

**DR. MATT HEINZ**

Supervisor  
District 2



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## Pima County Board of Supervisors

To: Melissa Manriquez, Clerk of the Board

From: Dr. Matt Heinz, Supervisor, District 2

Date: May 12, 2022

RE: BOS Agenda 05/17/22 – Cost of Living/Market Adjustment Salary Increases, FY23 Budget

A handwritten signature in blue ink, appearing to be "M. Heinz", is written over a light blue circular stamp.

Please add this item to the addendum agenda for 05/17/22. Thank you.

### Board of Supervisors:

**Discussion/Direction/Action:** Directing the County Administrator and staff to implement a variation on the administrator's proposed market salary increases for the Pima County workforce in the FY23 Budget. Specifically, in place of the administrator's proposed 5% increase for employees who earn up to \$75,000 per year; 3% increase for employees who earn between \$75,001 and \$150,000 per year; and 1% for employees who earn more than \$150,000 per year, I move the following:

### Current Employee Wage / Salary:

### Market Adjustment Increase, FY23:

A) Earn \$25/hour or less (\$52,000/yr or less):	8.5%
B) Earn between \$25.01 and 36.057/hour (between \$52,001 and \$75,000/yr):	6.0%
C) Earn between \$36.058 and 46.00/hour (between \$75,001 and \$95,680/yr):	4.0%
D) Earn between \$46.001 and \$72.1154/hour (between \$95,681 and \$150,000/yr):	3.0%
E) Earn \$150,001 and above:	1.0%

This alternate plan would help ensure that:

- (1) We remain an employer of choice in an extremely competitive job market;
- (2) We move all county employees' compensation closer to where it will likely need to be once salary studies are completed across all job classifications in all departments over the next 12 to 18 months;
- (3) We deal more aggressively with the challenge almost all departments indicated they are facing with recruitment and retention of staff; and
- (4) We ensure that our lowest-paid employees – those most affected by today's escalated inflationary pressures -- are held harmless in terms of inflation's effects on their family budgets.

Because this alternate plan should help us with the recruitment and retention of talent across all job classifications, it is reasonable to expect that it will also help bring down attrition rates and vacancy rates from their current levels of 17% each, to more sustainable levels, ultimately saving the county money.

Supervisor Heinz

Re: 5/17/22 BOS Agenda: Cost of Living/Market Adjustment Salary Increases, FY23 Budget

Date: 5/12/22

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Finally, it should be noted, that a substantially similar proposal to the one presented here was vetted through the director of our Finance Department, Michelle Campagne. The expected cost of that proposal would be as follows:

*The total cost to the County before vacancy savings would be \$25.2M, of which \$16.75M is from the General Fund. Once accounting for estimated vacancy savings, the total cost to the County would be \$17.0M, of which nearly \$11.7M would be from the GF.*

**The difference between this proposal and the Administrator's original proposal is an additional cost to the County of approximately \$6.7M across all funding sources, of which \$4.2M would be from the General Fund.**

**There would be no need to cut elsewhere to accommodate this added expenditure to invest in our staff,** as the General Fund Unreserved Ending Fund Balance has well exceeded the projected amounts in each of the past five fiscal years, as evidenced in the Administrator's memo to the Board dated May 9, 2022.

This year's Ending General Fund Balance (06/30/22) is projected to be \$137.8M.

Additionally, as noted in the FY23 Recommended Budget, *Summary Schedule of Estimated Revenues and Expenditures/Expenses Schedule A* (page 1-3 of the budget book), our Special Revenue Fund is projected to end FY22 with a Fund Balance/Net Position on July 1, 2022 of \$101.8M, and our Enterprise Funds Available Net Position is projected to be \$194.4M.

Cc: Jan Leshar, Pima County Administrator  
Francisco García, MD, MPH, Deputy County Administrator and Chief Medical Officer, Health and Community Services  
Carmine DeBonis, Jr, Deputy County Administrator, Public Works  
Michelle Campagne, Director, Finance and Risk Management  
Ellen Mouton, Incoming Director, Finance and Risk Management  
Andrew Welch, Deputy Director, Finance and Risk Management  
Xavier Rendon, Budget Manager, Finance and Risk Management