

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Wednesday, February 22, 2017**

A work session of the Cochise County Board of Supervisors was held on Wednesday, February 22, 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: Mark Dannels, County Sheriff
Brian McIntyre, County Attorney
Jacqui Clay, County School Superintendent
Thad Smith, Chief Deputy County Sheriff
Eric Silverberg, Court Administrator
Karen Riggs, Highway & Floodplain Director
Lynette Nowlan, Finance Director
Joe Casey, Information Technology Director
Marty Haverty, Solid Waste Management Director
Carrie Langley, Deputy Director, Health & Social Services
Julie Morales, Human Resources Director
Nike Noack, Budget Manager, Finance Department
Kale Kiyobu, Resident

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. Continued discussion and possible direction regarding the funding of the Employee Compensation Plan.

Chairman English thanked everyone for their attendance. She began by asking if the other Elected Officials in the room would be in favor of board raising taxes.

Mr. McIntyre said he would be in favor of an incremental raise or adjustment of the tax rate.

Sheriff Dannels said that he would be in favor, but it would need to be a gradual increase.

Ms. Clay said she was in support, but it would need to be an education process for the public so that they could understand why the County was making that decision.

Chairman English said the Board wanted the support of their peers and wanted to have a consistent message from County Officials to the public. She noted that the tax rate increase would not be for salary adjustments, but in order for the County to continue to provide the same level of service without compromising quality.

Mr. Silverberg stated that Judge James Conlogue, Superior Court Presiding Judge, was in favor of increasing the tax rate.

Mr. Gilligan provided everyone with a handout of his compensation plan funding strategy. He said he had met with the appointed departments and staff had put this together. He said it was a summary of what is the best path forward and is also sustainable.

He listed the major areas to focus on:

- Use existing resources to increase compensation funding by approximately \$1,000,000 annually over three years
- Decrease fleet fuel and light fleet replacement contingencies in a sustainable three-year spend down period
- Adjust service fees where appropriate
- Task criminal justice system partners with identifying cost saving measures - a 2% reduction in costs across the system equates to \$760,000 that could be used for salary increases to those in that system, support statewide juvenile justice reform efforts to eliminate Arizona Department of Juvenile Corrections (ADJC) cost shifts and reduce detention expenses
- Streamline finance processes across appointed departments
- Manage healthcare costs and stability of the Cochise Combined Trust
- Pursue Jail District
- Manage Public Safety Personnel Retirement System (PSPRS) expenses

Mr. McIntyre said the criminal justice costs could be discussed at the regular meeting of the Criminal Justice Task Force.

Vice-Chairman Call asked what the current cost per employee was for healthcare.

Ms. Noack said it was \$6,200.

Chairman English asked about the timeframe to institute a jail district.

Mr. Gilligan said that it would be two years before the County would start collecting that revenue and noted that it would have to be approved by voters.

Mr. McIntyre asked if advanced payments to PSPRS were a benefit to the County.

Mr. Gilligan said that advanced payments would only be of benefit if PSPRS made good investments.

Mr. Vlahovich added that the prevailing Hall Case would increase the unfunded liability in the system.

Mr. Gilligan said that it was important to stay focused on the areas that the County had control over.

Chief Deputy Sheriff Smith said he thought an increase in salaries would help with the unfunded liability in the system.

Mr. Gilligan said it was a complicated calculation.

Mr. Stevens said that the money due back to the Elected Officials Retirement Program (EORP) would also impact the County budget.

Vice-Chairman Call asked about borrowing money to contribute to these systems.

Chairman English said that the contribution would only do as well as the investments.

Ms. Riggs asked if the jail district was a priority or if a transportation district should also be looked at.

Mr. Gilligan said that a transportation tax would not be off the table and that staff would be using a consulting firm to conduct political polling. He noted that a transportation tax would ensure road infrastructure in the future, but the jail is in need of updates and not adequately prepared for any population growth. He added that a jail district would assist with current jail costs, but not add any revenue to the general fund.

Ms. Riggs stated that it would be easier for the public to vote in favor of a tax if the tax were being dedicated to a specific use like a jail or highway infrastructure.

Sheriff Dannels noted that many of the proposals impact public safety.

Chairman English stated that public safety should be impacted as they have a big impact on the overall budget.

Vice-Chairman Call said it would not be easy to address the budget shortfall and added that he was not opposed to raising the tax rate as long as he had the support of his peers.

Mr. Stevens said he was not opposed to raising taxes to provide services.

Vice-Chairman Call asked for a strategy for moving forward tied to a timeline.

Mr. Gilligan said staff would put something together. He added that managing the budget was a benefit to all involved and to our citizens who entrust the County with public funds.

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

APPROVED:

Ann English, Chairman

ATTEST:

Arlthe G. Rios, Clerk of the Board