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# MEMORANDUM

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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.

The Honorable Chair and Members, Pima County Board of Supervisors  
Re: **Salary Funding Agreement Submissions**  
July 26, 2016  
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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



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# MEMORANDUM

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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

A handwritten signature in black ink, appearing to be "C.H. Huckelberry", is written over the typed name.

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 Honorable Chair and Members, Pima County Board of Supervisors  
Presiding Judge, Superior Court, Elected Officials, Appointing Authorities  
**Re: Departmental Budget-Related Actions Required to Implement FY 2016/17 Employee  
Compensation Adjustments**  
July 6, 2016  
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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 19<sup>th</sup> 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 Leshner, 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

# ATTACHMENT 1

**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: \_\_\_\_\_

# ATTACHMENT 2

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

**LINE ITEMS:** Department: \_\_\_\_\_

Unit #	Pkg	Object #	Current Amount	Adopted Change	New Amount
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
<b>Total Change</b>					\$0

**POSITIONS:**

Unit #	PCN	Class	Annual Salary	Other

Reason for Change:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

DEPARTMENT AUTHORIZATION: \_\_\_\_\_

**Finance Department Use Only**

APPROVED BY: \_\_\_\_\_

CHANGE COMPLETED: \_\_\_\_\_ 1-Jul-16 \_\_\_\_\_  
Date Time Form

ANALYST: \_\_\_\_\_

Copy sent to \_\_\_\_\_ on \_\_\_\_\_