

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, April 12, 2016**

A work session of the Cochise County Board of Supervisors was held on Tuesday, April 12, 2016, 11:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

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

Staff Present: James E. Vlahovich, County Administrator
Edward T. Gilligan, Deputy County Administrator
Britt W. Hanson, Chief Civil Deputy County Attorney
Arlethe G. Rios, Clerk of the Board
Julie Morales, Human Resources Director

Chairman Searle called the meeting to order at 11:00 a.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

Human Resources

1. Discussion and possible direction regarding the Cochise County Employee Compensation Plan.

Chairman Searle asked everyone to introduce themselves.

Mr. Vlahovich went over the background of employee compensation and said that staff wanted to recommend structural changes to the current plan. He noted that staff wanted to increase the focus on employee performance and decrease organization bureaucracy. He added that staff thought it was a good time to transition into a new plan that focused on rewarding good performance and succession planning.

Mr. Ken Wallace, Denarius Consulting, used a PowerPoint presentation to go over the process for a new employee compensation plan.

Chairman Searle asked what information staff was using to determine the market value.

Mr. Wallace said that local data would be used for clerical jobs; regional data would be used for professional jobs; and national data would be used for management level positions.

Vice-Chairman Call asked if several data sources were used for comparison.

Mr. Wallace said that one of the main sources was local government salaries which also included other counties. He stated that salary.com was also used and noted that it is a national database. He added that the County was currently at 75% of market and research was done with information from the last ten years. He listed several issues that have hurt the current system: pay increases have been lump sums, no incentives to keep people here, only addressing issues on a one time basis, pay systems are not consistent, and the structure is very complex with over 300 job classifications.

Mr. Gilligan said that almost all employees are at midpoint of their current job, but that midpoint being identified is 30% less than market for those positions.

Supervisor English said that the Board had asked that money be set aside to address salaries.

Mr. Vlahovich said that some adjustments had been made, but those were to address immediate issues of concern. He explained that changing any compensation system is difficult and time consuming. He said that in the past the County was not in a position to look at the structure as a whole, but now that had changed and staff wanted to change the structure.

Vice-Chairman Call asked if staff was no longer anticipating emergency situations.

Mr. Vlahovich said that emergency situations were always a possibility, but the proposal today was to focus on fixing the issues with the current structure.

Vice-Chairman Call asked for examples of job classifications that were below market and those that were above.

Mr. Gilligan said that deputies were at 100% of market; while attorneys, engineers, and truck drivers were below market. He also noted that the County was not hiring at starting levels due to competition in the local job market.

Mr. Wallace said that the current structure was the cause of current issues and the proposal was to focus on pushing salary decisions to managers, so that they could focus on having a system based on maturity and performance. He went over the costs of addressing the current issues.

Mr. Vlahovich said that the County had been collecting every department's salary savings and the total amount to date was \$915,000, which could be used for the new compensation plan.

Mr. Wallace discussed developing an effective compensation plan and noted that the broad banding model created wider ranges that focused on fields, not individual job classifications. He went over the advantages of the system and added that this system helped look at careers, not just jobs, which helped meet priorities.

Chairman Searle asked why law enforcement was excluded from this system.

Mr. Wallace said that their rank structure changed the way they were compensated.

Mr. Vlahovich said that the market value would focus on the level of work.

Mr. Wallace explained that a lot of data would be researched to ensure that people are being placed in the proper band.

Chairman Searle asked what titles would be based on.

Mr. Wallace said that titles would be based on research and current salaries and skills.

Mr. Gilligan clarified that the new structure would only affect full time positions, temporary positions and part time positions would not be included. He noted that the emphasis in this system was on providing a structure to pay people as they grew in their careers.

Vice-Chairman Call asked about the success rate of this structure for those organizations who were using it.

Mr. Wallace said that most organizations had found it to be successful, but those that had not were not using the proper background to support the structure.

Mr. Gilligan said that the decision to use this structure was based on the best system to meet the County's needs. He noted that having a simpler system would empower managers. He added that the current system was not working anymore as issues were having to be addressed on a one time basis. He moved on to the next steps and said that in order to properly fit with the new structure, the performance appraisal system would also be revised.

Mr. Vlahovich said that his plan was to take the annually allocated \$200,000 for employee compensation and begin to make structural changes.

Supervisor English said that it would take a lot of work to fix the current system and implement a structure that fit the County better. She said the goal should be to improve employees, not only to pay them more because it is expected.

Vice-Chairman Call asked who would provide the oversight for the changes to the structure.

Mr. Vlahovich said that County Administration with the assistance of Human Resources and they would train the management team to assist as well.

Mr. Gilligan said that they would also use the Administrative Team and discuss these phases and changes during department director meetings to provide information and instruction. He added that budgeting would also be a big part of this project and manager pay levels would also be based on performance.

Vice-Chairman Call asked if judicial employees would be included.

Mr. Vlahovich said that the Courts had been supportive of the idea and staff would be working with them in case they wanted to be a part of the new structure. He added that sworn officers would not be included in this structure, but staff was discussing compensation with the Sheriff.

Chairman Searle said he was not opposed to changing the structure as it allowed for flexibility, but he noted he had a concern about the oversight as well as the beginning salary structure being too high.

Mr. Wallace said that it would be easy to expand the range to address any concerns.

Vice-Chairman Call asked about the timeline.

Ms. Morales said that the market data was ready and staff was also working on assigning classifications to bands and that should be done by the end of the calendar year.

Chairman Searle said the priority should be on recruitment.

Mr. Gilligan said that staff was working on a total compensation plan, which included more than pay. He said staff would also focus on benefits and performance.

The Board said that they were supportive of this effort and looked forward to staff bringing a finalized plan to a formal board meeting.

Chairman Searle adjourned the meeting at 12:12 p.m.

APPROVED:

Richard R. Searle, Chairman

ATTEST:

Arlenthe G. Rios, Clerk of the Board