

BOARD OF SUPERVISORS MINUTES WITH SUPPLEMENTAL TRANSCRIPT
(Where a supplemental transcript is available, it is printed in bold type)

OFFICE OF BOARD OF SUPERVISORS
YAVAPAI COUNTY, ARIZONA

Prescott, Arizona
2003

June 17,

The Board of Supervisors met in special session on June 17, 2003, at 2:00 p.m.

Present: Chip Davis, Chairman; Gheral Brownlow, Vice Chairman; Lorna Street, Member; Bev Staddon, Clerk.

Also present: Jim Holst, County Administrator.

Clerk's note: A copy of these minutes with a supplemental transcript is available in the Office of the Clerk of the Board of Supervisors and is also available on the County website.

ITEM NO. 1. Board of Supervisors.

1. Discussion of fiscal year 2003-2004 department budgets with department heads and elected officials who have questions or concerns regarding their proposed budgets. County Attorney Sheila Polk, Clerk of Superior Court Jeanne Hicks, and Sheriff Buck Buchanan appeared before the Board to discuss their budgets.

Mr. Holst told the Board that he had sent department budgets with line item changes back out to the departments with a memo advising that he was available to discuss concerns. He said that if a department head was not present on this day, the Board could assume that the department was willing to move forward with the budget as proposed. He reminded the Board that departments had been asked at the beginning of the budget process not to ask for any new positions or for new programs. He said that most of the departments were pretty close to the current fiscal year with regard to line items, but that some were not and that the Board had asked him to review each department's budget and make line item changes. Chairman Davis said he understood that since Ms. Polk's earlier budget meeting with the Board she had learned that the County General Fund would be receiving federal funds. Ms. Polk said she had indeed received information that the County General Fund would receive funds through a federal program to reimburse border states for drug cases. Ms. Polk requested that the Board reconsider her Temporary Salaries line item to the original requested amount of \$69,500. She said what was most important to her was being able to keep former County Attorney Chick Hastings and former Deputy County Attorney Steve Jaynes on board as temporary help. She said they both worked part-time and shared a desk, computer and phone, and that the work they were doing was extremely important to her office. Ms. Polk said that she could live with the other line items in her budget. Supervisor Street said she remembered that right after Ms. Polk was elected the Board gave her additional positions based on an increased caseload. She told Ms. Polk that she did not really have any opposition to what she wanted, except to say that the Board had given her positions and then she had found another position this year and that was what she was supposed to use to do the job. She said that when people retired they couldn't just be brought back as temporaries and kept on staff. Ms. Polk said it was true that the Board had given her a position but when she looked at her budget and found that one of the grants her office had received had dried up she transferred another attorney into the new position and that she had never gotten an actual body out of the first position. Ms. Hicks expressed concern about the amount allocated in her budget for Postage, saying that since her earlier budget meeting with the Board she had done additional research and found that primarily because of increases in the filing of appeals and the number of juries being called, she would need an increase in the Postage line item from \$51,500 to \$63,750. Ms. Hicks said that in her budget proposal she had also requested increasing a half-time Clerk to full-time and that this request had not been granted. She told the Board she understood that it was not in a position to grant her request to increase the position to full-time, but that she would appreciate having her Temporary Salaries line item

increased from \$3,000 to \$5,000 in order to at least be able to bring in additional help from time to time. There was brief discussion regarding postage costs, during which Mr. Holst said that instead of taking postage out of each department's budget for the 2003-2004 fiscal year, postage costs would be monitored through the use of bar codes during the next fiscal year and that he expected to see savings. Sheriff Buchanan said he appreciated the opportunity to meet with the Board again to discuss budget concerns. He said that his financial people had reviewed the budget and that there were areas where it was not adequate for the needs of his department. He said he had requested \$291,486 in Overtime and that it had been cut to \$120,000. He said he believed that all of the overtime issues were driven by salaries. He said he realized that his proposed salary plan for his department was a bold plan, but that the marketplace demanded that the County pay more competitive salaries. Sheriff Buchanan said the problem of salaries had been deferred for ten years. He said one of the other issues that was of great concern to him was the fact that employees in other County departments have holidays off while employees in his department do not and that all of the employees in his department were at the maximum accrual of 40 hours of holiday time. He told the Board that another concern was pay-offs when employees terminate employment and that in the first half of the last fiscal year payoffs from terminating employees had cost his department more than \$36,000. Sheriff Buchanan said that if the County did not respond to the marketplace, he feared that several more employees would leave. He said he needed his Regular Salaries account increased by \$100,000, and that he hoped the Board would provide budget capacity for merit increases if his salary plan was not adopted. He added that if his salary plan was adopted, merit increases would not be an issue. Sheriff Buchanan said he was afraid that if his department did not receive the funding it needed, things would end up in the same place they were on December 2, 2002, when he and the Board had discussed overtime issues for the current fiscal year.

2. Resolve into the Board of Directors of the Yavapai County Jail District for discussion of the proposed 2003-2004 fiscal year Jail District budget. Reference: Jail District minutes.
3. Resolve into the Board of Supervisors for discussion and possible action regarding the following items:
 - a. Consider approval of an across the board salary adjustment of 6%, which considers the 3% increase in employees' state retirement contribution, changes in the cost of living index, and market conditions. Human Resources Director Julie Ayers participated in discussion of this item, as did audience member Pam Watkins. Following brief discussion the Board took no action on this item, indicating instead that the item would be placed on the July 7, 2003, agenda for consideration.

Mr. Holst said that when he sent budgets back out to the departments the budgets also included a possible 6% increase in salaries but that he did not include the 1% for the merit program. He said that the merit program had been operated successfully without the additional 1% being built in, but that from time to time a department would go over budget as a result of the merit program. He said the Board could authorize the Finance Director to make adjustments in department budgets when such problems occurred. Chairman Davis asked how Yavapai County compared to other counties across the state and whether it was on the low side with regard to salaries. Mr. Holst said that if one also looked at cities and towns the County was below average in its pay scale. Chairman Davis suggested not activating the merit program for 2003-2004 and instead giving employees a 3% or 4% across the board salary increase. Supervisor Street said that in other years the Board had provided a 2% cost-of-living increase and 2.6% in the merit increase, but she noted that not all employees received 2.6% for merit. She suggested a 6% increase to cover the increase in employees' contributions to the Arizona State Retirement System and to make the County more competitive in the marketplace, along with picking up the 10% increase in employees' dependant health insurance premiums. Supervisor Brownlow asked if that would result in the County being more average in terms of workplace salaries. Mr. Holst said that it was difficult to say for sure because no one knew yet what other employers were going to do. Ms. Ayers said that a 6% increase would allow the County to gain a little bit of ground but that it would not be as much as people think. Chairman Davis asked where a 7% increase would put the County in the marketplace. Ms. Ayers said that cost-of-living figures for May 2003 had just come

out and that they were 2.1% higher than the same month last year. Chairman Davis suggested giving a 7% across the board salary increase and not activating the merit program. Supervisor Street said she was thinking 6%, no merit program and picking up the increased cost of dependant health insurance premiums. Mr. Holst said the Board could wait to make a decision on this item until its July 7 meeting. He said that 6% was already built into the budget and that an additional 1% would cost about \$260,000. Supervisor Street said she believed the Board would have to do something with the property tax rate if it approved a 7% salary increase. Ms. Watkins said she believed that if the Board gave an across the Board salary increase and did not activate the merit program it would hurt those employees who do a good job and reward those employees who don't do a good job.

- b. Consider paying for the 10% increase in employees' dependant health insurance premiums. Upon a motion by Supervisor Brownlow, seconded by Supervisor Street, the Board voted unanimously to approve this item. No comments from the public.

There being no further business to discuss, the meeting was adjourned.

ATTEST:

_____ Clerk _____ Chairman