

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
SPECIAL/EXECUTIVE MEETING HELD ON
MONDAY, AUGUST 16, 2021**

A special meeting of the Cochise County Board of Supervisors was held on Monday, August 16, 2021 at 10:00 a.m. in the Board of Supervisors' Hearing Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Ann English, Chairman; Peggy Judd, Vice-Chairman; Tom Crosby, Supervisor

Staff Present: Richard G. Karwaczka, County Administrator
Sharon Gilman, Associate County Administrator
Christine Roberts, Chief Civil Deputy County Attorney
Kim Lemons, Clerk of the Board

Attendees: Daniel Duchon, Budget Manager

Chairman English called the meeting to order at 10:00 a.m.

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

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

PUBLIC HEARINGS

Board of Supervisors

1. Adopt the Tax Rates and Levies for Cochise County Taxing Entities as set forth in the attached Exhibits.

Mr. Karwaczka and Mr. Duchon presented this item. Mr. Karwaczka stated the two options from the Exhibits: one with no tax rate change and the other with a proposed 2% increase. That increase would bring in an additional \$500,000 or 1% to apply only to the County's largest unfunded liability - the Public Safety Personnel Retirement System (PSPRS). He discussed how other special districts and entities in the County have their own tax rates and levies, and that the County has not raised its tax rate since 2010.

Mr. Duchon gave a brief overview of the Exhibits.

The Board and staff discussed other County entities such as Cochise Community College, their tax rates, and the cumulative effect on different districts in the County. The timeframe for setting the tax rate was also noted.

The Board discussed their opinions on property taxes, the effects a tax rate increase

would have on their constituencies and their constituencies' reactions, and the history of the County not raising taxes to provide the similar level of services for the past decade.

The Board and staff discussed possible federal funds available to help pay the PSRPS unfunded liability. Mr. Karwaczka clarified that federal funds are available but can only be applied over time due to the expenditure limit. PSRPS has a projected growth rate based on it being fully funded, and an additional amount is added to the debt every year while it remains unfunded.

Chairman English opened the Public Hearing. No one chose to speak, and Chairman English closed the Public Hearing.

Vice-Chairman Judd made a motion to adopt the tax rates and levies for Cochise County taxing entities as set forth in Exhibit 1 through 4-A, specifically with the Country primary tax rate flat at 2.6747. Supervisor Crosby seconded the motion.

Mr. Duchon noted that after the vote the Cochise County's Fiscal Year 2021-2022 budget would be adjusted to reflect the outcome.

Chairman English called for the vote, and it was approved 2-1 on a roll call vote (Crosby and Judd in favor, English opposed).

ACTION

Board of Supervisors

2. Approve Revised Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP) Pension Funding Policy, as required by ARS 38-863.01, effective August 16, 2021.

Mr. Karwaczka presented this item. He detailed the changes in the Policy, including the addition of CORP and what those changes affect. The changes provide additional clarity and give the Board more opportunities to address the PSRPS debt payment.

Vice-Chairman Judd made a motion to approve the Revised Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP) Pension Funding Policy, as required by ARS 38-863.01, effective August 16, 2021. Supervisor Crosby seconded the motion.

Supervisor Crosby made a motion to strike point number four (Section II.A.4.). The motion failed for lack of a second.

Supervisor Crosby made a motion to amend Paragraph B to include, " 'When' shall be defined as the lifetime of the Tier One PSPRS System". Vice-Chairman Judd seconded the motion. The Board and staff discussed that the unfunded liability was restructured for a 30-year period. Chairman English called for the vote, and it failed 1-2 (Judd and English opposed).

Supervisor Crosby made a motion to amend the Policy to state "Future PSPRS/CORP contributions deemed by the Board of Supervisors as necessitating County tax rates above the current Fiscal Year 2021 County tax rates shall be a levy passed by the voters." The motion failed for lack of a second.

Chairman English called for the vote on the original motion, and it was approved 3-0.

Chairman English adjourned the meeting at 10:37 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Kim Lemons, Clerk of the Board