

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
SPECIAL/EXECUTIVE MEETING HELD ON
TUESDAY, JUNE 11, 2024**

A special meeting of the Cochise County Board of Supervisors was held on Tuesday, June 11, 2024, at 10:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

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

Chairman English called the meeting to order at 10:30 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

ACTION

Board of Supervisors

1. Adopt the Tentative County Budget for fiscal year 2024-2025 in the amount of \$289,456,368 (this amount is composed of \$107,194,173 in General Fund and \$182,262,195 in Special Revenue funds) and approve the Funding Requests as set forth in the attached exhibit.

Vice-Chairman Crosby made a motion to adopt the Tentative County Budget for fiscal year 2024-2025 in the amount of \$289,456,368 (this amount is composed of \$107,194,173 in General Fund and \$182,262,195 in Special Revenue funds) and approve the Funding Requests as set forth in the attached exhibit. Supervisor Judd seconded the motion.

Mr. Richard Karwaczka, County Administrator, introduced Juan Frisby, Budget Manager who presented this item using a PowerPoint presentation. Mr. Frisby stated that property tax revenues are going towards \$22 million. He stated the current revenue from sales tax is approximately \$10 million. The General Fund cash, also known as cash carry forward, is projected to be around \$37,934 for the next year. The General Fund revenue consists of 39% property tax, 36% sales tax, and 25% other sources. The property tax assessed value increased to \$1.14 billion, with sales tax projections including \$8.9 million from state-shared tax and \$7.1 million from vehicle license taxes. Mr. Frisby stated expenses are primarily allocated to the Sheriff

(25%), courts and criminal defense (24%), and health services (18%), with other departments making up the remaining 33%.

Mr. Karwaczka stated the changes to the General Fund expenditure include an increase of \$78,750 for employee benefits and \$331,900 due to a legislative increase in elected officials' salaries. He stated the Department of Labor's Fair Labor Standards Act (FLSA) changes will add \$162,500 to the expenditures, and market adjustments for salaries are set at \$1,225,232.

Mr. Frisby stated the current adopted budget has a 1.7% increase in the general fund, totaling \$1.7 million, which includes one-time projects and previously mentioned expense increases. He stated the special revenue fund has increased by 10.9%, primarily due to the jail district's needs.

In response to the Board, Mr. Frisby stated cash carry forward, refers to unused money from a department that gets integrated into next year's budget. He stated an alternative approach is zero-based budgeting which requires a detailed itemization of all projected expenses for the next year, essentially building the budget from scratch each time. He noted the County does not currently have the staff to support zero-based budget development.

Chairman English called for the vote and it was approved 2-1 (Crosby opposed).

2. Set a Truth in Taxation Hearing, pursuant to A.R.S. § 42-17107, for July 9, 2024 at 10:00 a.m. in the Board of Supervisors' Hearing Room, 1415 Melody Lane, Building G, Bisbee, Arizona, to receive public comment on the proposed tax levy.

Supervisor Judd made a motion to set a Truth in Taxation Hearing, pursuant to A.R.S. § 42-17107, for July 9, 2024 at 10:00 a.m. in the Board of Supervisors' Hearing Room, 1415 Melody Lane, Building G, Bisbee, Arizona, to receive public comment on the proposed tax levy. Vice-Chairman Crosby seconded the motion.

Mr. Karwaczka stated a Truth in Taxation hearing is necessary due to an increase in assessed property values, which also includes a 2% rate increase built into the budget. The hearing, scheduled for August 19th, allows the public to be notified and participate, providing transparency about the tax changes. He stated if the public is against the 2% increase, and it is not approved, the budget will be adjusted downward to match the new revenue expectations, but it cannot be increased beyond what was initially proposed.

Chairman English called for the vote and it was approved 3-0.

Chairman English adjourned the meeting at 10:46 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Sharon Gilman, Interim Clerk of the Board

