

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, January 25, 2017**

A work session of the Cochise County Board of Supervisors was held on Wednesday, January 25, 2017 at 9:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Ann English, Chairman; Patrick G. Call, Vice-Chairman; Peggy Judd, 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

Attendees: Jacqui Clay, County School Superintendent
Philip S. Leindecker, County Assessor
Ruben Miranda , Internal Services Administrator
David Raber, Information Technology Director
Karen Riggs, Highway & Floodplain Director
Amadee Ricketts, Library District Director
Anita Baca, Housing Authority Director
Martha Rodriguez, Interim Elections Director
Julie Morales, Human Resources Director
Kenny Bradshaw, Jail Commander, Sheriff's Office
Paul Esparza, Planning & Zoning Director
Joe Casey, Chief Technology Officer, Information Technology Department
Lynette Nowlan, Finance Director
Nike Noack, Budget Manager, Finance Department
Jennifer Stearman, Business Manager, Clerk of the Court's Office
Kenny Reeves, Administrative Manager, Attorney's Office
Steve Jones, Finance Manager, Solid Waste Department
Ray Falkenberg, Business Manager, Health & Social Services Department
Carrie Langley, Division Director, Health & Social Services Department
Kelley Jones, Analyst, Human Resources Department
Allison Hadfield, Communications, Sheriff's Office
Amy Hunley, Indigent Defense Coordinator
Teresa Rockrich, Probation Department
Michelle Ziatz, Accountant, Finance Department
Tod Linendoll, Sergeant, Sheriff's Office
Randy Wilson, Sergeant, Sheriff's Office
Thad Smith, Chief Deputy, Sheriff's Office
Maureen G. Badosz, Assessor's Office

Chairman English called the meeting to order at 9:00 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

Board of Supervisors

1. Budget Work Session - Discussion of County budget for Fiscal Year 2017-2018.

Mr. Vlahovich introduced the topic and said he wanted to get direction from the Board and set priorities for the next fiscal year.

Ms. Nowlan gave an update on the current revenues and explained that the sale of the Johnson Mine Camp had helped with the shortfall from the previous year. She stated that there was an upward trend of sales tax and that 42% of the total budget had been expended. She updated the Board on the Flood Control and Library District budgets and noted that revenues were higher than expected. She also added that the Solid Waste enterprise system revenues were low.

Mr. Vlahovich said that there was about \$40,000,000 in contingency, with an estimated \$21,000,000 needed for operations. He added that the Solid Waste systems still owed the County's general fund \$2,500,000.

Ms. Nowlan moved on to an update on decision package requests.

Mr. Vlahovich thanked Mr. Miranda and Mr. Howe for completing these projects and added that they have also completed all Arizona Counties Insurance Pool (ACIP) compliance issues.

Ms. Nowlan gave a summary of the current fiscal year and said things were going well.

Mr. Vlahovich went over some of the issues that will impact the budget in Fiscal Year 2017-2018. He noted that the new minimum wage would cost the County a total of \$250,000. He moved on to the compensation plan phases and explained how he planned to fund some of the phases.

Chairman English asked how many phases there were in the compensation plan.

Mr. Gilligan said there were three phases.

Mr. Vlahovich said that only phases one and two were funded and he would be working with staff to plan on how to fund phase three.

Mr. Gilligan explained that phase three would be funded by working with directors on salaries for their staff.

Sheriff Dannels asked if employees would not receive salary increases until the 2018-2019 Fiscal Year.

Mr. Gilligan said that phase 2 would occur in the current fiscal year.

Mr. Vlahovich moved on to current year costs. He stated that he planned to fund an executive level training program through a consultant and a certified public manager course through Arizona State University. He noted that some projects would impact the general fund and some would impact half cent sales tax.

He moved on to the Regional Communications Center.

Sheriff Dannels said that the building had been bought and staff was working on the remodel. He added that the Howard G. Buffet Foundation had contributed funds for this project, as well as the Governor's Office.

Mr. Vlahovich said that he would be updating the Board on a construction schedule for the communications center and noted that there would be an intergovernmental agreement with the City of Sierra Vista as well as other agencies to use this center for their dispatching services. He moved on to the health insurance and said there would be some changes in the upcoming fiscal year as health care costs were increasing. He noted that staff were also working on potential changes to the Solid Waste agreements in place with the municipalities; privatizing jail medical operations; and juvenile detention processes.

He discussed retirement payouts in the next coming years.

Ms. Noack said that staff did have estimates on how many people were expected to retire within the next five years.

Mr. Vlahovich gave an update on the microwave project. He added that state cost shifts will most likely increase for a total cost to the County of \$1,000,000.

Ms. Morales discussed the affordable care act and said projections could not be made with the change in federal administration.

Mr. Miranda said that staff was working on a facilities capital improvement plan to ensure issues are being resolved in a proactive matter and priorities being set. He added that funding for this plan would most likely come from half cent sales tax.

Mr. Casey said that he was working on an Information Technology capital improvement plan. He noted that the administrative group would also be reorganized for efficiency.

Ms. Noack discussed the budget process and timeline and noted that the process would change to make it more efficient.

Mr. Vlahovich moved on to discuss priorities he would focus on: transportation district, jail district, and fee schedule updates. He noted that he would also like for the Board to look at the current tax rate.

Vice-Chairman Call asked how much taxes have gone up for residents over the last couple of years. He understands that the entire cost is not coming to the County, but wanted to know in order to move forward with a decision on the tax rate.

Chairman English said that although the County has not raised their tax rate, many entities

have and citizens need to be educated on where their taxes go.

Chairman English said that it is important to her to make a decision based on good information. She noted that she is not prepared to set priorities at this time, but did feel like the information provided was well presented. She added that the primary concern was employee compensation and how to fund it.

Vice-Chairman Call agreed with Chairman English with ensuring that funding the compensation plan is a priority for the Board.

Supervisor Judd asked to look at what positions have already been addressed.

Mr. Gilligan said that all staff was included in the current cost projections and a 3% growth rate for each year would be included as this project moved forward.

Chairman English said that it is the responsibility of the leaders of the organization to address personnel costs regardless of revenues. She noted that personnel is the biggest costs, therefore it has to be the place where everyone looks to ensure staff is being efficient and using all resources properly.

Ms. Riggs said that reviewing current staffing was critical, but the leadership also had to look at services and decide where the priorities were.

Chairman English thanked staff for keeping services moving forward, but noted that it was not necessarily a positive fact as citizens expect the same services even with less revenue. She noted that this could not continue as this would wear on staff and their productivity.

Chairman English adjourned the meeting at 9:58 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Arlethe G. Rios, Clerk of the Board