



Cochise County Board of Supervisors

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Nov 17, 2015

Senator Gail Griffin
Arizona State Senate, Room 212
1700 W. Washington
Phoenix, AZ 85007

Speaker David Gowan
Arizona State House of Representatives, Room 223
1700 W. Washington
Phoenix, AZ 85007

Representative David Stevens
Arizona State House of Representatives, Room 205
1700 W. Washington
Phoenix, AZ 85007

RE: Legislative Proposals

Dear Senator Griffin, Speaker Gowan, and Representative Stevens:

On November 3, 2015, the Cochise County Board of Supervisors adopted Resolution 15-26 outlining our 2016 Legislative Priorities. A copy of that Resolution is attached. Although we appreciate the challenges state lawmakers have faced in recent years, some state decisions have unduly burdened county operations and in some cases had very negative consequences to residents. As you prepare for the Fifty-third Legislative Session in January, we want to highlight some points that are particularly distressing to us:

1. Cochise County has a dire concern with the State's growing propensity to shift state agency costs to counties.
2. Cochise County lacks the financial capacity to absorb additional State shift costs; and we do not have the statutory ability to control costs of state administered programs that we are required to fund.
3. We are not interested in raising the taxes of our residents to fund State responsibilities. The burden to balance the State's budget obligations should never be on the local taxpayers.

Last month, we participated in the annual County Supervisors Association (CSA) legislative summit. Our County put forth four separate proposals that were unanimously supported by the other county supervisors. We will be working closely with CSA to ensure these proposals become law during the 2016 session. We are asking each of you to work with us not only to support these and other CSA proposals, but actually sponsor the four we put forth on behalf of Cochise County and your constituents. We have provided a summary of each proposal, along with any impact to State and county budgets, and any foreseeable opposition:

1. Public Safety Personnel Retirement System (PSPRS) / Expenditure Limit:

Excess payments by local governments (counties and cities) that are made to the Public Safety Personnel Retirement System (PSPRS) in order to reduce the local government's unfunded liability to the PSPRS shall be excludable from its expenditure limit calculations.

Local governments could make substantial payments to the PSPRS to cover their unfunded liabilities to the system. By putting this up-front money to work, and having it earn interest, local governments can cover their shortfalls and get ahead of the debt disaster. However, in doing so, local governments will likely run afoul with their respective expenditure limitations as such payments are not excluded from their expenditure limitation calculations. This proposal would allow local governments to make such payments (in the case of Cochise County, two payments of one million dollars were made last fiscal year), but it cannot do so without exceeding the expenditure limitation. This "pre-payment" change could save taxpayers millions of dollars over the life of the debt.

There is no impact on the state budget to allow this expenditure limit exclusion. The County budget should have minimal impact. Counties are still subject to the expenditure limitation and must do whatever fix is required within that parameter. It will enable counties to make a sensible and proactive effort to keep up with this otherwise unfunded liability that will continue to grow each year until it reaches crisis level. The local governments would likely have to seek state help to solve a major financial crisis.

There should be general support among stakeholders (local governments) and no opposition from PSPRS officers and retirees for allowing the change to the expenditure limit. There may be some opposition from Legislators that wish to limit spending by local governmental entities; however, even that may be offset by the need to reign in a growing unfunded liability. This is further offset by the need for local governments to live within their respective expenditure limitations.

Separate from our proposal above, a longer term solution is needed regarding public safety retirement plans. We would suggest that a Legislative Study Committee be formed to make recommendations that will change the PSPRS in positive ways that will protect the long-term viability of the system and at the same time prevent local governments from the inability to fund their portion of the system long into the future. The solvency of the PSPRS is vital yet cannot be sustained without significant change. While we understand this is controversial for officers and retirees who have no current incentive to see the system change, it's an important local issue that can only be addressed at the State level.

2. Transferred Youth: This change will enable counties to place youth transferred to adult court in detention centers instead of county jails. The statute currently does not allow for transferred youth to be housed with youth in juvenile detention facilities. Housing transferred youth in jail increases costs, because they must be separated by sight and sound from adults. In rural counties where few youth are transferred and detention

populations are small, costs for separate housing are significant. Additionally, transferred youth who are incarcerated in adult jails are frequently deprived of the specialized youth services offered (and actually required) in juvenile detention facilities.

We propose that A.R.S 8-305 is amended as follows: "The county board of supervisors or the county jail district, if authorized pursuant to title 48, chapter 25, shall maintain a detention center that is separate and apart from a jail or lockup in which adults are confined and where juveniles who are alleged to be delinquent, are accused or convicted of a criminal offense, or children who are incorrigible and within the provisions of this article shall be detained when necessary before or after a hearing or as a condition of probation."

There is no impact to the state budget. Counties which elect to house transferred youth in detention centers would save money, and enhance services provided to this high risk juvenile population. Counties already offer specialized services in youth detention centers, and those centers have significant capacity.

This amendment would enable each county to determine the most appropriate incarceration option for transferred youth in its jurisdiction. Because no county would be forced to house transferred youth in detention facilities, there should be little opposition to this proposal.

3. Building Codes: This proposal entails a technical correction to A.R.S. § 11-864, which requires three copies of a County's building codes be kept in the Clerk of the Board's office for inspection; It is proposed, the existing requirement be modified as follows: a County shall maintain three paper copies or, alternatively, one paper copy and make available an electronic copy of its building codes.

Members of the public, including contractors, do not look for building code information at the Clerk of the Board's office. Hard copies are most useful to the public when kept in the planning or community development department.

The current law, requiring counties to maintain three hard copies of building codes in the Clerk of the Board's office, is impractical. There are numerous building codes, contained in a series of books, and each code series is extremely expensive. (\$2,331 plus shipping/handling for three sets).

The law is also not necessary. Architects and contractors, who are the most frequent users of building codes, typically keep their own copies of building codes. Members of the public typically call County building officials to help them answer building code questions. Moreover, for those who would prefer to research the building codes themselves, an internet link can be made available.

There is no cost to the state for this proposed action, and it would save counties the cost of maintaining and updating extra hard copies of the building codes. This change should have no practical impact on stakeholders.

4. Disincorporation: This proposal will eliminate A.R.S. §§ 9-211 through 9-226. These are an archaic set of statutes pursuant to which voters/property owners in a city or town can, through a petition/election process, disincorporate the city or town, in which case the county board of supervisors appoints trustees to manage the city or town.

Putting aside whether it might sometimes be a good idea for voters/property owners of a city or town to disincorporate it, and have a county board of supervisors appoint trustees to manage the city or town, these statutes are completely unworkable. Provisions calling for an appointment of a town marshal, to be paid \$100/month (see § 9-223), a city clerk to be paid \$500/yr (see § 9-222), and the like, make no sense in the modern world. Reading through the rest of this set of statutes, a city or town could not be governed using them.

Moreover, both the County Attorney and the Attorney General authored opinions in 2014 stating the procedures for petitioning and voting to disincorporate are unconstitutional due to property ownership requirements, as well as finding other difficulties with the statutory procedure.

This set of statutes has no value to Arizona citizens. They would be harmless, except that an individual who read them actively attempted to obtain and circulate petitions—which is what prompted the County Attorney and Attorney General Opinions. It would be better to just eliminate useless statutes. If someone believes there should be some procedure to disincorporate a city or town similar to that provided in this set of statutes, he or she should draft something that is workable and constitutional.

There is no fiscal impact to the state or county budgets, and there are probably not stakeholders or political environments either for or against this measure.

With the recent trend towards record breaking fast sessions, early communication between county and state elected officials becomes more critical. We are available at your convenience to discuss these proposals and provide additional information as needed. It is imperative to our county that the State Legislature works to eliminate continued cost shifts and revenue reductions in the 2017 budget, with the goal of reestablishing a sustainable financial model for the county.

We look forward to future dialogue regarding your sponsorship of our proposed legislative changes and how we can work together to move our county and state forward, without increasing our citizen's tax burden.

Sincerely
COCHISE COUNTY BOARD OF SUPERVISORS

Richard R. Searle
Chairman
District 3

Patrick G. Call
Vice-Chairman
District 1

Ann English
Supervisor
District 2

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Encl: Resolution 15-26