

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS  
WORK SESSION HELD ON  
Tuesday, May 9, 2016**

A work session of the Cochise County Board of Supervisors was held on Tuesday, May 9, 2016 at 2:00 p.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

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

Staff Present: James E. Vlahovich, County Administrator  
Edward T. Gilligan, Deputy County Administrator  
David Raber, IT Director  
Carol Schneider, Interim Finance Director  
Terry Hudson, Procurement Director  
Rosa Lopez, IT Business Operations Manager  
Nike Noack, Financial Services Manager  
Mike McGinnis, Budget Manager  
Mary Gomez, Health and Social Services Director  
Anita Baca, Housing Director  
Kim Lemons, Assistant to the Clerk of the Board

Chairman Searle called the meeting to order at 2:00 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**

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***INTRODUCTIONS***

***ITEMS FOR DISCUSSION***

**Board of Supervisors**

1. Budget Work Session - Discussion of County budget for Fiscal Year 2016-2017 specifically: the Financial Services group - Information Technology, Finance, Procurement.

Mr. Vlahovich said this is an opportunity for all three Internal Services Departments to present their budget executive sessions and any issues and asked Mr. Raber to begin.

Mr. Raber supports the restructure of the organization chart combining IT, Finance and Procurement because so many of those departments' processes overlap and it presents the opportunity to improve the organization's efficiency.

Ms. Schneider gave an overview of the Finance Department executive summary – Straight forward budget with some salary savings from two vacancies, with no decision packages. Cost drivers: New Government Accounting Standards Board (GASB) procurements require extensive time and training; retirement system; training new employees; federal grants; sub recipient monitoring of grants; fulfilling Public Request Requests. 5-year Projection: There have been 3 major retirements, each retiree having over 20 years of service; 11 employees, currently 2 vacancies, average length of vacancy is 5 months.

Strengths: Of the current staff of 9, 5 have accounting degrees; decreased audit expense because there have been no findings the last 2 years; cross-training; and excellent customer service.

Weaknesses: No time for training; communication between departments; succession planning; outside training.

Threats: Cost shifts from the State; pension/healthcare costs and analysis; audits start the first week of July and end in March.

Supervisor English asked about the reduction of workload as documents for processes are scanned versus printed with a goal of stopping redundancy across departments. Ms. Schneider said the workload has been reduced for accounts payable but not for credit card payment processing which is still audited and manually input.

Mr. Raber added, we are looking at charging utilities on a credit card in order to receive a 12.26% charge back.

Ms. Noack stated the desk audits for the Business Manager functions have been completed; now comparing qualifications of other positions to figure out restructure and then approval from the Board to implement.

Mr. Vlahovich said we are establishing performance measures for all departments including Elected Officials.

Vice-Chairman Call asked about the amount of overtime hours worked in the Finance Department.

Ms. Noack said with increased reporting requirements for GASB and grants, gains from other time-savings efficiencies are shifted.

Mr. Gilligan said a comprehensive plan to reduce redundancy is necessary, including automation of timekeeping and other financial time-savings measures across departments. Also, moving forward with a new approach, the Business Manager restructuring, employee skills assessments and placement, there should be tangible results in the next six months.

Mr. Raber will work with the new Finance Department Director to make sure we are leveraging technology appropriately, eliminating unnecessary processes and developing a multi-step approach for solutions.

Ms. Noack said with the Business Manager reallocation in the Planning and Zoning and Facilities departments has resulted in a \$90,000 savings.

Mr. Hudson said their budget has not changed, and the big revenue generator is the online auction of surplus products. They are taking a new approach, looking at all the components and value of what they have to sell; salary savings from one retirement; no decision packages.

Cost-driver: upcoming retirement and one new employee, may need to increase their training budget. Volume of service: grant-funding; fraud and data compromise are time-consuming. Currently have 4 positions.

Supervisor English asked what would help make the department more efficient.

Mr. Hudson said their operations are modeled after the State, and they can now accept formal solicitations through emails, with a larger response which results in better prices. Also, posting solicitations for public purchase reaches a larger crowd. They still offer a local vendor preference.

Mr. Raber, stated that IT receives revenue monies from local government for IGA support services: Spillman Access and Sheriff's Office system and some from GIS services.

Mr. Vlahovich, said the Assessor wants a Work Session to discuss property owner information online.

Mr. Raber, continued with the Executive Summary overview. Expenses: Salaries and Benefits, Significant salary-savings this year, there have been 6 Department Directors in the last ten years, turnover rate is 46%. He is recruiting for a Chief Technology Officer (CTO) as a hands-on technical person; Small department with a priority to access what services to keep in-house and what to outsource, such as Cloud/hosting solutions; Training and staff development; procure with vendors to provide training. Driving costs: Demand from departments and taxpayers. Anticipate more technology to do jobs more efficiently and more demands for IT. Average vacancy is 12 months which is not sustainable.

Chairman Searle asked why openings stayed open so long. Mr. Vlahovich said mostly because of our location and salary levels. Ms. Lopez also stated the process for completing and passing background checks. Mr. Gilligan added that we have lacked the relationships to market positions in the correct areas; we need to be more proactive in posting jobs and develop vendor relationships to facilitate the hiring process.

Mr. Raber said he wanted the Chief Technology Officer filled first before other openings. Strengths: Staff and BOS and County Administration support. Weaknesses: Short staffed. Opportunities: Strategic-based to outsource or use Cloud instead of maintaining and updating systems. Leverage all systems, move forward, such as automated payroll, and determine perceived barriers. Threats: Cybercrime, malware, utilize an outside company to look at our structure and use that study to see where we are. Goals: Enhance, improve and add new information security measures to protect data. The CTO will be experienced in that area.

Supervisor English, asked about the amount of time employees spend on Facebook and not working and said that needs to be addressed by each department. Mr. Raber said we do have software to monitor. Mr. Gilligan said we are developing a computer use policy for Board consideration.

The Supervisors agreed this is a policy-issue not an IT issue.

Mr. Raber continued with Goals: assessment of network, day-to-day operations and reliability, need overall assessment of network; need 3-5 year plan as an organization, a roadmap for IT division. Finally, establish a governance model over all IT projects with priorities.

Vice-Chairman Call asked about a down-side to the Cloud-based solutions.

Mr. Raber, said the only downside is you lose aspect of control, what the contract length is and what happens with data after that term expires.

Vice-Chairman Call asked what could be done to address turnover.

Mr. Raber said salary is one aspect but also the culture/stability of organization to provide continuity, invest in staff and development, especially IT staff needs to stay viable in technology. Mr. Gilligan agreed and in meeting with the IT team they have reiterated keeping them involved in projects and appropriately trained.

Chairman Searle adjourned the meeting at 3:08 p.m.

APPROVED:

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Richard R. Searle, Chairman

ATTEST:

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Kim Lemons, Assistant to the Clerk of the Board