MEMORANDUM

Date: July 26, 2016

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: Salary Funding Agreement Submissions

The Pima County Board of Supervisors adopted the Fiscal Year (FY) 2016/17 budget on July 5, 2016. As part of the final budget adoption, the Board approved salary adjustments for all eligible County employees effective pay period beginning August 21, 2016. The Board’s award of these salary adjustments to employees of individual departments was contingent on the following requirements and actions:

1) The department’s Appointing Authority must agree to, and sign, a Salary Adjustment Funding Agreement. By signing the agreement, the Appointing Authority agrees to its specific terms and certifies the department would absorb its share of the associated salary adjustment costs within its FY 2016/17 adopted budget, without any decrease in the level of services provided by the department.

2) Departments were required to share in the funding of the salary adjustments by making internal budget changes to Personnel Services and Supplies and Services Expenditures. The specific funding agreements for a department included the total amounts of these internal changes.

3) In order for Finance staff to complete the internal budget adjustments, departments were required to submit a Budget System Change Form that included the details of these internal changes.

4) The signed and completed package of documents was to be submitted to the Budget Division of the Finance and Risk Management Department by July 19, 2016.

The above requirements and deadlines were explained in the attached memorandum dated July 6, 2016 - Departmental Budget-Related Actions Required to Implement FY 2016/17 Employee Compensation Adjustment and attached a copy of the Salary Adjustment Funding Agreement form.
All but three departments complied with the Board’s direction and submitted their Agreements and Budget System Change Forms as directed. Finance and Human Resources Staff are proceeding with making the appropriate adjustments to implement the salary adjustments for all eligible County employees. However, the following three departments’ submissions deviated from these directions, by either making unauthorized changes to the funding agreement and/or not submitting the completed budget system change form:

- Assessor – Modified the Agreement and did not submit the Budget System Change Form for internal expenditure reallocations.

- Justice Court Green Valley – Modified the Agreement and did not submit the Budget System Change Form for internal expenditure reallocations.

- Recorder – Did not submit Budget System Change Form for internal expenditure reallocations.

Even though these departments failed to comply, I am directing Finance and Risk Management and Human Resources staff to include the individual eligible employees in these departments in the overall salary adjustments.

In the coming months we will closely monitor compliance with the agreed upon budget reductions for those agencies who submitted specific approved plans.

I will address the three deficient department responses in the future.

CHH/lab

Attachment

c:  Tom Burke, Deputy County Administrator for Administration
    Keith Dommer, Director, Finance and Risk Management
    Allyn Bulzomi, Director, Human Resources
    Robert W. Johnson, Budget Manager, Finance and Risk Management
MEMORANDUM

Date: July 6, 2016

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

From: C.H. Huckelberry
       County Administrator

Re: Departmental Budget-Related Actions Required to implement FY 2016/17 Employee Compensation Adjustments

The Pima County Board of Supervisors adopted the Fiscal Year (FY) 2016/17 budget on July 5, 2016. As part of the final budget adoption, the Board approved the following salary adjustments for all eligible County employees:

- 6 percent for employees earning $35,000 or less per year;
- 5 percent for employees earning between $35,001 and $55,000 per year;
- 3.5 percent for employees earning between $55,001 and $90,000 per year; and
- 2 percent for employees earning over $90,001 per year.
- Decompression adjustments for Sheriff Deputies, Sergeants, Corrections Officers and Corrections Sergeants.

The effective date of these salary adjustments is August 21, 2016. Employee eligibility requirements for the salary adjustments will be sent to departments in a separate memo.

The Board’s action impacts the budget of every department, bureau, fund or unit, that budgets for personnel and associated salaries and benefits. In order to properly reflect these adjustments in a department’s FY 2016/17 adopted budget, the following actions are required:

1. In order for employees in a particular department to receive the salary adjustment, the department’s Appointing Authority must agree to, and sign, a Salary Adjustment Funding Agreement (Attachment 1). Agreements tailored specifically to each department, special fund and grant, will be sent under a separate email to the appointing authority and departmental budget contacts. By signing the Agreement, the Appointing Authority agrees to its specific terms and certifies that the department will absorb its share of
associated salary adjustment costs within its FY 2016/17 adopted budget, without any
decrease in the level of services provided by the department.

Signed Salary Agreements must be returned to the Budget Division of Finance and Risk
Management no later than close of business on Tuesday, July 19, 2016. If a signed
Salary Agreement is not received by this date, it will be presumed that that department
does not wish for its assigned eligible employees to receive the FY 2016/17 salary
adjustment. The Board of Supervisors will be informed of any departments or agencies
not participating.

2. The salary adjustments will be funded by a combination of internal adjustments within
a department’s existing budget and in the case of General Fund funded departments, an
allocation from the FY 2016/17 Property Tax Rate Stabilization and Employee
Compensation Fund. Item 2 on the Salary Agreement lists the amount to be reallocated
and absorbed internally by the department.

General Fund departments will be required to split any internal adjustments between
personnel services (by un-funding specific positions) and reducing supplies and services.
Specific amounts will be listed in Item 3 of the Salary Agreement. Non-General Fund
departments should make their adjustments between, both personnel services and the
supplies and services objects. In order for these adjustments to be made in the adopted
budget, the department will need to complete a Budget System Change Form (Attachment 2) reallocating the full internal budget adjustment amount. These completed forms must be submitted to the department’s assigned budget analyst in the
Budget Division of Finance and Risk Management by close of business on July 19, 2016.

3. General Fund departments will receive a budget adjustment increase for the difference
between the required internal budget changes and the FY 2016/17 cost of the salary
adjustment plan. This amount, if applicable, is included in Item 6 of the Salary
Agreement. Non-General Fund departments will be required to absorb the full cost of
the salary and benefit adjustments. Item 6 will also include the net amount of the
department’s overall adopted expenditure budget after all the required changes to the
budget are completed.

4. The actual salary adjustments will be completed by Budget Division staff at the fund and
unit level in the budget system, within the salary and benefits objects. Individual
position’s salaries and benefits will not be adjusted. Budget Staff will also enter all
internal budget adjustments submitted by departments utilizing the Budget System
Change Forms.
The effective date of the employee salary adjustments will be August 21, 2016. As many steps must be completed in the various systems to assure that everyone gets paid properly at the end of that pay period, it is essential that the signed Salary Adjustment Funding Agreement and the appropriate Budget System Change Forms be provided to the Budget Division by the July 19th due date. Failure to submit the required documents by that date will result in that department’s portion of the salary adjustment not being awarded to departmental employees.

If you have any questions, please contact your assigned Budget Division Analyst.

CHH/anc

Attachments

c: John Bernal, Deputy County Administrator for Public Works
   Tom Burke, Deputy County Administrator for Administration
   Jan Lesher, Deputy County Administrator for Community and Health Services
   Keith Dommer, Director, Finance and Risk Management
   Allyn Bulzomi, Director, Human Resources
   Robert W. Johnson, Budget Manager, Finance and Risk Manager
Pima County
Fiscal Year 2016/17 Adopted Budget

Salary Adjustment Funding Agreement

Department: General Fund Department

The Pima County Board of Supervisors adopted the Fiscal Year (FY) 2016/17 budget on July 5, 2016. As part of the final budget adoption, the Board approved the following salary adjustments for all eligible County employees:

- 6 percent for employees earning $35,000 or less per year;
- 5 percent for employees earning between $35,001 and $55,000 per year;
- 3.5 percent for employees earning between $55,001 and $90,000 per year; and
- 2 percent for employees earning over $90,001 per year.
- Decompression adjustments for Sheriff Deputies, Sergeants, Corrections Officers and Corrections Sergeants

The cost of this plan in FY 2016/17 for the department is $XX.

By signing this agreement, the appointing authority of the department agrees to the following:

1) The department agrees to participate in the Board approved salary adjustment plan and will assure the appropriate salary adjustment is allocated to all eligible department employees.
2) The department’s share of the cost of these salary adjustments is $XX.
3) The department will provide to the Budget Division of the Finance and Risk Management department a list of appropriate internal position adjustments totaling $XX and supplies and services adjustments totaling $XX to achieve offsetting changes for its share of the salary adjustment by July 19, 2016.
4) The department understands that these changes are ongoing and will continue to be reflected in future years' budgets.
5) The level of services provided by the department will not decrease as a result of absorbing its share of the salary adjustment plan.
6) The department will receive a budget adjustment increase of $XX for a total FY 2016/17 adopted expenditure budget of $XX.
7) The department will provide detailed monthly forecasts to the Budget Division of Finance and Risk Management including FY 2016/17 year-end expenditures, revenues, operating transfers, net fund impact, etc.
8) The department will not exceed its final adopted expenditure budget in item 6 above.

Note that if the department’s appointing authority does not agree to the terms above, that the department’s employees will not be eligible for or receive the salary adjustments approved by the Board of Supervisors. Any additional funding designated by the Board for this salary adjustment will be returned to the General Fund.
As the Appointing Authority, I agree to the terms of this agreement and certify that I will absorb any associated costs of the FY 2016/17 salary adjustment within my adopted budget without any decrease in the level of services provided by this department.

Signed: 

__________________________
Appointing Authority

Date: 

__________________________
FY 2016/17 BUDGET SUBMISSION CHANGE
CHANGE/CORRECTION TO ADOPTED BUDGET

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Reason for Change:

DEPARTMENT AUTHORIZATION:

Financia Department Use Only

APPROVED BY: ____________________________

CHANGE COMPLETED: 1-Jul-16

ANALYST: ____________________________

Copy sent to ____________________________ on ____________________________