

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
WEDNESDAY, MAY 26, 2021**

A work session of the Cochise County Board of Supervisors was held on Wednesday, May 26, 2021, at 10:00 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, telephonic; Tom Crosby, Supervisor

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

Attendees: Cathy Traywick, County Treasurer

Chairman English called the meeting to order at 10:00 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

ITEMS FOR DISCUSSION

Board of Supervisors

1. Discussion and possible direction on whether property owners who pay property taxes in cities within Cochise County that have police departments should be taxed in FY21/22 at a rate that is no higher than the rate in FY 20/21.

Supervisor Crosby presented this item using a PowerPoint presentation. He reviewed Public Safety Personnel Retirement System (PSPRS) unfunded liabilities; a potential upcoming period of inflation; and, his views on taxes and their impact to businesses and property owners. He reviewed periods where the investment returns for PSPRS significantly decreased and the statewide aggregate funding level and its impact on taxpayers. He compared PSPRS liabilities between the County and municipalities as a percent of the overall budgets. He discussed asymmetry in taxation and stated that there is no service improvement for paying into PSPRS or by raising property tax to cover it. He reviewed the County's property valuation and compared the ratio of the County's debt to property valuation to that of Sierra Vista. His reasons for bringing this to the Board include asymmetry in taxation, municipalities except Benson having worse PSPRS liabilities than the County, and his view of implementing incremental tax increases. He asked the Board to consider supporting a resolution that property in cities with Police Departments in the County shall not be taxed at a higher rate in Fiscal Year 2021-2022 than in Fiscal Year 2020-2021.

In response to the Board, Ms. Roberts stated that it is not possible to tax unincorporated areas higher than incorporated areas.

Ms. Traywick stated that the County cannot levy a separate amount based on being in incorporated or unincorporated areas.

The Board discussed having not yet met to discuss raising tax rates; Supervisor Crosby's proposed property tax resolution, discussed April 26, 2021; their thoughts and opinions on taxes and on this proposal; and, the unknown impact to the County that may occur when the state of Arizona adopts its budget.

Ms. Traywick stated that taxpayers generally are not concerned with the tax rate; rather, their concern is the total dollar amount of the levy. She discussed the difference, noting that the tax rate may increase or decrease to keep the total levy amount at the same level.

The Board continued their discussion. Chairman English noted that the information has now been presented to the Board and will be a part of the decision-making process.

Chairman English adjourned the meeting at 10:32 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Tim Mattix, Deputy Clerk of the Board