



MEMORANDUM

Date: April 25, 2011

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

From: C.H. Huckelberry
County Administrator

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

Re: Legislation Adverse to Pima County

Enclosed please find a memorandum I recently directed to our Human Resources Director regarding House Bill (HB) 2650, which was first disclosed and then passed between 3:00 and 4:00 in the morning before the legislative session adjourned for the year two hours later. The bill would move all employees covered by a merit system to at-will employees if one of a number of actions occurs: a new hire, a transfer of position or a wage increase. The language of the bill is extremely vague and confusing; hence, I have requested our Human Resources Director and County Attorney determine how this legislation may impact our existing Merit System as well as personnel management ordinances embedded in the County Code.

Since HB 2650 reduces the authority of the Board of Supervisors to make appropriate decisions regarding the operation of the County, it is ill conceived and poorly constructed. Further, the legislation did not receive the benefit of public testimony or input. Chief Deputy County Administrator Martin Willett directed our lobbyist, Mr. Michael Racy, last Friday to ask the Governor to veto the legislation. The Pima County Merit Commission is meeting on April 27, 2011 to discuss this legislation, and the Civil Division of the County Attorney's Office is now attempting to analyze this last-minute, middle-of-the-night-legislation.

Unfortunately, this is not the only piece of ill conceived legislation adverse to the interests of County residents, regional sewer ratepayers or County taxpayers. The more egregious legislation is discussed below.

- The budget legislation approved by the Legislature that transferred cost to Pima County taxpayers or confiscated revenues that have long been received by Pima County benefitting transportation users. The total negative impact to Pima County in Fiscal Year 2011/12 of the ongoing revenue reductions and cost transfers begun this fiscal year and those additionally enacted for next year is \$19,137,422.

- The region's sewer ratepayers have been adversely financially impacted by Senate Bill 1171, which transfers assets of the regional sewer ratepayer to Marana without full compensation for cost. Apparently, some legislators are only concerned with property rights related to individuals, not the collective sewer ratepayers of the region. Marana will soon learn, if they do not already know, that simply confiscating the region's sewer infrastructure within their town will not add to their water resources. They must now turn to the Legislature in the next session if they wish to take the City of Tucson's water assets within the Town of Marana, since 75 percent of Marana residents are served by Tucson Water, the City of Tucson water utility. These water assets are substantial.
- The Legislature approved House Bill 2338 to cap the Library District secondary tax levy. The Library District, since its inception 30 years ago, has been a secondary property taxing district under County jurisdiction. There has never been, and there is no reason now, to cap or place limits on the amount of revenue derived from the Library District. Fortunately, the Governor vetoed this bill. However, the bill is likely to return; hence, we must continue to be very cautious about additional library expenditures such as funding of new branch libraries or any other library function that increases costs, such as assuming the affiliate library from the Town of Oro Valley.
- HB 2650 attempts to completely dismantle and place in chaos the longstanding and historic personnel management system within the County – the concept of merit selection, promotion and discipline. Merit systems were first adopted by the County on July 1, 1974; hence, they have existed for 37 years. HB 2650 is an attempt to dismantle the merit system without public discussion, debate or analysis. There were horrific examples of patronage, incompetency, wasted taxpayer dollars and even criminal wrongdoing in County governmental operations prior to the adoption of a merit system.
- House Bill 1322 would require the Cities of Phoenix and Tucson to competitively bid services in excess of \$500,000. The bill is flawed. Counties will probably be the next target for this legislative concept. Our budget of \$1.3 billion is largely competitively bid. Our Capital Improvement Program totals between \$300 and \$400 million annually and is competitively bid. Our purchase of supplies and services is approximately another \$500 million and is competitively bid. If one considers merit employment, which is a competitive process, then our personnel services are also competitively bid. The bill is an unnecessary meddling in local affairs that will cause needless expenditures and wasted resources.

The Honorable Chairman and Members, Pima County Board of Supervisors
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- The Arizona Legislature passed Senate Bill 1331, which nullifies the ability of the City of Tucson to conduct an all-mail election. We have in the past provided election services to the City. The authors of the legislation forgot that the Towns of Oro Valley and Sahuarita, which are within Pima County, now and have held all-mail elections for a significant period of time. Requiring polling places to be open, even if vote by mail or early voting accounts for 60 percent of the votes cast, will be significantly more costly than an all-mail election. We support the City of Tucson and their right to have such mail-in elections and are concerned about how they would conduct an election otherwise given the aging election tabulation equipment and costly implications of holding a traditional election.

We will continue to review legislation advertise to Pima County and provide information as it becomes available.

CHH/mjk

Enclosure


c: The Honorable Jan Kearney, Presiding Judge, Superior Court
Appointing Authorities
Martin Willett, Chief Deputy County Administrator
Hank Atha, Deputy County Administrator for Community & Economic Development
John Bernal, Deputy County Administrator for Public Works
Dennis Douglas, Deputy County Administrator for Medical and Health Services



MEMORANDUM

Date: April 22, 2011

To: Gwyn Hatcher, Director
Human Resources Department

From: C.H. Huckelberry
County Administrator 

Re: House Bill 2650 Regarding Limited County Merit System Application and At-will Uncovered Employees

Please review the attached legislation, which was recently approved by the State Legislature.

The legislation raises a number of questions that will require legal review and analysis. What are the effects of this legislation relative to at-will uncovered employees, personnel management and existing Pima County Merit System Rules, which cover merit selection and promotion as well as disciplinary processes?

Please confer with the County Attorney to determine how this legislation may affect Pima County.

CHH/mjk

Attachment

c: Martin Willett, Chief Deputy County Administrator
Chris Straub, Chief Civil Deputy County Attorney

Conference Engrossed

State of Arizona
House of Representatives
Fiftieth Legislature
First Regular Session
2011

HOUSE BILL 2650

AN ACT

AMENDING SECTION 11-352, ARIZONA REVISED STATUTES; RELATING TO THE COUNTY
EMPLOYEE MERIT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 11-352, Arizona Revised Statutes, is amended to
3 read:

4 11-352. Adoption of limited county employee merit system by
5 resolution; removal of certain administrative
6 positions by resolution; at will uncovered employees

7 A. Any county may by resolution of the board adopt a limited county
8 employee merit system for all county appointive officers and employees.
9 Elected officers shall not be included in such a merit system.

10 B. Any county may by resolution of the board remove certain
11 administrative positions from the county employee merit system. IF REQUESTED
12 BY AN ELECTED OFFICER OF A COUNTY WITH A POPULATION OF LESS THAN TWO MILLION
13 PERSONS, THE BOARD, BY RESOLUTION, MAY ALLOW THE ELECTED OFFICER OF THE
14 COUNTY TO REMOVE CERTAIN ADMINISTRATIVE POSITIONS FROM THE COUNTY EMPLOYEE
15 MERIT SYSTEM. The positions that may be removed from the county employee
16 merit system are:

- 17 1. County manager.
- 18 2. Deputy county manager.
- 19 3. Assistant county manager.
- 20 4. Chief deputies to elected officials.
- 21 5. Department directors.
- 22 6. Deputy directors, not to exceed three in each department.
- 23 7. One position in each department that reports directly to the
24 director or deputy director as designated by the director and deputy
25 director.

26 8. An administrative position declared exempt after August 8, 1985.
27 ~~The number of positions declared exempt under this paragraph shall not exceed~~
28 ~~ten per cent of the total number of county appointive officers and employees.~~

29 C. EXCEPT AS PROVIDED IN SUBSECTION D, any employee who was included
30 as a covered employee in the county employee merit system at the time the
31 employee assumed the employee's present position and whose position becomes
32 exempt under subsection B may elect to remain included under the merit
33 system, but if terminated the employee must be afforded the opportunity to
34 accept another vacant position within the merit system for which the employee
35 is qualified.

36 D. AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, IN A
37 COUNTY WITH A POPULATION OF LESS THAN TWO MILLION PERSONS:

- 38 1. ALL NEW HIRES ARE AT WILL UNCOVERED EMPLOYEES.
- 39 2. ANY COVERED EMPLOYEE WHO VOLUNTARILY ACCEPTS A CHANGE IN
40 ASSIGNMENT, REGARDLESS OF WHETHER THE VOLUNTARY CHANGE IN ASSIGNMENT IS A
41 PROMOTION, DEMOTION OR LATERAL TRANSFER, IS AN AT WILL UNCOVERED EMPLOYEE ON
42 THE START DATE OF THE VOLUNTARY CHANGE IN ASSIGNMENT.
- 43 3. ANY COVERED EMPLOYEE WHO RECEIVES AND ACCEPTS A SALARY INCREASE IS
44 AN AT WILL UNCOVERED EMPLOYEE ON THE START DATE OF THE SALARY INCREASE.