

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
Tuesday, July 12, 2016**

A work session of the Cochise County Board of Supervisors was held on Tuesday, July 12, 2016 at 1:30 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
Britt W. Hanson, Chief Civil Deputy County Attorney
Kim Lemons, Assistant to the Clerk of the Board

Attendees: Craig A. Sullivan, CSA Executive Director
Dan Bogert, CSA Policy Analyst
Mandy Metzger, CSA Executive Committee President

Chairman Searle 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. County Supervisors Association (CSA) annual County Outreach Tour: update regarding legislative activities and discussion of future legislative proposals.

Chairman Searle asked for introductions.

Ms. Metzger spoke briefly about how enlightening being a part of the process has been; and Cochise County's active participation with CSA.

Mr. Sullivan thanked the Board and other Cochise County administrators and staff and noted he would be using a PowerPoint presentation for today's work session. He stated this year's legislative session was longer mostly because of budget. At the 2015 CSA Summit each county gave CSA staff directives for the 2016 year: Cochise County asked for the CSA to be involved in the education of outreach. Governor Ducey did not add our financial priorities to his

budget and counties were only kept on the radar through outreach to legislators. CSA had to change their strategy from permanent to one-time requests in order to follow the Governor's agenda for the session.

Mr. Sullivan summarized the State Budget County Issues:

- **ADJC:** 25% county payment to ADJC kept; however a one-time **\$8 million appropriation** to reimburse part of ADJC costs in FY 2017. Impact: **\$3.26 million**.
- **DOR:** DOR must assess a fee to every county, city & town, and to MAG & PAG. County share is **\$6.7 million**, based on population.
- **Lottery:** **\$5.5 million** to AZ Dept. of Administration to distribute to 10 counties under 200,000 persons in lieu of county lottery revenue.
- **PPE:** **\$6.13 million** to reimburse counties for costs associated with the PPE. This appropriation is in addition to the current funding in the FY 2016 budget.
- **HURF:** One-time **\$30 million** HURF appropriation; **\$10 million** for counties.
- **Flexibility Language:** Allows counties under 250,000 persons to use any county revenue to meet any county fiscal obligation up to **\$1.25 million**.
- **Increased Superior Court Salaries:** Provides a two year phase in of a 3% pay raise for judges. Once the raise is fully implemented in FY 2018, the total cost to counties will be approximately **\$691,540**.

Mr. Sullivan said that \$18 million was secured for the Counties, not including the lottery or PPE amounts; **Net Relief for Cochise County: \$ 495,403**. The CSA was disappointed in the expansion of the Supreme Court and the coalition for the schools that affected the net relief.

He touched on the State Budget for the current year and projections through FY2019.

CSA Priorities: Transportation Investment, CSA will be a part of a recently formed Highway User Revenue Fund (HURF) Taskforce; the Public Safety Personnel Retirement System (PSPRS) Reform - an additional package was passed with an appointment to the board coming soon; 1% Reform, HB2480 was killed and the reform not fixed.

Mr. Sullivan presented the bills enacted into law and those that did not advance through the process: 8 signed into law, 3 of which were from Cochise County and the possibility of which bills may resurface for future action.

Supervisor English asked if the bills represented had to benefit all counties and Mr. Sullivan said the board serves all counties where possible.

The Legislative Policy Committee team spent time monitoring and in stakeholder meetings tracking 720 bills, 18 bills CSA opposed were defeated that impacted county resources and/or constituent services and he highlighted 6 of those. Of the opposed bills that were passed, 9 were highlighted. HB1487 needs to be watched; was created to target cities; and will most likely have an impact moving forward. There is a national movement preempting local control from conservative states that target cities.

2016 Summary by the numbers:

- **\$18.3 million** in net financial relief to counties
- **Cochise County: \$ 495,403 net relief**
- **\$6.13 million** in additional reimbursement for PPE
- **8** CSA bills signed into law
- **3** CSA policy issues inserted in the budget
- **41** bills defeated or amended that would have harmed counties

Mr. Sullivan continued with the CSA Post Session Work Plan highlighting the focus on eliminating the costs shifted to the counties for the Department of Juvenile Corrections.

Mr. Sullivan is on the Governor's Water Augmentation Council and Vice-Chairman Call asked about his knowledge on local water issues and if that council can really be effective. Mr. Sullivan said the Governor has put a leadership signal on this issue, water resources has received money and he is hopeful to make planning efforts meaningful in the counties that are affected and glad he is at the table. Vice-Chairman Call said that part of the solution, which will be difficult, is to push control about water issues out to the local areas instead of one size fits all. The group discussed water issues and rights and state control as water becomes more of an issue in the future and how to protect those rights on a local level.

Chairman Searle asked about the CSA Budget Tour planned for September. Mr. Bogart said it was a intern program started in 2015 because of staff turnover and lack of knowledge when it comes to state and county budgets. 7 staffers from the Governor's office will tour 2 counties this year to help them understand the challenges that counties have because they do not have the same cash flow as the state. CSA is invested in this program and education. These staffers are either drafting or describing legislation, or analyzing budgetary impacts on the state. They represent the Governor's Office budget staff; Finance Ways and Means Chair, County Municipal Affairs Committee and there is a pool of about 20 individuals. Mr. Bogart described the basic structure of the visit that will focus on the unique budget challenges the counties face.

Mr. Vlahovich summarized what has been planned so far and asked for additional input from the Board.

The Board thanked the CSA staff for their efforts and the briefing.

Chairman Searle adjourned the meeting at 2:44 p.m.

APPROVED:

Richard R. Searle, Chairman

ATTEST:

Kim Lemons, Assistant to the Clerk of the Board