PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, April 8, 2014

A work session of the Cochise County Board of Supervisors was held on Tuesday, April 8, 2014 at 3:00 p.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Ann English, Chairman; Richard R. Searle, Vice-Chairman; Patrick G. Call, Supervisor

Staff Present: Michael J. Ortega, County Administrator
Jim Vlahovich, Deputy County Administrator
Karen Riggs, Highway and Floodplains Director
Ron Ellis, Operations Manager
Gussie Motter, Deputy Clerk of the Board

Chairman English called the meeting to order at 3:20 p.m.

ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION AND POSSIBLE ACTION

PLEDGE OF ALLEGIANCE

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING

INTRODUCTIONS

ITEMS FOR DISCUSSION

Community Development

1. Continuation of the discussion and possible direction on the Fiscal Year 13/14 and 14/15 Highway Annual Work Plan, projects and opportunities for additional projects.

   Chairman English opened the meeting, explaining that this was a continuation of an earlier meeting that was postponed until the most accurate figures were available as it is the money that dictates the work plan.

   Mr. Ortega reported that staff had gone back through all of the figures to make projections for the end of this fiscal year and for FY 14-15. At the beginning of this fiscal year, there was a cash carry forward of $3.8 million. That cash carry forward has been drawn down to about $1.8 million, which is close to the $2 million recommended for contingencies. For FY 14-15, the department will have to stop at 60 lane miles to break even. To put that into perspective, Mr. Ortega declared that the department should be doing 190 to 195 lane miles per year. This year should see about 100 lane miles but that is a result of drawing down the cash carry forward. He posed the question, what is it worth to maintain the roads we already have, noting that the dollars are significant just to maintain, not really to catch up. For that, we'd have to be doing 193 lane miles at a cost of about $5 million. He also noted that the revenue projections did not include the $326,000 that was promised from the state. He reminded the Board that hiring full time employees is an expense that must be maintained.

Ms. Riggs explained the three options for the FY14-15 work plan. The first option calls for 117 lane miles and 37 operations employees, ending the year with a loss of about $1.8 million. The second option for 73 lane miles and 34 operations employees, ends the year with a loss of about $605,000. The third option, the break even option, results in 60 lane miles and 32 operations employees. The current year began with 37 actual operations employees and a budget for 41 operations employees. Currently there are 32 operations employees.

The budget revenue sources assume $1 million from the General Fund from the half cent sales tax as well as funds from Payment in Lieu of Taxes (PILT), Highway Users Revenue Fund (HURF), Vehicle License Tax (VLT), and miscellaneous revenues and fees. Ms. Riggs also informed the Board that cash carry forward does not include Board of Supervisors projects or Intergovernmental Agreement projects as those funds are already encumbered.

Referring to the FY 13-14 budget, Mr. Ortega pointed out that $75,000 had been built in for catastrophic repairs and was spent within the first six months of the budget year. Maintenance for the machines is significant as they are being pushed hard. For the last 4 years, funds for heavy fleet replacement charges have been cut back and used instead for chip seal maintenance. Cost of maintaining the heavy fleet will continue to rise because of the decision not to replace at this time. The budget also has built in salary adjustments for heavy equipment operators in the hopes that it will help with retention. Diesel is being built into the budget at $4.00 per gallon.

There was discussion related to Intergovernmental Agreement (IGA) work. Mr. Ortega explained that no county money goes into IGAs but they do burn up capacity. He suggested that IGA work be explored in the FY 15-16 year. That way, if the County decides to discontinue any and all IGA work, there would be time to give our partners notice.

Chairman English asked if the department was looking for direction or if this meeting was solely informational.

Mr. Ortega invited the supervisors' input. He advised that the department start trying to do the 117 miles, commenting that the department can scale back to 73 miles depending on funding.

Ron Ellis, Operations Manager, explained that his crews are stretched too thin. He has been using inmates for the first time but they are not dependable and the situation creates tension with the staff. He has foremen going back to running equipment and office workers are being trained as flaggers and pilot car drivers. There is not much time for dirt road repairs and the department is losing one to two people a month.

Mr. Ortega gave two different options. Option one: Do 60 lane miles per year and live within our means. Option 2: Do more lane miles with the addition of one-time dollars. He expressed a lack of optimism that highway funds from the state will increase in the coming years.

Supervisor English said that the department needs to raise the salaries of the 32 operations employees immediately. She also advised that lane miles be set at 60 and that IGA work continue so that staff has the opportunity to earn overtime.

There was discussion regarding changes that might be made to accommodate the reduced crews, but the point was driven home that with 32 operators, there could be no grading when roads are being chip sealed. Chip sealing pulls crew away from signage and striping. Maintenance is being neglected on dirt roads, bridges and guardrails. All of the Supervisors supported adding more operators, but the question was how many more. Supervisor English wanted two more. Supervisor Searle and Mr. Ellis would like to see five more despite the cost of $1.2 million per year.

Supervisor English advised that the number of operators did not really have to equate to a number of lane miles as more employees could catch up on some of the work that is currently being neglected.

The Supervisors agreed that some policy decisions will need to be made regarding density of roads that the County maintains and the organization of the county roadyards.

Mr. Ortega summarized the direction from the Board. He will present them with a budget that breaks even but also assumes that an additional $350,000 will be coming from the state.

Chairman English adjourned the meeting at 4:26 p.m.

APPROVED:

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Ann English, Chairman

ATTEST:

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Gussie Motter, Deputy Clerk of the Board