

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
TUESDAY, FEBRUARY 23, 2021**

A work session of the Cochise County Board of Supervisors was held on Tuesday, February 23, 2021, at 11:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Ann English, Chairman; Peggy Judd, Vice-Chairman, telephonic; 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: Brandon Nee, County Supervisors Association
Vanessa Fielder, County Supervisors Association
Daniel Duchon, Budget Manager

Chairman English called the meeting to order at 11:17 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

ITEMS FOR DISCUSSION

Board of Supervisors

1. Discussion and Possible Direction regarding the County's Strategic Plan, Priority 6, Maintain Fiscal Responsibility:
 - Presentation by the County Supervisors Association (CSA) regarding the Public Safety Personnel Retirement System (PSPRS) Unfunded Liabilities and Possible Solutions for the future.

Mr. Nee and Ms. Fielder presented this item using a PowerPoint presentation. Mr. Nee stated that today's presentation is intended to help the Board begin to identify where it wants to go in the future. While CSA is presenting three options, there are a number of options that the Board may use. Mr. Nee provided detailed background information on how the PSPRS system functions, including investments, employer and employee contributions, the three Membership Tiers, and the status of PSPRS unfunded liabilities. The unfunded liabilities fall within Tiers I and II. Ms. Fielder clarified that Tier I ended in 2013 and Tier II ended in 2017; members who started after that are in Tier III.

The County's Tier I and II legacy debt is currently 36.8% funded, with an unfunded liability of \$37 million. Four years ago, the County chose a 30-year plan to pay off the PSPRS debt. Options for the Board to consider include shortening the repayment

period from 30 to 20 years; shortening the repayment period to a five-year payoff plan; and, issuing bonds for the full unfunded liability amount. Mr. Nee reviewed each of the three options in detail, including short-term cost, total cost, the impact to the annual budget capacity, and the repayment timeline, as well as pros and cons of each option. The Board, Ms. Fielder, and staff discussed various aspects, including interest rates and the different way by which the PSPRS system pays off the unfunded and new liabilities.

Mr. Nee reviewed questions for the Board to consider when moving forward and reviewed key points from the presentation. CSA will continue its work to improve the system.

The Board thanked CSA for the presentation and noted that it gives the Board a lot to think about moving forward.

Chairman English adjourned the meeting at 12:05 p.m.

APPROVED:

Ann English, Chairman

ATTEST:

Kim Lemons, Clerk of the Board