

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
SPECIAL MEETING HELD ON
TUESDAY, JUNE 10, 2025**

A special meeting of the Cochise County Board of Supervisors was held on Tuesday, June 10, 2025 at 9:00 a.m. in the Board of Supervisors' Hearing Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Frank Antenori, Chairman; Tom Crosby, Vice-Chairman; Kathleen L. Gomez, Supervisor

Staff Present: Sharon Gilman, Interim County Administrator
Joe Casey, Interim Deputy County Administrator
Lara Loewenheim, Clerk of the Board

Attendees: Stacy Fenhaus, Budget Manager

Chairman Antenori called the meeting to order at 9:59 a.m.

ACTION

Board of Supervisors

1. Adopt the Tentative County Budget for fiscal year 2025-2026 in the amount of \$293,120,335 (this amount is composed of \$110,634,585 in General Fund and \$182,485,750 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 2025-2026 in the amount of \$293,120,335 (this amount is composed of \$110,634,585 in General Fund and \$182,485,750 in Special Revenue funds) and approve the Funding Requests as set forth in the attached exhibit. Supervisor Gomez seconded the motion.

Ms. Gilman, presented this item using a PowerPoint presentation. Ms. Gilman outlined that the tentative budget includes various revenue sources such as property tax, sales tax, state-shared revenue, and funds from local departments. She stated the general fund expenditures are divided between the general government, the judicial system, the sheriff's office, elected offices, and health services, with notable increases in health benefits, 911 operations, and employee market adjustments. She noted additional cost increases are expected from judicial salary mandates, mosquito monitoring, and a substantial rise in Arizona Long Term Care System contributions.

Ms. Gilman highlighted that the budget includes an \$18.78 million contingency, about 17% of the total budget, intended for emergencies or revenue shortfalls. She stated an extra \$1 million in contingency was added as a buffer in case the state budget includes unexpected costs for the county. She noted counties also face a statutory expenditure limit, and while actual funds may exceed this, spending cannot surpass the cap. She

stated the finance team manages this by tracking allowable deductions and maintaining a \$10 million cushion to account for delays in reimbursements or audit adjustments.

Chairman Antenori explained that a 5% expenditure limit increase has been requested from the legislature to help avoid shifting costs into special districts like other counties have done. He emphasized the goal is not to spend more but to responsibly manage costs and pay down pension liabilities while keeping everything within the General Fund for better oversight. He stated the county plans to eliminate the jail district and fund jail operations directly from the General Fund, which would reduce taxes and overall spending.

Chairman Antenori highlighted a 2 percent reduction in the property tax rate, noting that higher assessed values still trigger a truth in taxation hearings despite the cut. He stressed the importance of funding pension liabilities and jail operations directly from the General Fund rather than offloading costs into special districts. Chairman Antenori argued that keeping overall tax rates as low as possible will spur economic growth, support employee market adjustments, and strengthen the private sector.

Ms. Gilman outlined a list of funding requests for inclusion in the budget. She noted key priorities emphasized by the Board included support for defense offices, court administration, and the Clerk of the Court to improve court system efficiency.

The Board and staff discussed the ongoing concern about unfunded pension liabilities. Ms. Gilman stated the combined unfunded liability for the Public Safety Personnel Retirement System (PSPRS) and Correction Officers Retirement Plan (CORP) currently stands at approximately \$36 million, down from \$32.6 million last year. She stated the county is budgeting an additional \$2.5 million payment, with a possibility of contributing up to \$5 million depending on year-end finances. Chairman Antenori stated that unlike other counties that issued bonds and raised taxes, the county plans to continue direct payments annually without increasing taxes.

Ms. Gilman provided a summary of the tentative budget totaling approximately \$293.1 million across all funds, with \$110 million in revenues. She explained that even with a 2% decrease in the property tax rate, a truth in taxation hearing would still be required.

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

2. Set a Truth in Taxation Hearing, pursuant to A.R.S. § 42-17107, for July 8, 2025, 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 made a motion to set a Truth in Taxation Hearing, pursuant to A.R.S. § 42-17107, for July 8, 2025, 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 Gomez seconded the motion.

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

Chairman Antenori adjourned the meeting at 10:28 a.m.

APPROVED:

Frank Antenori, Chairman

ATTEST:

Lara Loewenheim, Clerk of the Board