

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
TUESDAY, APRIL 18, 2023**

A work session of the Cochise County Board of Supervisors was held on Tuesday, April 18, 2023, at 9:30 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; Tom Crosby, Supervisor

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

Attendees: Philip S. Leiendecker, County Assessor
Felix Dagnino, Chief Deputy Assesor
Maureen Badosz, Administrative Assistant
Monica Miranda, Finance Director
Juan Frisby, Budget Manager

Chairman English called the meeting to order at 9:53 a.m.

ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION

ITEMS FOR DISCUSSION

Board of Supervisors

1. Budget Work Session - Discussion of County Budget for Fiscal Year 2023-2024 specifically: County Assessor's Office.

Mr. Leiendecker presented this item using a PowerPoint presentation. He reviewed the primary duties and functions of the Assessor's Office, pointing out that approximately 98% of everything that the office does is statutorily mandated, and generates the assessment roll.

Mr. Leiendecker discussed the five-year valuation history. The Full Cash Value (FVC) increased significantly in 2023 to over \$11 billion, some due to market value increase. Valuations for 2024 have gone out and they have increased by 12% to 21% across the board, due to increases in building costs, cost of materials and the real estate market. Mr. Leiendecker stated that the Assessor's Office is currently in the appeal period and as of yesterday have received about 100 appeals, which is light.

Mr. Leiendecker presented the Arizona Department of Revenue sales report depicting the County's compliance with statutory valuation levels. Mr. Leiendecker stated that when the real estate market fluctuates, the valuations must stay within the median range, which can be a challenge due to staffing and having enough data to make accurate determinations. The Assessors office is in the process of

reappraising land in the County and this will be completed in 2025.

Mr. Leiendecker reviewed 2025 assessment priorities and stated that the first priority is to identify and capture all new construction. The Board and Mr. Leiendecker discussed the importance of the use of aerial imagery to locate, identify and value property and the related challenges. In response to the Board, Mr. Leiendecker stated that in the last 30 years, the legislature has reduced the assessment rates where 45% of the tax base has been reduced. Commercial assessment rates have dropped to 18% and continue to drop 1/2 % each year, which creates a tax shift from commercial to residential and other classes of property. There was detailed discussion regarding the valuation of agricultural land.

Mr. Leiendecker stated that the commercial improvement conversions need to be completed and he would like to initiate a mobile home re-appraisal procedure next year. Mobile homes are being depreciated, which causes an inequity in valuation where stick-built homes are appreciating.

In response to the Board, Mr. Leiendecker stated that a complete re-appraisal of all agricultural properties was completed in 2023, resulting in a significant increase in grazing values and values of orchards. He discussed a previous issue where limited property value could only increase by 5% per year, resulting in 40-50 years before the limited property value would reach full value.

Mr. Leiendecker reviewed staff positions and vacancies, stating that the Assessor's Office is at a 47% staffing level on appraisal positions and detailed the job requirements, experience and the training required. Mr. Leiendecker stated that it takes approximately 2 years of experience for an appraiser to be effective. In response to the Board, Mr. Leiendecker stated that an appraiser could potentially pay for themselves by completing 75 \$200,000 assessments. He stated that he would like Human Resources to complete a credible market study for the appraiser position to offer a competitive wage to hire and promote retention. Mr. Leiendecker stated that the number of full-time positions in the Assessor's office has not increased in the last 22 years. Discussion ensued regarding the necessity of an outside market study. Mr. Leiendecker clarified to the Board that the \$200,000 that has been requested will not fund extra positions but will bring existing positions up to market.

Chairman English adjourned the meeting at 10:40 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Tim Mattix, Clerk of the Board