



MEMORANDUM

Date: October 8, 2021

To: The Honorable Chair and Members
Pima County Board of Supervisors
Elected Officials
Presiding Judge, Superior Court
Department Directors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Budget Impact for General Increase in Employee Compensation by Five Percent**

On September 21, 2021, the Pima County Board of Supervisors approved a County-wide 5 percent salary adjustment for all eligible employees (Attachment). These adjustments are effective October 10, 2021, and will be reflected in employees' pay on October 29, 2021.

Due to the 5 percent salary increase, General Fund departments will receive a base budget increase for Fiscal Year 2022/23. For Fiscal Year 2021/22, the General Fund departments will only receive a budget adjustment related to the 5 percent salary increase as needed.

Non-General Fund departments will need to absorb the 5 percent increase within their existing budgets in Fiscal Year 2021/22 and future budget cycles. If a non-General Fund department cannot absorb the additional expense within their departmental budget, they should work with the Finance and Risk Management Department to identify funding options.

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Yves Khawam, PhD, Assistant County Administrator for Public Works
Mark Napier, Assistant County Administrator
Michelle Campagne, Director, Finance and Risk Management



Board of Supervisors Memorandum

September 21, 2021

First Phase County Comprehensive Salary Study through a Proposed General Increase in Employee Compensation by Five Percent

Budget is Stable

While receiving funding from the federal and state governments to support the physical and economic response to the COVID-19 pandemic, Pima County has prudently remained fiscally conservative in the approach to spending these funds. Since the end of 2019 when we began to see COVID-19 impact our community and we became uncertain about its possible future economic impact we have ensured that "one-time money" or the money that was received for specific short term purposes, be used for such. The COVID-19 relief funds have been targeted for one-time investments or expenditures and Pima County has not used these funds for longer term efforts for which there is not an identified, sustainable funding source. The funds have, however, allowed Pima County to pay for critical public health and supporting infrastructure needs without raising taxes or significantly decreasing the available fund balance. Because of the uncertainty in our fiscal position going into this fiscal year, I did not recommend Countywide employee compensation increases at that time.

Comprehensive Salary Study Underway

As the Board is aware, Pima County has initiated a Compensation Study to fully evaluate the fairness and competitiveness of the County's compensation structure. This review is extensive and will not be finished until next year. As we assume that increases will be recommended following a review of competitive markets, a salary adjustment at this point is recommended as a timely first step towards implementation of the full study. The last comprehensive salary study was undertaken by the County in 2007; however, adjustments were only made to bring those individuals who fell below the minimum of the salary grade to the minimum; no other adjustments were made. A Request for Proposals (RFP) will be published September 17, 2021.

Recent History of Compensation Increases

The last County-wide employee compensation adjustments were ratified by the Board of Supervisors at the adoption of the Fiscal Year 2018/2019 budget at which time a 2.5 percent across the board salary adjustment was approved. In Fiscal Year 2019/2020, a 2.0 percent adjustment was adopted for all eligible employees earning more than \$45,000 per year effective with the pay period beginning September 1, 2019. A 4.0 percent adjustment was adopted for all eligible employees earning \$45,000 or less per year effective with the pay period beginning September 1, 2019. There was no compensation increase in fiscal year 2020/21 and none specifically recommended in the present fiscal year.

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Certain Classifications Have Received Special Market Adjustments

- **Deputies** – I authorized the increase of starting deputy pay effective July 7, 2019 from \$23.50 to \$25.50 per hour, which resulted in our deputies having a starting pay that is the most competitive in the State of Arizona among counties. This action resulted in pay increases for existing deputies and decompression adjustments for those that were warranted based on adjustment of the bottom component of the pay raise.
- **Corrections Officers** – Similar to that of deputies, I also authorized the increase in the starting pay of corrections officers effective February 3, 2019 from \$19.50 to \$21.50 per hour resulting in our starting corrections officers being the highest paid in the State of Arizona among counties. In addition, appropriate decompression adjustments were also made to those employees requiring such.
- **Public Health Nurse** – Effective April 25, 2021, the public health nurse classifications all received market adjustments ranging from 2.75% to 26% or \$0.53 to \$8.73 per hour, affecting 36 employees in levels between Licensed Practical Nurses to Nurse Practitioner, Unclassified positions.
- **Sheriff Non-commissioned Classifications** – Recently, I approved market adjustments for 12 classifications for mostly non-commissioned personnel in the Sheriff's Department. These market adjustments ranged from 2 to 18 percent and affected 98 employees with adjustments ranging from \$0.54 to \$4.76 per hour.
- **County Attorney/Public Defense Support Staff** – I also authorized market adjustments for 11 county attorney and Public Defense Service support staff, with market adjustments ranging from 3 percent to over 30 percent, with one classification receiving a three percent increase. This adjustment affected 261 incumbents in either the County Attorney's Office or Public Defense Services Department and ranged from \$0.55 to \$5.46 per hour.
- **Attorney's** - Both the County Attorney and the Director of Public Defense Services have been working with our Human Resources Department to define a workable compensation structure for attorneys. I am hopeful that these efforts will result in positive market adjustments for attorneys and those incumbents in both the County Attorney's Office and Public Defense Services that hold classification of Attorney. Hopefully, this will be completed in the near future.

Probation Officer Funding and Salary Adjustment Excluded

Unfortunately, the County is now required to exempt probation officers (probation officers, surveillance officers and juvenile detention officers) from this general salary increase due to laws adopted by the Legislature through the General Appropriations Bill and Laws 2021,

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Chapter 408, Section 51 (SB 1823). This legislation did allocate some additional funding for the State's share of probation officer salary increases for Fiscal Years 2018/2019 through 2021/2022, but the Bill also states that counties who approve probation officer salary increases in Fiscal Year 2021/22 or subsequent years, that the county will absorb any additional cost to the State (Section 51).

Previously, this had been a shared cost responsibility paid equally by the State and the County. This would simply require the County to pay the full burden of the salary increase; hence, the plan that I will provide to the Board of Supervisors will exclude probation officer increases until this provision is either repealed or clarified to ensure that the County will not bear the full cost of this salary increase and that it will continue to be a shared responsibility between the State and the County.

First Phase County Comprehensive Salary Study Implementation

Today, we know that the economic impact of the pandemic was not as devastating to the State and local governments as first anticipated and it is appropriate, given our financial position, to invest in our Pima County workforce. I have been considering options related employee compensation and am now recommending that the Board of Supervisors approve a 5 percent salary adjustment for all eligible County employees effective October 9, 2021.

The cost of this proposed salary adjustment including associated benefits for the current Fiscal Year is approximately \$15.8 million, of which \$11.1 million relates to the General Fund. Annualized, this represents approximately \$21 million, of which \$14.8 million relates to the General Fund.

The current General Fund budget includes a \$10 million allocation for Early Childhood Education, which can be absorbed by the American Rescue Plan Act funding. I recommend the remaining \$1.1 million be funded from General Fund Budget reserve. Non-General Fund departments will absorb these costs within their existing budgets. This adjustment should be considered a significant "down payment" on the ultimate cost of implementing the comprehensive salary study.

I believe this recommendation is appropriate and fiscally sustainable.

Recommendation

I recommend the Board of Supervisors authorize a general salary increase for all eligible County employees, effective October 9, 2021. The increase shall be five percent of the employee's existing salary with the following exceptions:

- a) Those employees in classifications that have received a general market adjustment since July 1, 2021;

The Honorable Chair and Members, Pima County Board of Supervisors

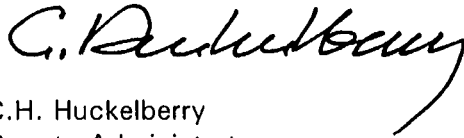
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- b) For those classifications who received a market adjustment of less than five percent, incumbents in those classifications will receive an increase to bring them to five percent; and
- c) All Court probation officers (probation officers, surveillance officers and juvenile detention officers) are excluded from this salary adjustment due to State Legislation transferring the entire burden of the salary adjustment to the County taxpayers.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/anc – September 14, 2021

- c: Jan Leshner, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Yves Khawam, PhD, Assistant County Administrator for Public Works
Mark Napier, Assistant County Administrator
Cathy Bohland, Director, Human Resources
Michelle Campagne, Director, Finance and Risk Management