

The Pinal County Board of Supervisors convened at 9:36 A.M. this date in the Board of Supervisors Hearing Room, Administration Building A, Florence, Arizona. The meeting was called to order by Chairman Snider and followed by the Pledge of Allegiance and Invocation.

**Present:** Chairman David Snider; Supervisor Pete Rios; Supervisor Bryan Martyn; County Manager, Terry Doolittle; Chief Civil Deputy County Attorney, Chris Roll; Deputy Clerk of the Board, Heidi Cole and Clerk of the Board, Sheri Cluff.

**Work session for discussion of the FY 2009-2010 Tentative Budget including, but not limited to, possible reductions in force, possible reductions in salaries/wages, possible use of cash reserves and/or other adjustments or reductions in programs or services during FY 2009-2010.**

County Manager, Terry Doolittle began his presentation of the FY 2009-2010 Tentative Budget by noting a correction from the presentation on the May 20, 2009 work session portion of the Board meeting regarding a typographical error on the property tax rate.

Mr. Doolittle continued with the FY 2009-2010 Tentative Budget Work Session by noting that as of last week, Friday, June 12, over 40 employees received their layoff notices and over 160 total positions were eliminated through the tentative budget process. Some of the items presented with a powerpoint were:

- Budget Reduction Measures
  - Hiring Delay
  - 2% Budget Reductions
  - Travel and Training Freeze
  - Hiring Freeze (except Public Safety)
  - Capital Carryover Eliminated
  - Vacant Positions Eliminated
  - Employee Retirement Incentive
  - Use of Fund Balance
- Fund Balance and
- the Structurally Balanced Budget
  - Short Term Fixes
  - Fund Balance
  - Hiring Freeze
  - Non-General Fund sources
  - Long Term Solutions
  - Increase Fees
  - Identify new ongoing revenues
  - Reduce ongoing expenditures

Mr. Doolittle then talked about the options considered with regards to the Tentative Budget and the No Use of Fund Balance, Salary Reductions of 5%, and the Work sessions including salary reduction vs. furlough.

Mr. Doolittle reviewed the Furlough facts and stated that furloughs would impact service delivery and that it does not provide a structurally balanced budget, it has the same impact on employee retirement vs. salary reduction, and it does exempt certain Public Safety positions.

The following Federal Stimulus Facts were brought forth by Mr. Doolittle:

- Federal Medical Assistance Percentage (FMAP) – Federal share of Medicaid cost
- One-time contribution to AHCCCS
- Arizona Counties pay 50% of AHCCCS Long-Term Care Program
- One-time windfall revenue of FMAP \$3.8M to Pinal County

Mr. Doolittle reviewed the challenges we will have to continue to look at: if the ongoing expenses continue to exceed ongoing revenues, continued reliance on fund balance, salaries, benefits (health care, and retirement contributions), AHCCCS, Subsidies to non-General Fund operations.

As the County Manager concluded with his presentation, he stated his recommendation at the June 24, 2009 Board meeting will be to use the fund balance and defer the salary reduction decision at this time, to review at 1<sup>st</sup> quarter financial update and review at 2<sup>nd</sup> quarter financial update. Mr. Doolittle then reviewed the FY 09-10 Adopted Budget Priorities.

Supervisor Rios commented that he liked where County Manager Doolittle was going with the recommendations even as it's a risky one. Mr. Rios talked about Arizona's deficit and how it's not over yet and that maybe early next year we may be revisiting this again, depending on what the State Legislature does. Mr. Rios thanked the County Manager and staff for a job well done.

Supervisor Martyn commented "prayer works!" He also thanked the County Manager and staff for all the hard work, and noted that the stimulus money everyone will share in not just the County. Mr. Martyn agreed with Supervisor Rios in that we are not out of the woods yet and that there are still things to look at now for our future.

Chairman Snider commented regarding the challenge of the shortfall and the reduction in force that took place on June 12, 2009, and the windfall of the stimulus, for clarification purposes, the RIF was still necessary as it appears?

County Manager answered "yes".

Chairman Snider continued with stating that he is in alignment along with the fact that there is no way of knowing what will lie ahead with the State Legislature, and as well as we need to keep track of the reports that County Manager Doolittle mentioned and that the Board continues to receive monthly updates. Chairman Snider thanked the staff and the County Manager for their hard work.

Supervisor Martyn noted that our most valuable asset is our employees and we worked hard to come to a compromise on this issue.

Chairman Snider stated that the Board adopts a budget every year and it's critical as it sets the tone of resources that are finite.

Dave Hausman, PCDA/AZCops – thanked everyone for working towards a solution and echoed Mr. Doolittle's words and sentiments in hopes that the Board adopts the recommendations he has brought forth today.

Honorable Judge Carter Olson, on behalf of the Judicial Branch, would like to thank the Board and County Manager and staff for their hard work in a coming up with a solution. Judge Olson mentioned he has seen employees working harder with fewer and less resources, saving energy by turning off lights, etc. and he would recommend for approval with County Manager's recommendations.

Supervisor Rios thanked Judge Olson for his professionalism and respect throughout all of this and all his cooperation with the Board.

County Attorney, James Walsh thanked the Board and staff for all their work on coming up with solutions on this tough decision making process.

**Call to Public.** There was no one present who wished to address the Board.

Chairman Snider invited all to pray for Mr. Phil Hogue, a long time employee of Pinal County, as his wife passed away on Sunday, June 14<sup>th</sup>, 2009.

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There being no further business, motion was made by Supervisor Rios and seconded by Supervisor Martyn to adjourn. Motion carried by unanimous vote.

The meeting stood adjourned at 10:33 A.M. The next regular meeting of the Pinal County Board of Supervisors will be on Wednesday, June 24, 2009 at 9:30 a.m.

PINAL COUNTY BOARD OF SUPERVISORS

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Heidi Cole, Deputy Clerk of the Board