

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
MONDAY, APRIL 14, 2025**

A work session of the Cochise County Board of Supervisors was held on Monday, April 14, 2025, at 11:00 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: Jason Faccio, Director of Public Works
Harold Nixon, Operations Superintendent
Anissa Acedo, Business Manager
Jackie Watkins, Engineering and Natural Resources Director
Stacy Fenhaus, Budget Manager

Chairman Antenori called the meeting to order at 11:00 a.m.

ITEMS FOR DISCUSSION

Board of Supervisors

1. Budget Work Session - Discussion of the County Budget for Fiscal Year 2025-2026, specifically: Highway User Revenue Fund (HURF).

Technical difficulties started at 11:00 am and was corrected at 11:06 a.m.

Mr. Faccio presented this item using a PowerPoint presentation. Mr. Faccio reviewed the revenue and operating expenses for the HURF fund.

Mr. Faccio explained that there's a material shortage, prompting a plan to stockpile up to 20,000 tons at road yards for better efficiency during chip seal season. He stated there are various secure and strategic locations around the county that are used to store the material to cut transport time and reduce labor delays. He also clarified the chip seal process, noting that excess material left on the shoulders helps preserve road edges and is later sealed with fog oil for durability and appearance.

Stacy Fenhaus, Budget Manager, explained that interest earnings for the highway fund are based on its cash balance and are tracked separately through investments. She stated that while the fund can generate up to half a million dollars in interest annually, the actual amount fluctuates due to market changes and accounting adjustments. Interest is received monthly, and the fund's financials include unrealized gains and losses that can impact reported revenue.

In response to the Board, Ms. Fenhaus clarified that cash carry forward reflects funds earned in previous years that are budgeted for current use. Mr. Faccio stated some of those funds are being used, mainly in materials and professional services, to support road maintenance and stockpile supplies. He stated the department aims to exceed the 70-mile goal to catch up on neglected roads and improve overall maintenance. He also noted that contingency funds are also being built up in anticipation of large-scale road projects planned for the future.

Mr. Faccio discussed the heavy fleet usage charges, explaining these are direct costs billed to Highways for equipment like road graders and boot trucks. He stated that this year, the usual \$1.1 million contribution for fleet replacement was paused due to a contingency balance, and those funds were redirected to materials and professional services. He stated the department's contract outwork typically adds 15–20 miles of road maintenance on top of what internal crews handle, pushing progress closer to 100 miles annually. A new Road Management Technology (RMT) system is being leased to monitor road conditions with mounted sensors and cameras, while a \$2.9 million contingency is reserved for unexpected road or bridge repairs.

The Board and staff discussed the breakdown between utilities and overhead. Ms. Fenhaus clarified that utilities like electricity, water, and garbage are direct operational costs, while the \$983K overhead represents internal services the Highway Fund pays back to the County, including HR, finance, IT, and legal support.

In response to the Board, Mr. Faccio explained that his team handles the operations side of the Highway Department, which includes tasks like chip sealing roads and purchasing materials such as oil. He stated the engineering group identifies which roads need work and provides guidance and the operations crew carries out the actual maintenance based on that direction.

The Board and staff reviewed an item listed under "land" and questioned its purpose. Mr. Faccio explained the amount was likely related to back taxes paid on two parcels in the Sunsites area that had been donated to the County years ago. He stated there were no county roads connected to the land, and it's unclear why the Highway Department had acquired them in the first place.

Chairman Antenori adjourned the meeting at 11:37 a.m.

APPROVED:

Frank Antenori, Chairman

ATTEST:

Lara Loewenheim, Clerk of the Board