

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS  
WORK SESSION HELD ON  
WEDNESDAY, MAY 14, 2025**

A work session of the Cochise County Board of Supervisors was held on Wednesday, May 14, 2025, at 10:00 a.m. in the Board of Supervisors' Hearing Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Frank Antenori, Chairman; Tom Crosby, Vice-Chairman

Absent: 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 10:00 a.m.

***ITEMS FOR DISCUSSION***

**Board of Supervisors**

1. Budget Work Session -Discussion of County Funding Requests, Expenses and Revenue Projections for Fiscal Year 2025-2026.

Sharon Gilman, Interim County Administrator, stated that the departments have submitted their information, including baseline budgets and funding requests, and that work is ongoing toward finalizing the tentative budget for June.

Stacy Fenhaus, Budget Manager, presented this item by using a PowerPoint presentation. She stated the total county budget is expected to decrease by 3.78%, with the general fund increasing, but a reduction in special revenue and capital project funds due to the end of certain grants and fewer projects. She stated the proposed budget includes \$1.18 million for market adjustments and \$1.21 million for funding requests, with an estimated \$109 million in general fund revenues. She stated the property tax estimates reflect a 2% decrease in the levy alongside increases in property values, sales tax and state shared taxes.

In response to the Board, Ms. Fenhaus clarified that the 2% reduction was not a complete rollback to the 2024 rate. She explained that increasing by 2% and then applying a 2% reduction from a higher base resulted in a levy rate of approximately 2.363. She mentioned that she could adjust the rate further based on the Board's feedback.

Ms. Gilman clarified that the 2% reduction would bring the levy rate for fiscal year 2026 to 2.6736 which is slightly lower than fiscal year 2024.

Ms. Fenhaus discussed mandatory increases in the general fund.

Chairman Antenori suggested that personnel attrition could be used to reduce the

workforce over time, with positions being evaluated for criticality. He stated if positions were deemed non-essential, they could be eliminated, while critical roles would be filled to maintain necessary services.

The Board and staff discussed the increase in the Arizona Long Term Care Services (ALTCS) contribution, which currently stands at \$922,000 based on the Joint Legislative Budget Committee (JLBC) baseline. Ms. Fenhaus noted that the final costs wouldn't be known until the state concludes its budget process. She stated the contribution is influenced by federal funding for Medicaid, and the county's higher contribution is partly due to its federally qualified health center in Chiricahua. The Board and staff emphasized the potential impact of federal Medicaid cuts, particularly the rollback of Medicaid expansion in Arizona, which could negatively affect the county's budget.

Ms. Fenhaus introduced the next section on personnel funding requests, noting it was split into two parts: admin-recommended items and those not recommended for Board approval. She clarified that a specific court-related request had been adjusted. She noted that instead of funding one supervisor and three generalists for the judicial call center, the revised proposal included just one supervisor and one generalist and half of the funding for a deputy court administrator position was agreed to be presented to the Board for a decision. Ms. Gilman had already informed the departments whose requests were not being recommended, though the Board retains the option to revisit those decisions.

In response to the Board, Ms. Gilman stated that the Department of Emergency and Military Affairs (DEMA) grants had ended and the Sheriff's office is proposing to move them back to the general fund. She noted that the move does not represent a new cost overall but it does increase general fund expenses.

The Board and staff reviewed operational funding requests, including both one-time and ongoing expenses. The Board and staff discussed items ranging from contract extensions and increased legal support costs to financial consulting for audit prep and Enterprise Resource Planning (ERP) implementation, with interest expressed in a more thorough audit after the new system is established.

In response to the Board, Mr. Casey clarified that the ERP implementation stemmed from a broader analysis over the years, not directly from the prior audit. He explained that the countywide audit conducted about four years ago focused on identifying fraud and risks, and risk management worked to address any issues that were uncovered.

Ms. Fenhaus shared a building enhancement request from Cochise County Sheriff's Office (CCSO) focused on boosting security at multiple sites. She stated the proposal includes installing ballistic glass and other upgraded security measures.

Chairman Antenori expressed skepticism about the need for ballistic glass, questioning whether there were actual safety incidents to justify it. He implied the request might stem more from influence or comparison with other departments than from necessity.

Ms. Fenhaus explained that two Full-Time Equivalent (FTE) increase requests are being presented but will not impact the general fund. She stated that Southeastern Arizona Communications (SEACOM) is requesting five dispatchers and one administrative aide, which their Joint Powers Authority Board (JPA) has approved to be funded through their existing fund balance. She stated the additions are contingent on bringing in new subscribers, such as Graham County. She stated the other FTE request is a Clerk II position for the Bowie Justice Court which will be funded through their court enhancement fund.

Ms. Fenhaus explained the historical county market plan and the varying increases over the past years. She stated this years proposed increase is based on the available revenues and expenses, with a maximum adjustment that would represent 92.42% of the market, without needing additional funding sources like tax increases.

The Board and staff discussed the challenge of balancing employee retention with market salary competitiveness. Ms. Gilman noted that employees in counties offering higher wages, such as those at 115% of the market, may leave for better opportunities, and that it is difficult to stop them from doing so. Ms. Gilman stated the goal is to balance public expectations, employee needs, and budget constraints while maintaining quality services.

Ms. Fenhaus explained that the county is continuously working to close the gap between employee compensation and market rates. She stated for the upcoming year, a proposal to stay just under 90% is the goal to balance fair compensation for employees while also meeting public expectations within the available budget.

The Board discussed various potential budget reductions and adjustments. The Board suggested to cut the Community Enhancement Fund, reducing it from \$75,000 to \$25,000. Vice-Chairman Crosby stated the flood control district needs to reduce taxation rate to zero, which could result in a \$2.6 million revenue loss, but could also help fund road projects related to flood control. Chairman Antenori agreed to review the flood control funds, including the \$7 million carry-forward, and consider redirecting it for projects like culverts and road improvements instead of large-scale flood control projects.

The Board and staff acknowledged the uncertainty of the jail district tax's future due to pending litigation and a November vote, estimating a potential \$10.8 million revenue loss if the tax is suspended, while agreeing to proceed with a status-quo general district budget. Staff emphasized the importance of using the intervening years to accurately project the general fund's share of jail maintenance, operation, and support costs once the district dissolves.

Ms. Fenhaus discussed the upcoming budget process, including the tentative budget on June 10th, 2025, final budget vote on June 8th, 2025, and property tax rate adoption on August 18th, 2025. She stated there will be a public hearing in July about truth in taxation, despite not raising rates, due to a 2% increase in assessments.

Chairman Antenori emphasized discussions about salary adjustments for Sheriff's deputies and other frontline officers, focusing on how to allocate the pay raises. He highlighted the idea of utilizing community enhancement funds to adjust market rates and alleviate the general fund's financial strain through better revenue generation in departments like Health.

Chairman Antenori adjourned the meeting at 11:29 a.m.

APPROVED:

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Frank Antenori, Chairman

ATTEST:

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Lara Loewenheim, Clerk of the Board