

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS  
SPECIAL MEETING HELD ON  
Monday, June 18, 2018**

A special meeting of the Cochise County Board of Supervisors was held on Monday, June 18, 2018 at 10:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Peggy Judd, Chairman; Ann English, Supervisor  
Absent: Patrick G. Call, Vice-Chairman  
Staff Present: Edward T. Gilligan, County Administrator  
Lynette Nowlan, Finance Director  
Arlethe G. Rios, Clerk of the Board  
Attendees: Ruben Miranda, Internal Services Administrator  
Amadee Ricketts, Library Director  
Thad Smith, Chief Deputy, Sheriff's Office  
Anthony Hernandez, Clerk of the Court's Office  
Douglas Kooi, Clerk of the Court's Office  
Niltza Flores, Court Administration  
Heather Lopez, Chief Deputy, Recorder's Office  
Shar Porier, Sierra Vista Herald

Chairman Judd called the meeting to order at 10:12 a.m.

**ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION AND POSSIBLE ACTION**

**PLEDGE OF ALLEGIANCE**

**THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING**

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***ACTION***

**Board of Supervisors**

1. Adopt the Tentative County Budget for fiscal year 2018-2019 in the amount of \$198,248,679 (this amount is composed of \$83,408,179 in General Fund and \$114,840,500 in Special Revenue funds) and approve the Funding Requests as set forth in attached exhibit.

Supervisor English stated that in order to have a balanced budget the County had to use savings and that having a cash balance was critical in order to protect the County from not having money in an emergency situation. She explained that without cash balances the County would have to use credit reserves. She clarified that the Board had to create a balance between using savings when appropriate, but keeping some savings to avoid raising

additional taxes.

Chairman Judd said it was important to be prudent with savings, but look at ways to bring in additional revenues, which could include raising the tax rate.

Supervisor English said that the Board also had to consider the expenditure limit and the implications that had on expenditures during the year.

Chairman Judd said that she was working on reaching out to the County's legislative representatives to address the expenditure limit and make changes.

Mr. Gilligan presented this item using a PowerPoint presentation. He went through the summary of the current fiscal year, discussed the cash balance of the County, and reviewed the tentative budget for the upcoming fiscal year.

He moved on to discuss general fund revenue. He was adamant that the County needs to support ourselves on revenues, not cash balances. He reviewed revenue variances:

- Maintaining current property tax rate of 2.6747: \$190,464 increase (.78%)
- Property Tax penalties and interest: \$250,000 increase
- Vehicle License Tax: \$300,000 increase
- Payment In Lieu of Tax (PILT): \$300,000 increase
- 1/2 cent sales tax: \$300,000 increase
- Highway User Revenue Fund (HURF): \$900,000

He went over the property tax history in the County and explained his recommendation of maintaining the current tax rate. He added that the County's budget would also require a Truth in Taxation notice for the same reason as the Flood Control District and the Library District.

Ms. Rios added that the notice would be published in the Sierra Vista Herald and that staff would also send out a press release explaining the reason for the notice.

Mr. Gilligan highlighted the importance of insuring citizens understood that the notice was not due to a tax rate increase, but an impact of improving property values in the County.

He moved on to General Fund expenditures and noted that in 2019 the expenditure increases would come from the Southeastern Arizona Communications (SEACOM) Center, the Retirement Systems, and Health Insurance.

Ms. Nowlan added that the SEACOM was separate from the County budget as an agency fund.

Supervisor English went over the retirement cost situation with the Elected Officials Retirement Plan (EORP) and said that next fiscal year the County would have to come up with an additional \$660,000 to cover the EORP increase.

Mr. Gilligan said that this was a major issue and a critical impact to the County's overall budget and expenditure limit and he would continue to engage in statewide conversations to solve this issue. He moved on to funding requests and explained his recommendations had not changed since the work session discussion with the Board earlier in the month. He explained that he was still planning to give the courts \$50,000 annually over the next three years, but could not see funding their total requests due to the impact on the general fund and on the expenditure limit. He added that the courts had received an additional \$300,000 to address salaries and had recently been reimbursed by the Arizona Administrative Office of the Courts (AOC) for costs related to probation officers.

Chairman Judd and Supervisor English agreed that communication regarding the expenditure limit and its impact had to be shared countywide so that all departments understood the impact.

Mr. Gilligan said that safety issues that had come up through funding requests were being addressed immediately and he wanted to clarify that safety issues should be reported immediately and departments should not wait until the budget cycle to request assistance.

He moved on to the summary:

- Revenues and expenses are increasing
- Overall property valuation has increased by less than 1%
- Recommend holding tax rate at 2.6747, requiring Truth in Taxation notices and hearings
- Recommend all funding requests align with the Board's recently adopted Strategic Plan
- Recommend not authorizing funding requests for positions which do not align with new revenue sources
- Request Board approval of the Fiscal Year 2018-2019 Tentative Budget

The Board thanked Mr. Gilligan and Ms. Nowlan for their work on the budget.

Chairman Judd announced upcoming related budget meetings of the Board.

Supervisor English moved to adopt the Tentative County Budget for fiscal year 2018-2019 in the amount of \$198,248,679 (this amount is composed of \$83,408,179 in General Fund and \$114,840,500 in Special Revenue funds) and approve the Funding Requests as set forth in attached exhibit. Chairman Judd seconded the motion.

Chairman Judd called for the vote and it was approved 2-0-1 (Call absent).

Chairman Judd adjourned the meeting at 11:05 a.m.

APPROVED:

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Peggy Judd, Chairman

ATTEST:

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Arlethe G. Rios, Clerk of the Board