

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, May 9, 2017**

A work session of the Cochise County Board of Supervisors was held on Tuesday, May 9, 2017 at 11:00 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
(telephonic)

Staff Present: Edward T. Gilligan, County Administrator
Arlethe G. Rios, Clerk of the Board
Jim Vlahovich, Special Advisor to the County Administrator
Lisa Marra, Communications & Community Relations Administrator
Lynette Nowlan, Finance Director
Michelle Ziatz, Internal Services Finance Manager

Attendees: Joann Kiyabu, Citizen
Cheyenne MacMasters, Citizen

Chairman English 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

Board of Supervisors

1. Budget Work Session - Discussion of County budget for Fiscal Year 2017-2018 specifically: the Board of Supervisors' Office.

Chairman English stated she would like the supervisor's goals and objectives to be included in these documents, and reflected in the budget, not solely county administration. She asked that in the next calendar year, the implementation of our comprehensive merit/market pay plan and how it is funded.

Mr. Gilligan said it would be funded by salary savings and the pooled countywide frozen position lines as well. Over a three year period move funding back to the general salary fund line while simultaneously looking at the County's incoming revenue stream and changes in

overall cost in order to balance the funding of the compensation plan.

Chairman English asked if that budget is the Board and administration's budgets.

Mr. Gilligan said the Board's budget is for the operation and salaries in the Board's office. The Board of Supervisors and County Administration spending comes from the general government contingency fund lines that the Board makes decisions on.

Vice-Chairman Call said he understood Chairman English's intent but thought that the purpose of this meeting is to discuss the budget for the operation of the Board office, not overarching goals.

Chairman English reiterated that she wants the Board's goals and how they are funded to be reflected in these budget discussions.

Mr. Gilligan said every year the budget information is detailed by fund line and published. We are working closely with the Finance Department, identifying at all the fund lines that need to be cleaned up and use names that convey the intent of the budget process. The Board office budget is for the operation of the office with comparative costs to other departments.

There was a short discussion among the Board about indicating in the budget a fund line for use on water projects, the commercial port of entry, economic development, agricultural interests and so on.

Mr. Gilligan stated that as part of the clean up, the employee health care expenses should be indicated under the Employee Related Expense (ERE) lines for every department. The projects and special funding priorities should be noted in the approval of the 4-year Strategic Plan with the cycle of accomplishments and objects; and the annual allocation of funds will be cross-referenced in the budget.

Chairman English agreed that the Strategic Plan needed to be reflective of decisions the Board has made and departments must understand that those decisions drive the County budget. Vice-Chairman Call suggested possibly adding another section in the budget that is specific to the Board's goals/funding.

The Board and Administration discussed the operation of the Board office within the current structure without a Deputy County Administrator and how staff can be supportive of the County Administrator's functions.

Mr. Gilligan fully understands the demands of the Board office staff in administering general business. Once he has time to analyze and create a strategy to accomplish the goals as directed by the Board, he will inform them on what that support should be, specifically staffing. His approach also includes stretching Administrators and Department Directors to be more accountable.

The Board is in full support of Mr. Gilligan's leadership.

Chairman English asked that the Board's revenues such as the tax deed land auction, franchises, liquor licenses, be reflected in the budget also.

Mr. Gilligan added another item for discussion needs to be revenue generated by the property tax rate, set by the board and how it is tracked. As part of that, Ms. Nowlan suggested a discussion on the general government area of the budget that encompasses a broad spectrum of funding that becomes departmentalized and does not take in account the bigger picture of the County as a whole.

Mr. Gilligan moved on to the tourism administrative budget, stating the County's annual payment to the tourism council is \$34,000. The Board, administration and staff discussed and Mr. Gilligan was directed to move toward defunding tourism and using those funds to advance the County's economic development goals.

Break from 11:50 a.m. to 1:30 p.m.

2. Budget Work Session - Discussion of County budget for Fiscal Year 2017-2018 specifically: the Human Resources, and Elections & Special Districts Departments.

Human Resources Department:

Ms. Morales said her department is not requesting any additional funding for the 2017-18 fiscal year and they are fully staffed except for one administrative vacancy. She summarized the previous fiscal year's accomplishments: pay band structure, online application system - uptick in the amount of applications, policy adoption and merit rule updates including the Vehicle Use Policy (VUP), workplace violence. The department is proud of the Safe Personnel online training system that is available for employees and provided by the Arizona Counties Insurance Pool (ACIP) and she gave statistics regarding those courses and new ones to come. She moved on to the successful completion of open enrollment – offering several different medical plans that required a significant amount of education that was new to everyone. It was a challenge for people to understand the new plans in reference to their current plan. Ultimately the breakdown of the plans choices were: 428 traditional PPO plan, 99 PPO buy up; 172 high deductible plan and 4 high deductible buy up.

Mr. Gilligan said the choices represent a good cost split for distribution of the plans. We will be in contact with employees to discuss their personal experiences as we continue this process to improve healthcare.

Ms. Morales said the department is on track for the compensation plan to be implemented by the end of the calendar year and adopted. Next will be to refine performance review form - suggest that performance play an important in compensation. Employee development is another priority for the next year - will be developing leadership modules. Leveraging unutilized technology we have - replacing the current Personnel Action Form (PAF) to a New World module, fully automating the entire process; scheduled for implementation no later than the end of the calendar year. Intent more planning group versus reactive; formal compensation plan market based pay and pay for performance program.

Ms. Morales said there are several models of the pay for performance plans. The County is looking most closely at the gain sharing/goal setting concept using teams/department that set special goals with financial savings associated.

Mr. Gilligan said in order to make this work is supervisors will be trained using a core curriculum in order to set goals and manage performance. There has been no supervisory training in the past to teach how to appropriately set performance goals and do performance evaluations. In the first six months of the year, the performance review form will be reviewed to see if one document can fit all. Accountability lies in budgeting and using HR as a department trained in these areas in order to lead by example. It will not be an easy process that will likely take three years to fine tune.

Vice-Chairman Call asked what the incentive is for Department Directors and Elected Officials to participate and make this program be successful.

Mr. Gilligan sees the Chief Deputies as playing an important role and the County providing the necessary tools and resources. The workforce will motivate us.

Chairman English asked about the transition from an outside consultant to an in-house process for market related data analysis.

Elections and Special Districts Department:

Ms. Rodriguez said with all of the changes in the past year: new equipment and all the aspects of that such as training poll workers, developing new program manuals and processes, it had been challenging but overall voters were impressed with the new equipment.

She discussed the two upcoming all mail-in elections in May in which there would be one replacement vote center available for voters with spoiled or lost ballots. Certification and recertification classes for election officials will be available later year and her department is working with the Recorder to ensure that we have smooth elections.

Ms. Rodriguez said her department will be reducing the budget fund lines due to upcoming smaller elections and she listed those.

Chairman English asked about special districts.

Ms. Nowlan said the special district position is in the budget as a part time position.

Mr. Gilligan said moving forward we are looking at the entire structure of Elections and Special District, analyzing each position in order to maximize the development and responsibilities of each person in the office. By directing the work flow and productivity of these positions, writing and documenting procedures, we will avoid having the institutional knowledge that is currently housed within one person. Acting as an internal back up for Special Districts, Board staff is meeting with Tom Schilling and the Treasurer's Office, during this budget cycle.

The Board, administration and staff discussed a centralized reception/phone system and reorganizing the department with each position, including the director sharing a professional responsibility with the director providing leadership, planning and oversight.

Mr. Gilligan said ultimately reorganizing departments in groups of core people that can access collaborative support; transfer knowledge; share resources; and find savings to improve budgets is a priority for the health of the County organization.

Chairman English adjourned the meeting at 2:31 p.m.

APPROVED:

Ann English, Chairman

ATTEST:

Arlethe G. Rios, Clerk of the Board

