

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, February 1, 2017**

A work session of the Cochise County Board of Supervisors was held on Wednesday, February 1, 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 (telephonic); 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: Carrie Langley, Deputy Health & Social Services Director
Nike Noack, Budget Manager, Finance Department
Ruben Miranda, Internal Services Administrator
Eric Silverberg, Court Administrator
Kenny Reeves, Administrative Manager, County Attorney's Office
Mark Dannels, County Sheriff
Thad Smith, Deputy County Sheriff
Julie Morales, Human Resources Director
Karen Riggs, Highway & Floodplain Director
Catherine Traywick, County Treasurer
Phil Leiendecker, County Assessor
Felix Dagnino, Deputy County Assessor
Lynette Nowlan, Finance Director
Joe Casey, Information Technology Director
Rose Martinez, Deputy County School Superintendent
Jacqui Clay, County Schools Superintendent
Brian McIntyre, County Attorney
David Stevens, County Recorder

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. Discussion and possible direction regarding the funding of the Employee Compensation Plan.

Chairman English gave the background and said that a balanced budget was always a priority, but the Board was in agreement that employee compensation needed to be addressed and the meeting had been set up to discuss with all the leaders in the organization how the County could fund the employee compensation plan.

Mr. Miranda said that before the discussion began, he wanted to know what the Board's priorities were regarding the employee compensation plan funding.

Vice-Chairman Call said that he did not think there was one, but thought that services needed to be looked at; contingency funds should be discussed; as well as property taxes.

Supervisor Judd said that she would like to discuss all fees charged by the County; focus on services without cutting them, and agreed that a market value system would be a benefit to all employees.

Chairman English said that she agreed with paying people who worked hard and provided outstanding services and would want to focus on paying less people a decent wage than paying more people less than they deserved for the jobs they perform.

Mr. Hanson asked what the total cost to bring all employees to market was.

Mr. Vlahovich said it would cost around \$2,200,000 and noted that some of the money available had already been spent on phase one of the employee compensation plan.

Mr. Gilligan clarified that the mentioned cost did not include the court employees and to include them would be a cost of \$3,000,000 which would also grow in order to account for annual increases in cost of market value. He pointed out that not all employees would be at market value and the focus would be on employees who excelled in performance.

Chairman English agreed that not all employees would be compensated at market value. She added that all departments should be aware that their needs and actions have an impact on the budgets of other departments. She also stated that using the contingency fund could not be the only solution, as salaries are ongoing expenses, not one time costs.

Mr. Hanson asked how much the County had lost due to decreasing property tax values.

Mr. Leiendecker said that the County had lost property tax revenue through the past Board's decisions to lower the rate as well as legislative decisions that reduced revenues from corporations and commercial properties. He added that even though the tax rate has not been raised, the County had expanded its services and expenses had grown. He also stated that he understood public education would be involved and he supported that.

Chairman English said that another factor had been significant cost shifts from the State, so that they may balance their budget.

Mr. McIntyre said that a permanent solution involved increasing the tax rate and suggested

that different rates be considered. He added that citizens needed to be informed that in order to provide quality services the County needed to hire quality people and pay them what a fair wage.

Ms. Traywick said that she would encourage everyone to look at the budget and put employee compensation first, then find ways to fund other operations costs. She added that citizens needed to be informed on the importance of a good tax base in order to provide good services. She also suggested a consultant be hired to look at services and programs.

Sheriff Dannels said that he believed there needed to be an operational shift. He added that the County leadership needed to prioritize what their focus should be and should use strategic financial planning that included employee compensation and plans for it. He stated that if the Board was not in favor of raising the tax rate then the group would have to look at contingency funds and operational shifts. He also suggested that services/programs be reviewed.

Mr. Silverberg said that a combination of macro and micro approaches would be necessary to get the money needed to fund the compensation plan. He said that his ideas included the formation of a jail district to benefit all areas related to jail services; as well as creating a : behavioral health coordinator to manage costs and sustain positive services associated with mental health issues.

Ms. Noack said that all processes needed to be looked at as well as positions.

Deputy County Sheriff Smith asked if additional raises were considered when putting together costs associated with salary increases.

Mr. Gilligan said that the strength in the new compensation plan was that market reviews would be done on an annual basis to ensure all employees were at the appropriate levels.

Deputy County Sheriff Smith said that he thought everyone needed to take a comprehensive look at the contingency funds in the County's budget; specifically how they grow on an annual basis. He added that the tax rate increase and cutting services needed to be part of the discussion.

Ms. Nowlan described the mechanics of contingency funds and said her staff was reviewing those funds.

Mr. Silverberg added that although some money was not spent yet, it might be needed and reserved for special projects.

Mr. Gilligan explained that staff was currently reviewing the entire budget and once the process was complete, staff would have recommendations.

Ms. Clay said that she wanted to review some of the fees the County pays to the state regarding juvenile detention education.

Chairman English encouraged all elected officials to speak to legislators about State costs shifts to counties.

Mr. Casey said his suggestion involved partnerships countywide to acquire additional revenue. He noted that the new IT positions would enhance the department's ability to be a resource to other entities in the community.

Mr. Vlahovich said that Pima County had addressed employee compensation by partnering

with departments to fund the plan.

Mr. McIntyre asked what the total was for all contingency funds.

Ms. Nowlan said that it was around \$30,000,000.

Ms. Langley stated that not all employees would be at market value and added that an important part of employee compensation should be workforce development. She said talented individuals stay in an organization not only for a fair salary, but because they are getting the training they need.

Chairman English said that there was a lot of value associated with the new compensation plan.

Vice-Chairman Call added that there were a lot of good ideas and requested that the group meet again soon to keep the discussion going.

Supervisor Judd added that she would be favorable to educating the public about a tax raise based on the impact to services the County provides.

Chairman English said that the Board was willing to fund the compensation plan as part of a group effort that involved many of the ideas discussed today.

Chairman English adjourned the meeting at 10:32 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Arlethe G. Rios, Clerk of the Board