filled and unfilled) and to include minimum and maximum pay rates for each position. Should the City contract with a third party to update the City's personnel policies and procedures, we recommend the City confirm the personnel and pay classification plan is also updated.

We recommend the City Council seek a third party to perform a full review of each employee's compensation to ensure salary and benefit requirements established through the City personnel and pay classification plan and the City personnel policy are followed. We also recommend the review be documented and shared directly with the City Council to ensure completeness and the

Pamela Hoots, Mayor
City of Columbia
September 10, 2024
Page 3

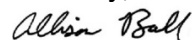
transparency of the results. Additionally, we recommend the grade for a position in which a person is hired agrees with the personnel and pay classification plan.

Pursuant to KRS 43.090(1), “[w]ithin sixty (60) days of the completion of the final audit or examination report, the agency to which an Auditor's report pertains shall notify the Legislative Research Commission and the Auditor of the audit recommendations it has implemented and of the audit recommendations it has not implemented. The agency shall state the reasons for its failure to implement any recommendation made in the final audit or examination report. All audit reports and agency responses shall be, subject to KRS 61.870 to 61.884, posted online in a publicly searchable format.”

The agency did not provide a response.

Thank you for your attention to these matters and the City’s cooperation with this limited-scope special examination. If you have any questions or concerns regarding this letter, please contact Savannah Baker, Executive Director, at 502-564-5841.

Sincerely,



Allison Ball

Auditor of Public Accounts

- c: Woody Sharpe, City Clerk, wsharpe@cityofcolumbiaky.com
Dr. Ronald Rogers, City Councilmember, rprogers@duo-county.com
Robert Flowers, City Councilmember, alpike8@gmail.com
Mark Harris, City Councilmember, mdharris02@yahoo.com
Sharon Payne, City Councilmember, sharonpayne186@gmail.com
Hannah Peck, City Councilmember, hannahpeck.citycouncil@gmail.com
Rhonda Loy, City Councilmember, rohonda1971@hotmail.com