

COCHISE COUNTY

Jail District Public Outreach Committee

Budget

October 7, 2022



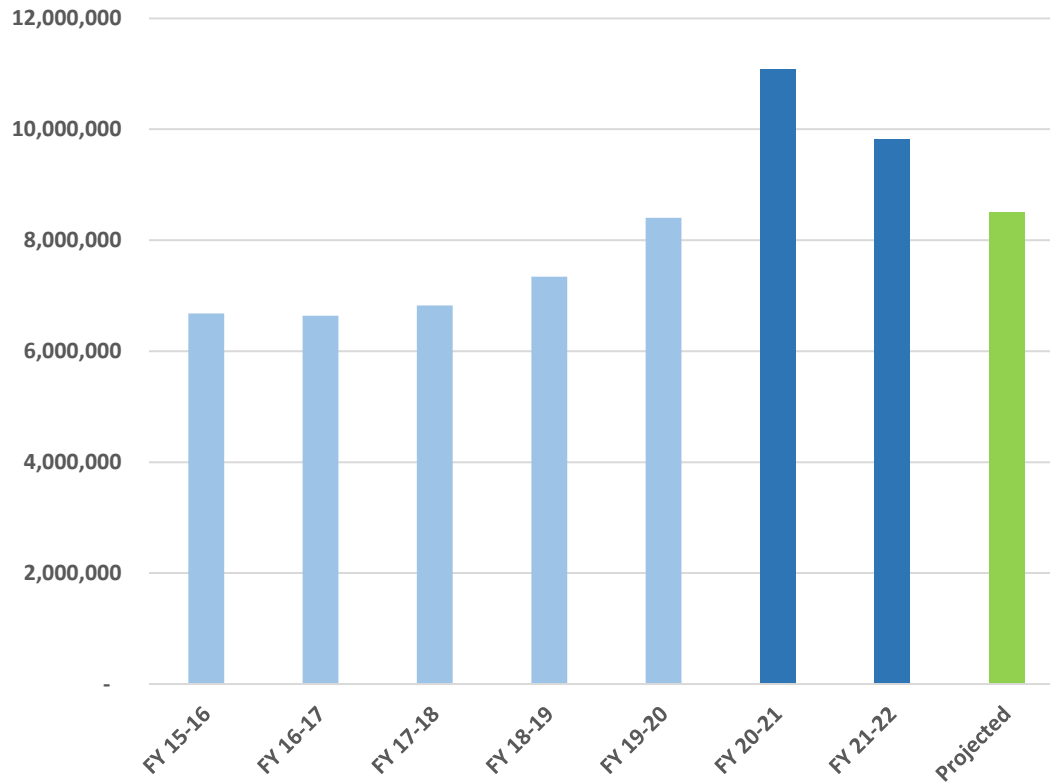
Jail District Sales Tax

- Tax on goods, not services
- District would encompass entire County
- Certain goods are excluded:
 - Some medications, durable medical goods, prosthetics, hearing aids, course mandated textbooks, motor vehicle fuel, orthodontic devices, certain library materials, certain tourism materials, plus many more specific exemptions (ARS 42-5061)



COCHISE COUNTY

Revenue of ½ Cent Sales Tax

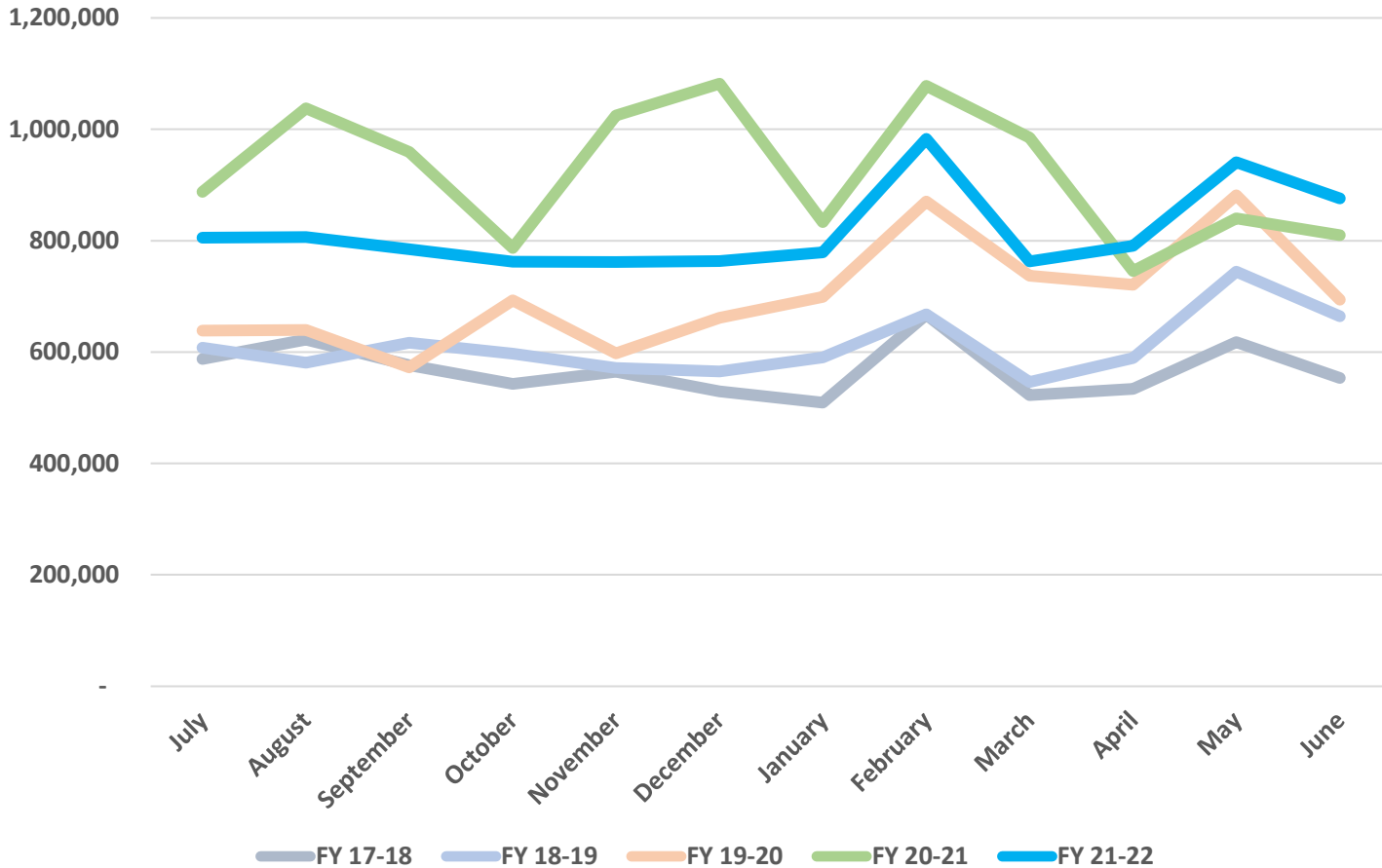


Year	Total
FY 15-16	6,677,823
FY 16-17	6,638,875
FY 17-18	6,826,127
FY 18-19	7,341,100
FY 19-20	8,406,077
FY 20-21	11,070,801
FY 21-22	9,815,893
Projected	8,500,000



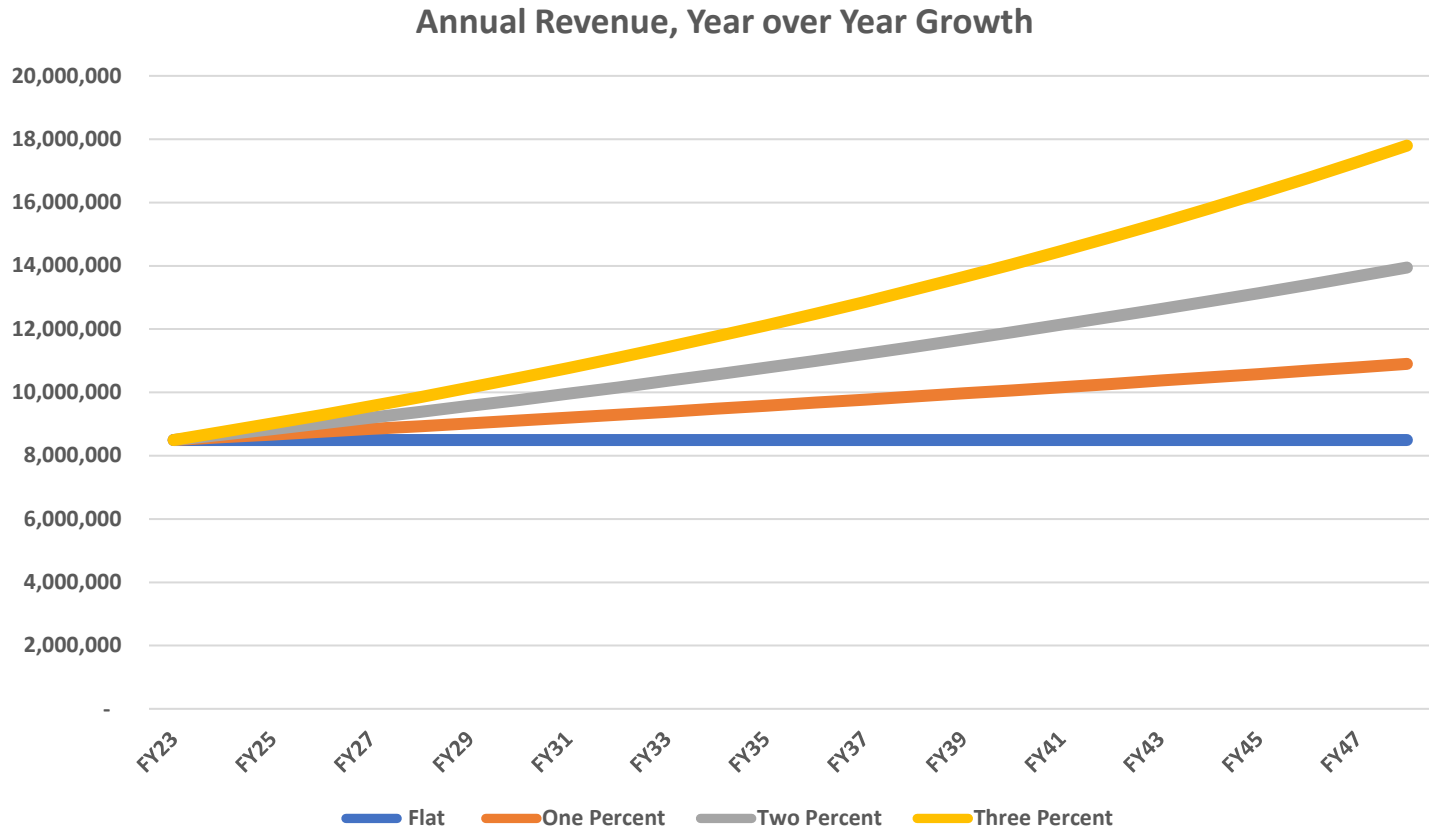
COCHISE COUNTY

Revenue of ½ Cent Sales Tax



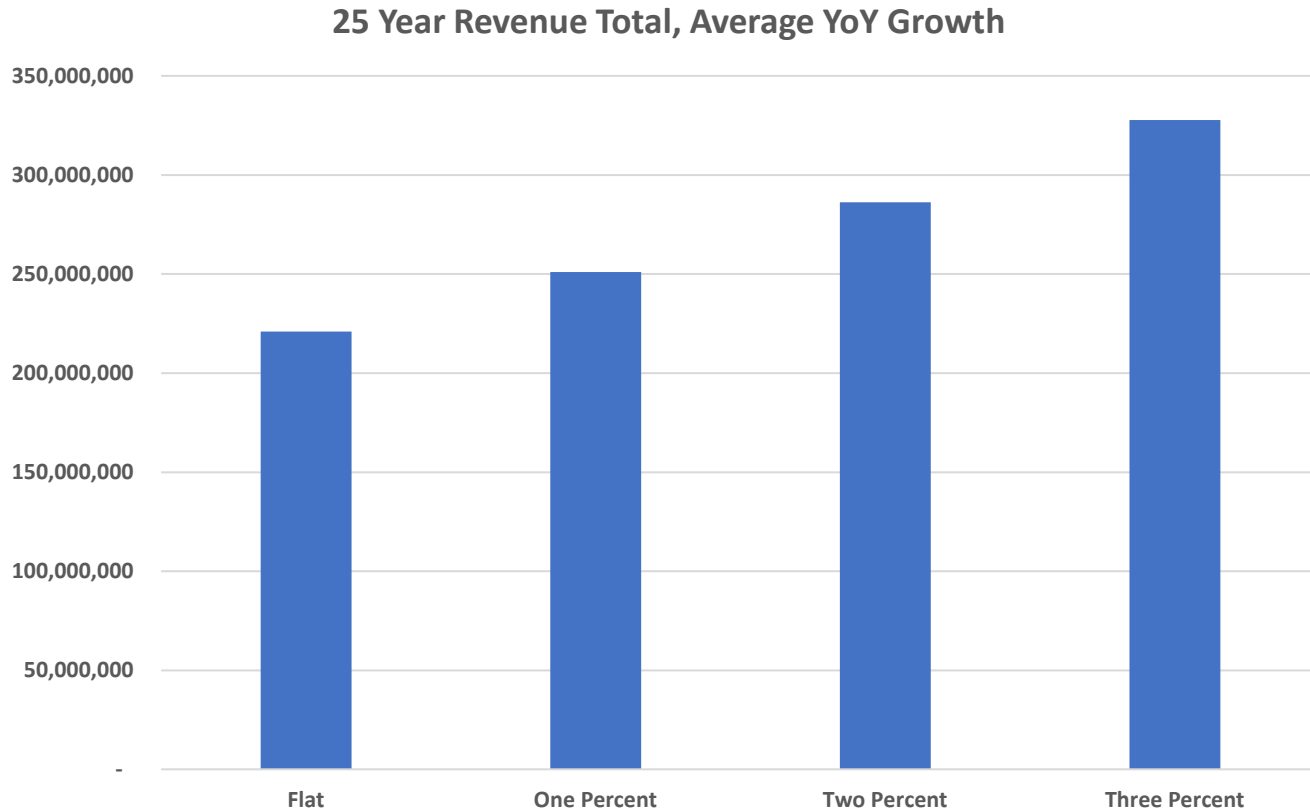
COCHISE COUNTY

½ Cent Sales Tax Projections



COCHISE COUNTY

1/2 Cent Sale Tax Total Revenue



COCHISE COUNTY

Cost to Consumer/Household

- Annual max cost per resident
 - 8.5m revenue / 126,463 population =
 - \$67.21 per resident per year
- Does not include:
 - Business to business transactions
 - Out of county residents making purchases
 - Cross border shoppers



COCHISE COUNTY

Total Sales Taxes in County

Location	State	County	City	Current Total	Jail	New Total
Benson	5.60	0.50	3.50	9.60	0.50	10.10
Bisbee	5.60	0.50	3.50	9.60	0.50	10.10
Douglas	5.60	0.50	3.80	9.90	0.50	10.40
Huachuca City	5.60	0.50	1.90	8.00	0.50	8.50
Sierra Vista	5.60	0.50	1.95	8.05	0.50	8.55
Tombstone	5.60	0.50	3.50	9.60	0.50	10.10
Willcox	5.60	0.50	3.0	9.10	0.50	9.60
County Unincp.	5.60	0.50	0.0	6.10	0.50	6.60



COCHISE COUNTY

Property Tax v. Sales Tax

- Current County Rate = 2.6747
 - Levy of \$27,368,063
- ½ Cent Sales Tax Revenue = 8.5m
 - 8.5m Property Tax Levy
 - Rate increase of 0.8307 or 31%
 - Rate of New total of 3.5054

Cost to 100k Home	
Current Cost	\$267
New Cost	\$83
Total Cost	\$351



COCHISE COUNTY

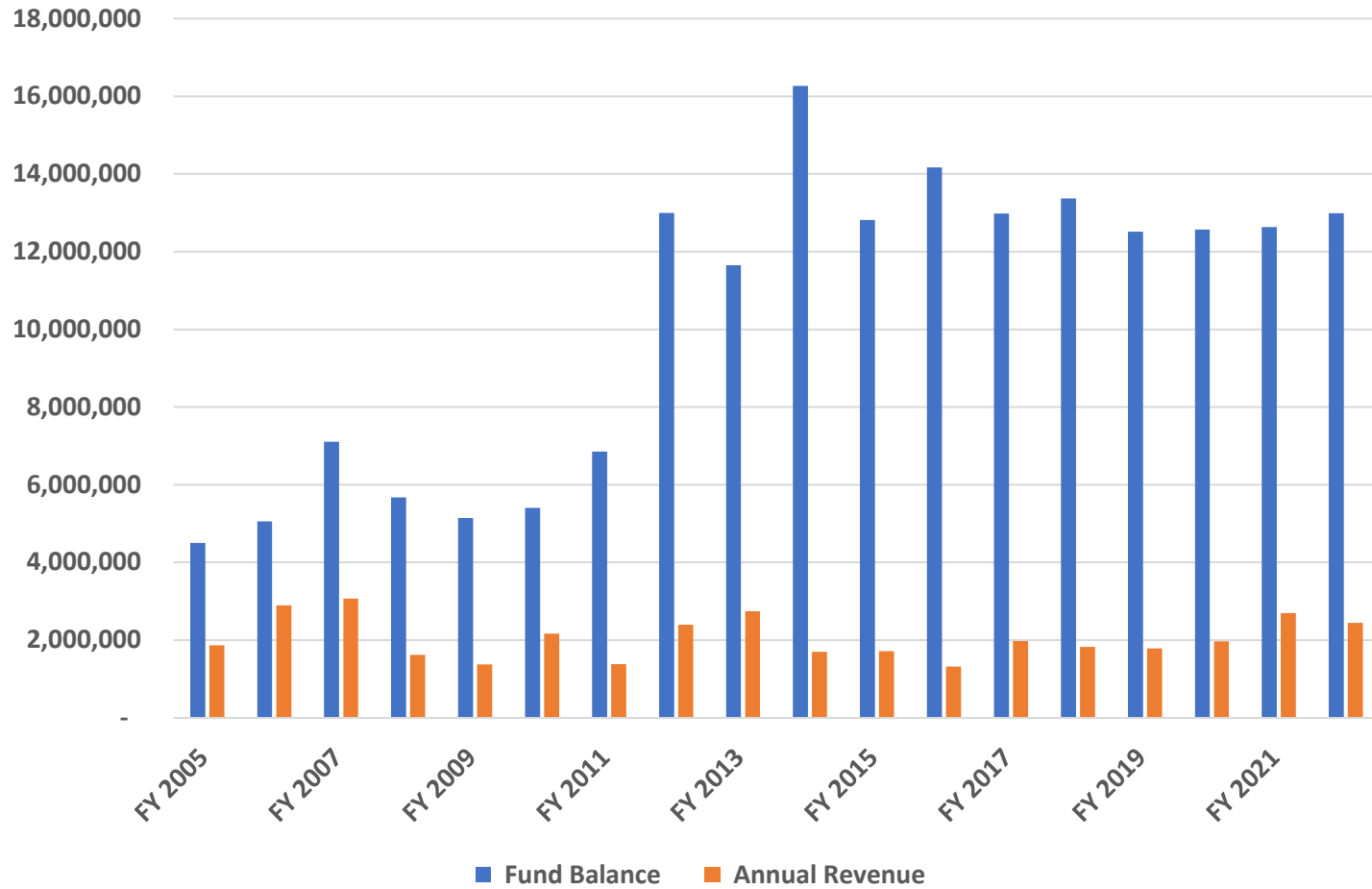
Current Capital Funding

- Funded with County ½ Cent Sales Tax
 - Capital Projects - 13.6m current balance & 2.0m annual
 - Buildings, parking lots, major renovations
 - Not roads
 - 1.0m - Building enhancement
 - Paint, Carpet, Furniture
- General Fund
 - 443k - Repair and Maintenance



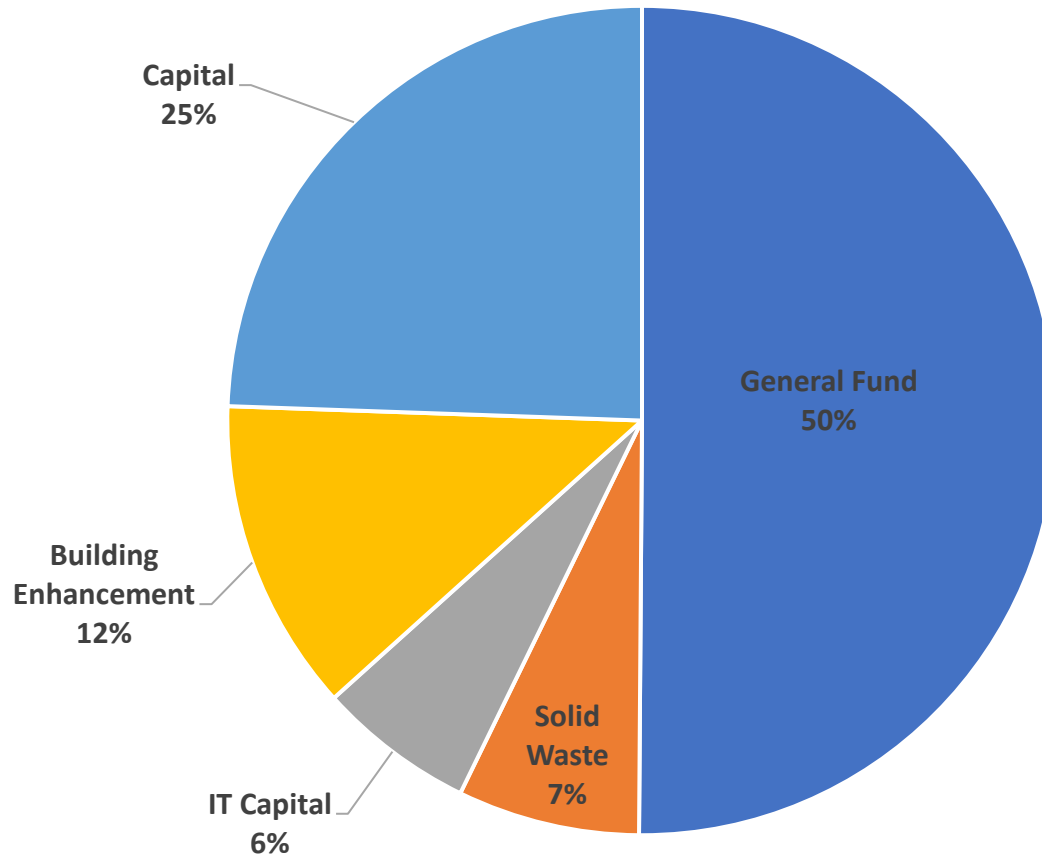
COCHISE COUNTY

Capital Funding



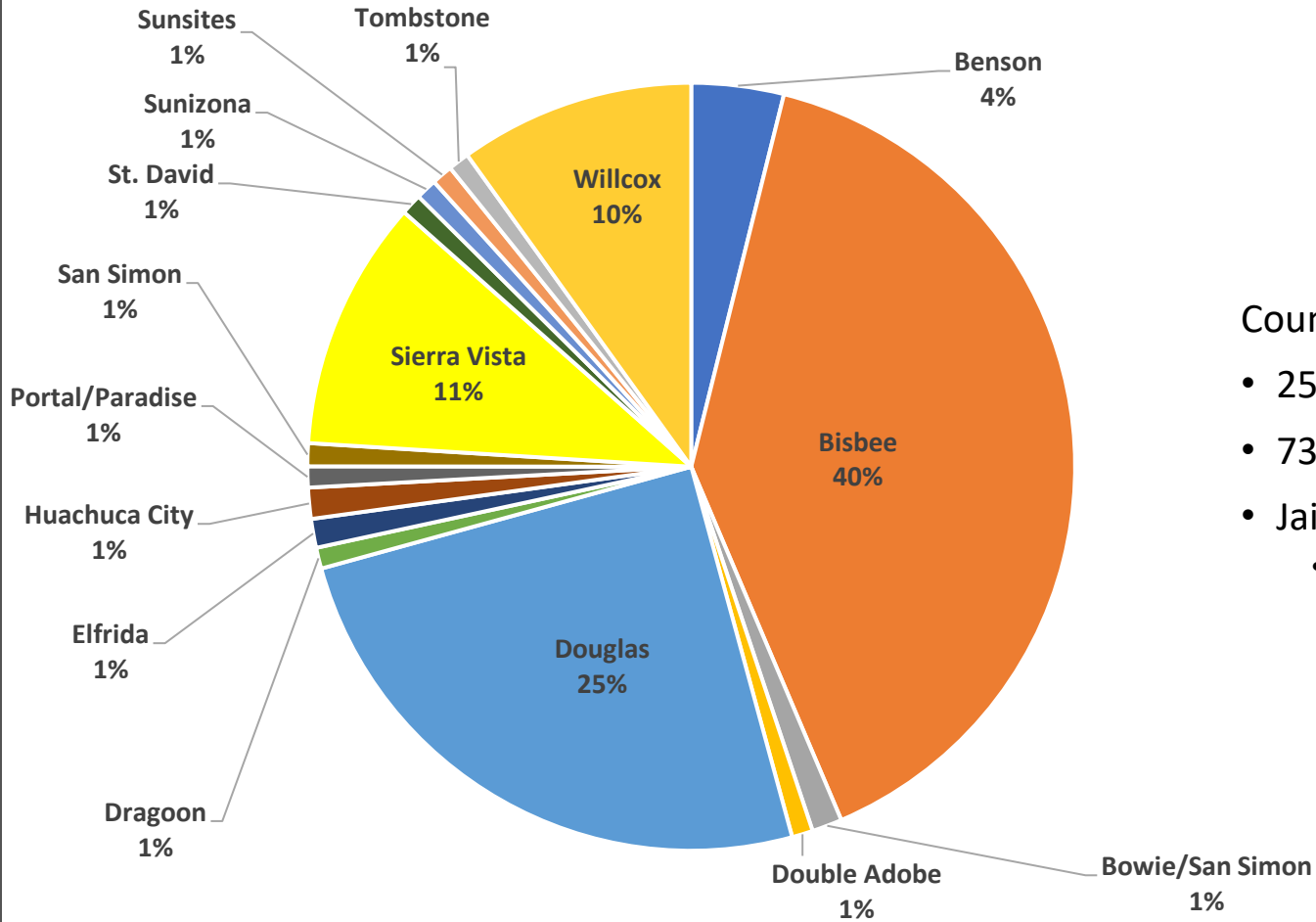
COCHISE COUNTY

Current County ½ Cent Sales Tax Distribution



COCHISE COUNTY

County Facility Footprint Square Footage by Location



County Facilities

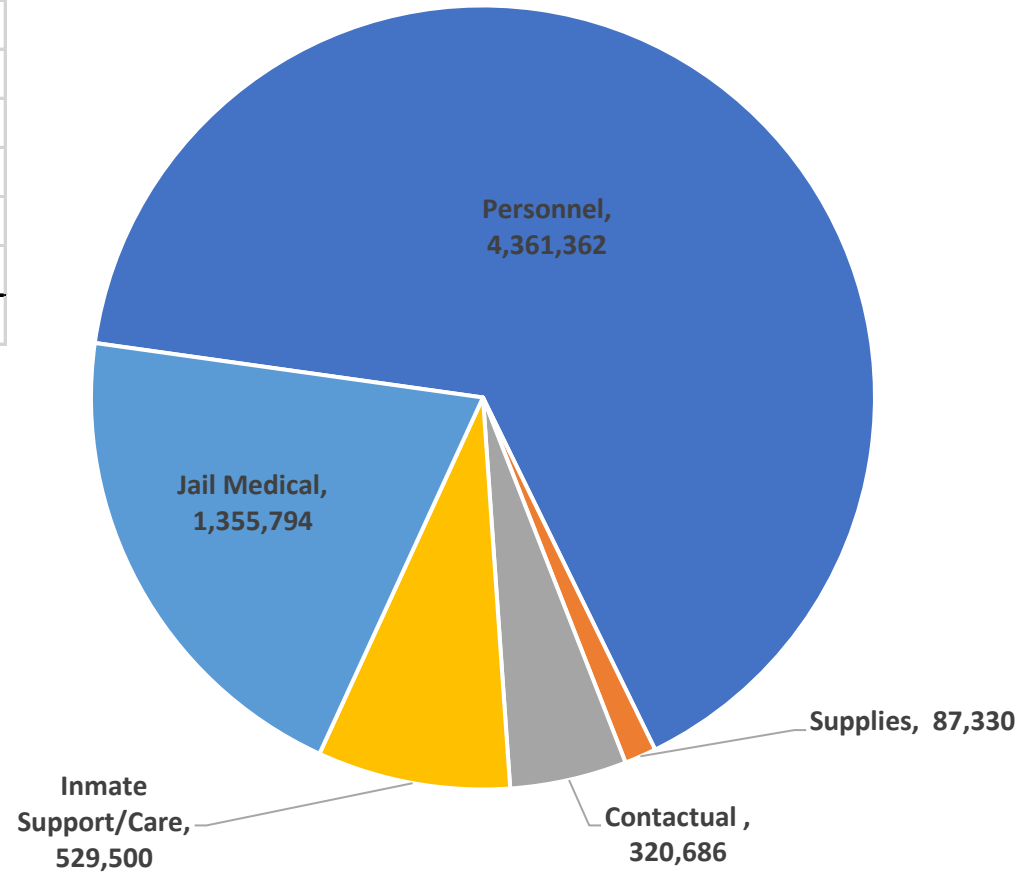
- 25 Locations
- 732,544 Square Feet
- Jail
 - 36,807 Square Feet



COCHISE COUNTY

FY23 Jail Budget

Jail Budget	FY23
Personnel	4,361,362
Supplies	87,330
Contactual	320,686
Inmate Support/Care	529,500
Jail Medical	1,355,794
Total	6,654,672



COCHISE COUNTY

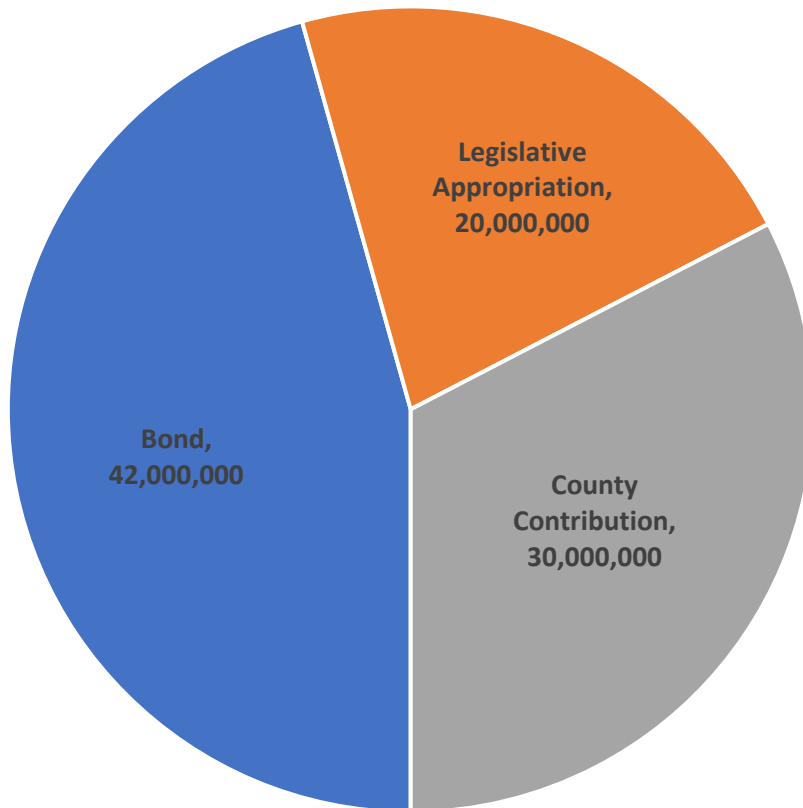
Jail Budget – Special Revenue Funding

- Jail Enhancement
 - Funded by the State Budget / State Law
 - 25% for Staff Training
 - 75% improve value, quality, desirability and attractiveness of Jail, enhance operations
 - Annual Amount
 - \$150,000 to \$170,000
- Inmate Welfare
 - Funded by phone/video call charges, commissary charges
 - Used for education, recreation, chaplain, welfare, canteen/store
 - Annual Amount
 - \$200,000 to 290,000



COCHISE COUNTY

New Jail Cost 92.2 m



Component	Cost
Detention Building	66,363,000
Site Work	2,200,000
Soft Cost + Contingency	23,618,000
Total	92,181,000

30m County Contribution:

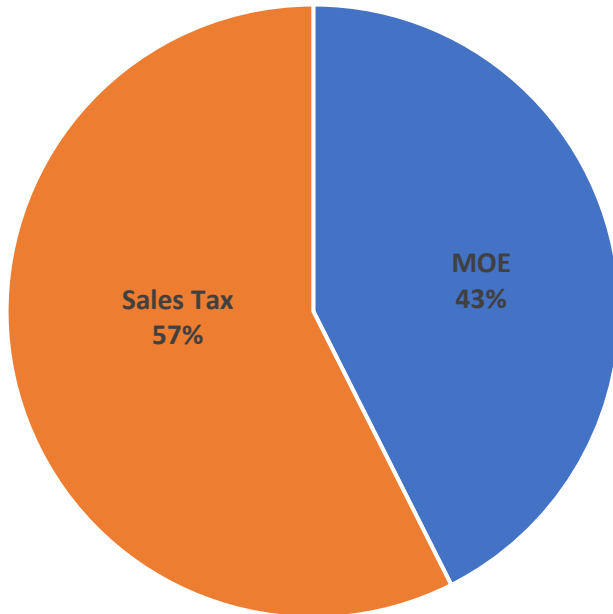
- 25m – Three years Jail District ½ Cent Sales
- 5m - Capital Contribution



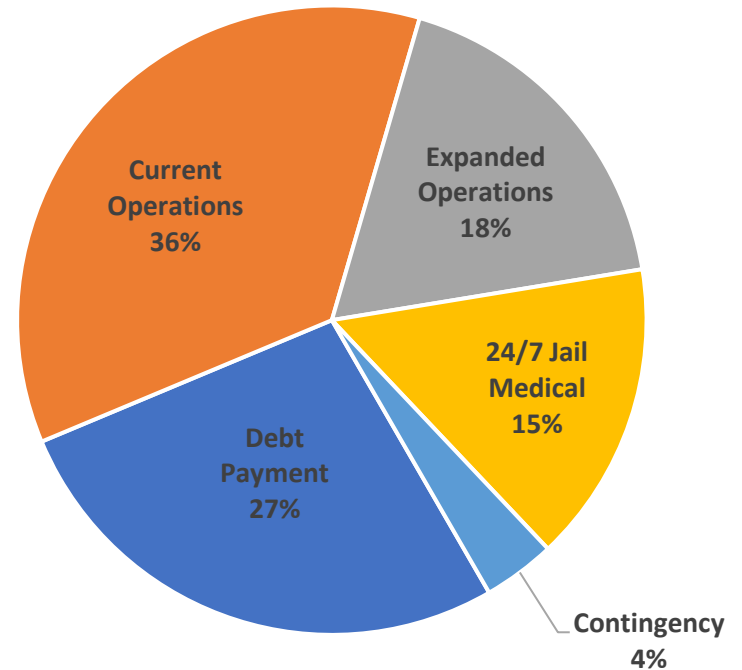
COCHISE COUNTY

Proposed Jail District Budget

- Revenue = 14.8m
 - Maintenance of Effort
 - Sales Tax

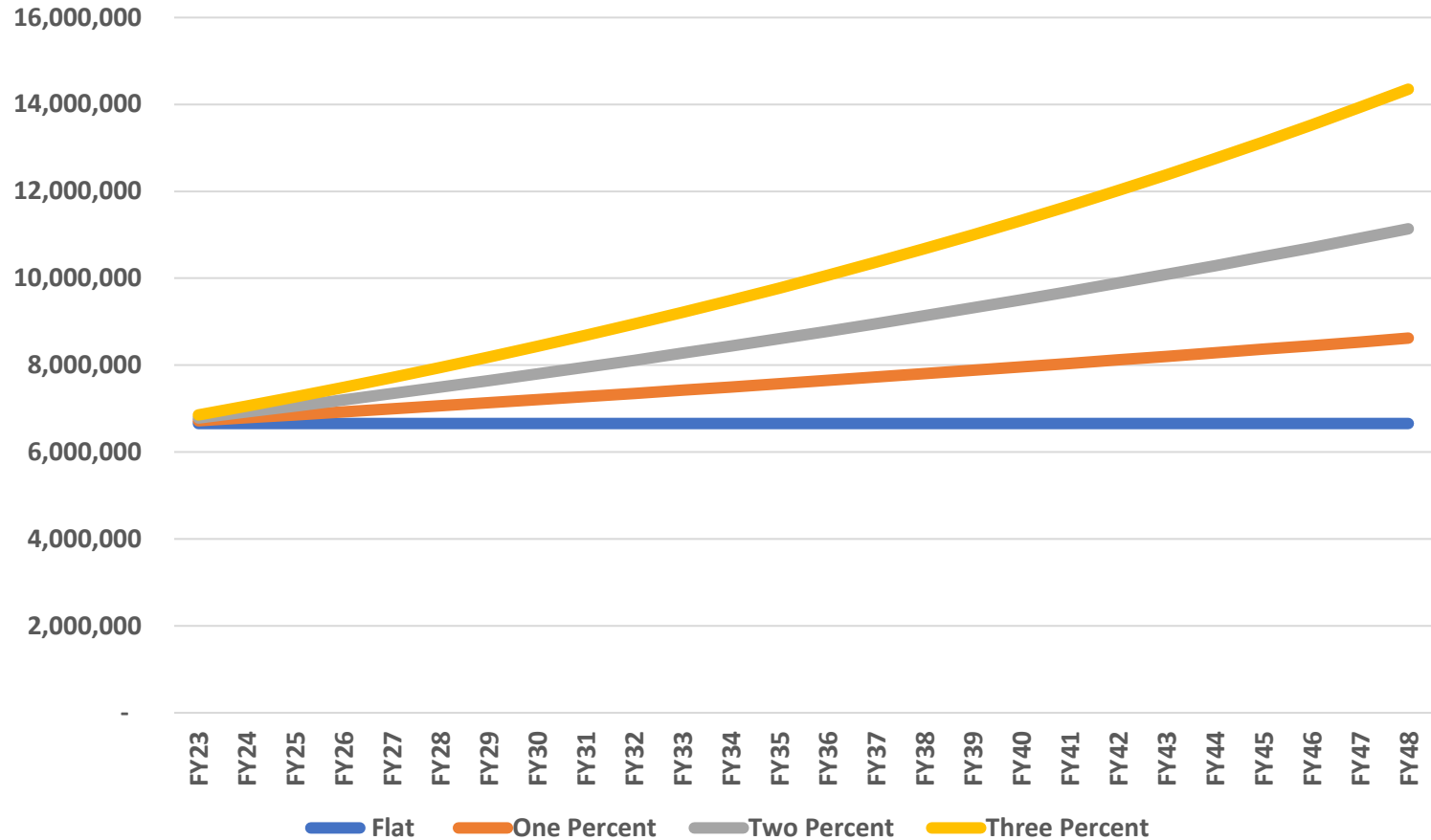


- Expense = 14.8m
 - Operations (Staff)
 - Debt Payment



COCHISE COUNTY

Jail Operations Projections



COCHISE COUNTY

Bond Projections

- \$40 Million
 - 2.7m annual payment
 - 5.47x coverage ratio
- \$60 Million
 - 4.05m annual payment
 - 3.65x coverage ratio
- \$80 Million
 - 5.4m annual payment
 - 2.74x coverage ratio

Coverage Ratio

= annual revenues / annual payment

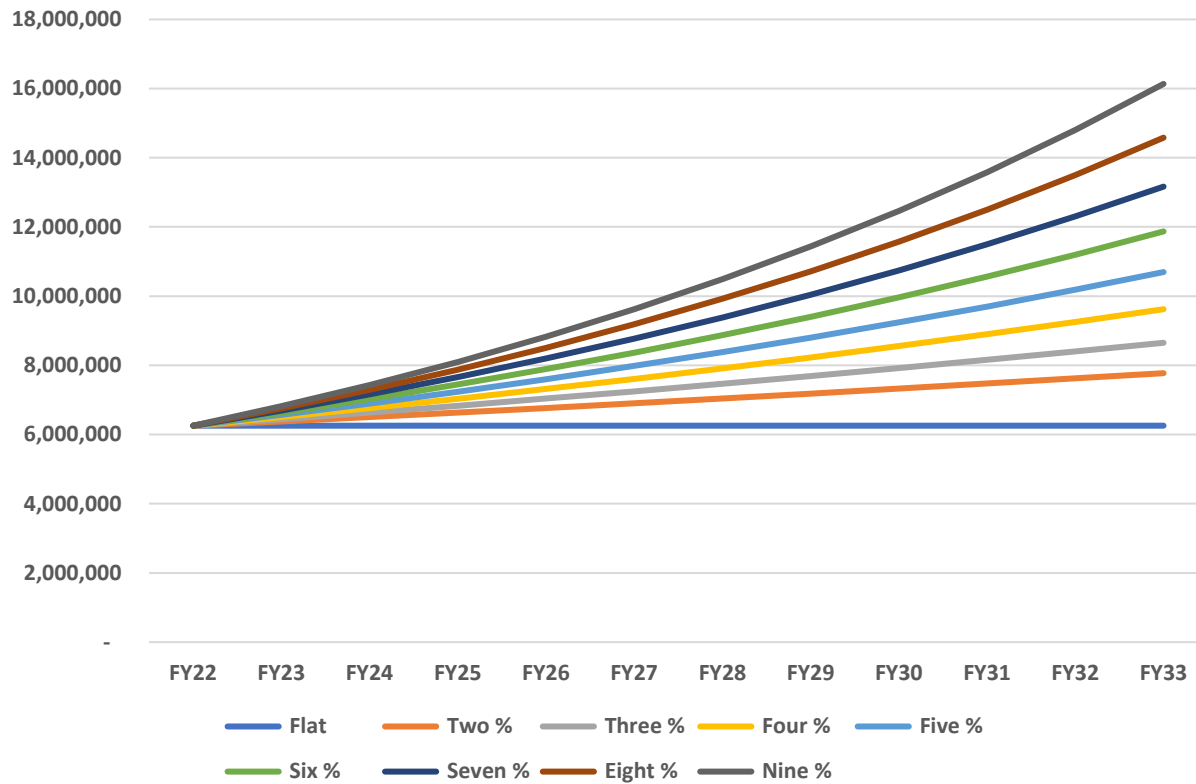
Higher = better

Fiscal Year	\$40 Million Annual Debt Service	\$60 Million Annual Debt Service	\$80 Million Annual Debt Service
FY25	2,704,645	4,054,531	5,409,290
FY26	2,704,154	4,058,906	5,408,308
FY27	2,706,853	4,055,341	5,413,706
FY28	2,702,517	4,059,061	5,405,034
FY29	2,706,371	4,054,614	5,412,742
FY30	2,702,963	4,057,227	5,405,926
FY31	2,702,519	4,056,446	5,405,038
FY32	2,704,813	4,057,272	5,409,626
FY33	2,704,619	4,054,479	5,409,238
FY34	2,701,937	4,058,067	5,403,874
FY35	2,706,766	4,057,582	5,413,532
FY36	2,703,655	4,058,026	5,407,310
FY37	2,702,829	4,054,172	5,405,658
FY38	2,704,063	4,056,020	5,408,126
FY39	2,702,129	4,058,117	5,404,258
FY40	2,702,029	4,055,238	5,404,058
FY41	2,703,536	4,057,382	5,407,072
FY42	2,706,423	4,054,097	5,412,846
FY43	2,705,465	4,055,383	5,410,930
FY44	2,705,661	4,055,788	5,411,322
FY45	2,706,786	4,055,085	5,413,572
FY46	2,703,613	4,058,047	5,407,226
FY47	2,706,142	4,054,224	5,412,284
FY48	2,703,920	4,058,614	5,407,840
FY49	2,701,948	4,055,540	5,403,896
	67,606,356	101,409,258	135,212,712



COCHISE COUNTY

Maintenance of Effort Adult and Juvenile Detention



GDP Implicit Price Deflator	
FY19	3.0102
FY20	3.0822
FY21	3.1398
FY22	3.1742



COCHISE COUNTY

Current Maintenance Needs

Item	Cost
Walk In Cooler	11,917
PLC System	100,000
Digital Key Tracking	84,000
Prime Coat Shower Refinish	150,000
Bisbee CCTV	388,525
Sierra Vista CCTV	151,921
Willcox CCTV	142,181
Cell Bunks	336,730
Cell Lighting	165,000
Hallway Locks	68,045
Water Softener	26,210
Shower Valves (24)	18,504
Air Valves (142)	106,926
Lavaratories (133)	161,462
Stainless Steel Toilets (131)	155,759
Portable Bunks (40)	11,630
Total	2,078,810



COCHISE COUNTY

Transportation Model

- Daily rate x average count
 - 250 average daily count at \$89 per day =
 - \$22,500 per day
 - \$8,121,250 annual cost
- Staffing remains flat
 - FY23 Personnel Budget \$4,361,362
 - Wages and Benefits (CORP)
- Transportation
 - New vehicles
 - Mileage costs
 - Bisbee to Florence = 338 miles round trip
 - Two round trips per day = 676 daily miles
 - Annual miles = 246,740
 - Cost at 0.55 mileage rate = \$135,707
 - Includes: Fuel, Repair, Maintenance, Replacement costs

Component	Cost
Inmate Housing	8,121,250
Transport	135,707
Annual Total	8,256,957
FY23 Jail Budget	6,654,672
FY23 Personnel Budget	4,361,362



COCHISE COUNTY

Appendix – Bond Schedule Notes/Assumptions

- Assumptions:

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

Notes:

- Pledged revenues are estimated for discussion purposes.
- Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.52%.
- Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for fiscal year 2023/24 compared to the highest combined interest and principal requirements in each fiscal year of the Count

