

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, June 16, 2015**

A work session of the Cochise County Board of Supervisors was held on Tuesday, June 16, 2015 1:30 p.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Patrick G. Call, Chairman; Ann English, Vice-Chairman; Richard R. Searle, Member

Staff Present: Jim Vlahovich, County Administrator

Lois Klein, Finance Director

Mike McGinnis, Budget Manager

Britt W. Hanson, Chief Civil Deputy County Attorney

Kim Lemons, Assistant to the Clerk of the Board

Chairman Call called the meeting to order at 1:30 p.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 - Overview of Fiscal Year 2015-16 Budget and Review of Department Budget requests.

Mr. Jim Vlahovich, County Administrator, gave an overview of the discussion for today's Work Session. He stated that the projected Cash Carry Forward (CCF) for FY14-15 is \$31,208.85; there have been two recent Public Safety Personnel Retirement System (PSPRS) payments of \$1 million each with another possible \$1 million payment in February of 2015; and part of the CCF and 1/2 cent sales tax money is available to balance the FY15-16 budget.

Mr. Vlahovich discussed the trends over the past 2 years, and said that property taxes/assessed values are still down. The projected cumulative shortfall for FY15-16 is \$5.4 million and \$8.6 million by FY18-19. With the projected savings for FY15-16, there is a \$1.6 million shortfall.

Possible options to cover shortfall:

- Use of CCF
 - 1/2 cent sales tax
 - Flood Control District (FCD) \$500K – Vice-Chairman English and Supervisor Searle do not want to use
- Use of Fuel Savings - The Board agreed to use
- Hard hiring freeze beginning July 1, 2015 for 6 months – The Board agreed that departments are already doing a good job of holding positions open for 6 months, and to hold for now.
- Eliminate pay plans
- Judicial, Deputy, Detention – Vice-Chairman English and Supervisor Searle do not want to eliminate
- Vehicle Replacement Fund - The Board agreed to use
- No one-time distributions - Vice-Chairman English does not want to eliminate, may need to postpone when it happens; Chairman Call and Supervisor Searle have no problem eliminating but if there is money available they would not oppose distributing

During the options' discussion, Supervisor Searle asked about the compensation plan. Julie Morales, HR Director, said Mr. Ken Wallace has been providing research and analysis to their department regarding salary adjustments with updates every two2 years.

Mr. Vlahovich outlined the consequences of the shortfall; right now the County has a 15% employee turnover. Ms. Morales stated there has been a steady incline including retirement over the past four years.

Mr. Vlahovich said the County is healthy but does not know what the future will bring. He outlined the use of fuel contingency and projected options for the remaining ongoing shortfall, specifically having one administrator of the Verizon mobile phone account; eliminating some copiers; and review of the take home vehicle policy.

He continued with potential FY15-17 issues - Future state shifts are unknown; PILT also unknown but hoping to get funding; retirement costs (PSPRS main increase), prepay retirement cost to save; Restoration to Competency (RTC) contract with Pima is increasing, looking at other options. Facilities: need capital improvement program; Highway funding \$1 million for ops; Solid Waste: \$2.3-2.7 million with continued subsidy, move to privatization using Pima County as a resource because they just privatized.

Mr. Vlahovich outlined the 1/2 cent Sales Tax Summary and restated the recommendations to cover the current and projected budget shortfalls; Vice-Chairman English explained the PSPRS commitment and Sheriff Dannels further detailed using a PSPRS member as an example.

Chairman Call reiterated the options:
Still open for discussion - hard hiring freeze; one-time distributions

Approved use - Fuel contingency; CCF; Vehicle Replacement Fund

No longer open for discussion and off the table: Use of \$500K FCD; elimination of pay plans [Sheriff Dannels and Tracey Romero (on behalf of Judge Conlogue) spoke in favor of retention of pay plans]

Vice-Chairman English said that property taxes should be increased incrementally in order to pay for services instead of having to increase a large amount all at once; Supervisor Searle does not support increased tax rates, would rather look at expenses/services. Chairman Call said he agrees with Supervisor Searle and added our backs are against the wall.

Mr. Vlahovich gave thanks to all the departments and specifically to Mr. Michael Ortega, County Administrator Emeritus and Ms. Klein, Finance Director, and her budget team.

Chairman Call gave thanks for this County team effort; Vice-Chairman English stated that everyone has been willing to do what is necessary to keep the County moving forward; and Supervisor Searle applauded the team effort. Vice-Chairman added that the County is running up against a spending limit because of population decline.

Mr. Vlahovich then moved on to decision packages and asked that in the future departments detail how they coincide with the Strategic Plan.

Tyson Mock, IT Director, explained the microwave project and how it is critical to the County's infrastructure and needs to be done. He outlined the liabilities of our current, outdated and unserviceable system, and the assets of the new system that will take the County far into the future with room for expansion.

Karen Riggs, Interim Facilities Director, stated that a solution to the current work order system is a high priority for that department moving forward.

Chairman Call opened the discussion to anyone who wanted to discuss the decision packages presented to the Board and the following spoke: Sheriff Dannels, Financial Crimes Units; Mr. Vlahovich on behalf of Britt Hanson, Chief Civil Deputy County Attorney, regarding Public Records Request redaction software; Mr. Mock, IT Director, Verizon Hotspots in support of Sheriff's Dispatch System; Ms. Riggs, Highway and Floodplain Director, non-iPad tablets for mobile applications; Mr. Gardner, Planner 1, Planning and Zoning, Nit meters for light pollution control; Mr. Reeves, Business Manager, Clerk of the Court, printer/scanners; Mr. Norm Sturm, Emergency Services Coordinator, computer and one volunteer staff person; Ms. Gilliland, Library Director, replacement of 18 computers; Mr. Miranda, Fleet Services Director, upgrade fuel management system ; Ms. Howard, Elections and Special Districts Director, Voter Outreach Program.

The Board thanked everyone and Chairman Call adjourned the meeting at 3:26 p.m.

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APPROVED:

Patrick G. Call, Chairman

ATTEST:

Arlethe G. Rios, Clerk of the Board