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Nelson County Police Department
Transition Plan (Initial Draft)

This document presents the initial framework for the proposed transition from the current Nelson County Sheriff's Office patrol operations to a reestablished Nelson County Police Department. The proposal is based on extensive review, ongoing evaluation, and growing concerns regarding fiscal accountability, operational management, and adherence to established county procedures.

This plan is intended as a starting point for discussion and development. Further refinements will be made as additional information becomes available regarding the Sheriff's Office's current assets, personnel, and administrative processes.

The Sheriff's Office will remain in place to fulfill its statutory responsibilities, including tax collection and providing courthouse security.

Background and Rationale

Concerns Prompting Discussion

The discussion to establish a separate County Police Department was initiated by Judge Hutchins in response to recurring issues within the Nelson County Sheriff's Office, including:

- Overspending without appropriate accountability or explanation
- Rising insurance costs and an increase in liability claims and lawsuits
- Diminishing excess fees turned over to the Fiscal Court
- Erosion of public trust and confidence in law enforcement leadership
- High employee turnover
- Lack of communication between the Sheriff's Office and the Fiscal Court

These issues collectively indicate a systemic breakdown in financial management, transparency, and administrative oversight, creating both fiscal and reputational risks for Nelson County.

Operational and Fiscal Analysis

1. Budget and Staffing Overview

The Fiscal Court currently funds salaries and benefits for 18 deputies, including wages, FICA, health insurance, workers' compensation, and retirement contributions.

In addition, 25 other Sheriff's Office staff are supported by the Fiscal Court for FICA, retirement, life/STD insurance, workers' compensation, and HRA/HSA contributions.
(Wages and health insurance for these positions are not included in the court budget.)

Fiscal Year	FC Deputy Wages	FC Deputy Fringe Benefits (Court Funded)	Other Fringe Benefits (FC pays on their behalf)	Total
2020–2021	\$1,003,397	\$732,883	\$340,425	\$2,076,705
2021–2022	\$1,006,025	\$754,884	\$387,789	\$2,148,698
2022–2023	\$1,216,047	\$833,595	\$390,585	\$2,440,227
2023–2024	\$1,306,959	\$799,126	\$457,243	\$2,563,328
2024–2025	\$1,367,391	\$743,827	\$462,923	\$2,574,141

Additional information comparing Fiscal Court & Sheriff’s Office wages & benefits will be provided in a forthcoming update to this report.

On October 1, 2025, the Sheriff’s Department publicly released an updated organizational structure on its Facebook page. While paperwork was submitted to the Judge Executive’s Office requesting specific title and wage changes for several positions, the Fiscal Court has not been formally notified of any corresponding updates to the department’s organizational structure. Several of the positions listed in the update are funded through the Fiscal Court’s budget, and the requested pay increases would require Fiscal Court approval. Because no updated organizational chart or justification for these changes has been provided, these actions raise potential concerns related to pension spiking. Furthermore, the adjustments appear to alter the Fiscal Court’s previously approved budget, as the affected employees’ pay rates were already established through the Fiscal Court’s annual pay order. This is yet another example of the Sheriff’s Office taking actions with direct fiscal implications without proper coordination or communication with the Fiscal Court.

2. Budget Overages and Audit Findings

The Sheriff’s Office exceeded its payroll budget by approximately \$175,000 in the past fiscal year. During a review meeting with Sheriff Pineiroa, no clear explanation could be provided for the expected overage for 2024.

An audit is currently underway to determine the causes and identify any procedural or accounting deficiencies.

Historical budget overages:

- 2024: At least \$175,000 (pending audit)
- 2022: \$83,899 as documented in the audit report
- 2020: \$176,576 as documented in the audit report

3. Employee Turnover and Associated Costs

During the 6.5 years of the current Sheriff's administration, there have been 39 employee separations.

Additional information regarding specific termination reasons will be provided in a forthcoming update to this report. It is noted that 9 of these 39 terminations were identified as retirements.

Based on our review of uniform and equipment expenses for recent hires, the estimated cost per new employee is **in the thousands of dollars**. Given the high turnover within the Sheriff's Office, these repeated costs represent a significant and recurring expense. The frequency of separations amplifies the financial impact associated with uniforms, training, and other startup costs for each new hire.

4. Budget Oversight and Spending Practices

It has been repeatedly noted that the Sheriff's Office appears to show insufficient regard for fiscal responsibility and budgetary oversight.

Instances were cited where expenditures proceeded despite being denied by the Fiscal Court, financed instead through the use of excess fees (e.g., the purchase of a VR system, BolaWrap devices, and a side-by-side ATV and trailer with aftermarket modifications).

While excess fee revenue has declined by more than 95% from 2023 to 2024, property tax assessments have continued to rise during this period. Considering the steady increase in property tax assessments over the last several years, it is reasonable to assume that a substantially higher amount could have been turned over. The Sheriff's Office's failure to complete the required budget amendments further complicates an accurate accounting of how revenues and expenditures were managed during the last several years.

<u>Year</u>	<u>Excess Fees Turned Over</u>
2019	\$96,330.50
2020	\$115,369.11
2021	\$132,500.47
2022	\$125,620.59
2023	\$307,610.47
2024	\$10,671.42

A forthcoming update to this report will include what was turned over versus what was expected.

KALF Claims by Member (Sheriff Only)
7/1/20 to 4/30/25 as of 4/30/25
10 Member Comparison with Median

