

**MINUTES
OF THE
LA PAZ COUNTY BOARD OF SUPERVISORS
Monday, February 5, 2018, 11:00 a.m.
Special Meeting/Public Hearing**

Chairman Wilson called the February 5, 2018, special meeting of the La Paz County Board of Supervisors to order at 11:00 a.m. Elected Officials and Department Heads present were: Chairman Wilson, Supervisor Minor, Supervisor Irwin, County Administrator Drake, Sheriff Risen, Elections Director Scholl, County Attorney Rogers, Assessor Camacho, Recorder Baker; and Deputy Clerk of the Board Green. Also present was Tim Pickering of Squire, Patton & Boggs; and Members Sexson, Schilling, Denton, Learn, Seechoma, and Nault of the La Paz County Budget and Finance Committee.

PUBLIC HEARING:

Proposal authorizing expenditures by the County of not more than \$3,000,000 in excess of its constitutional expenditure limitation for the fiscal year ending June 30, 2019, and the submission of such proposal to the electors of the County at a special election on May 15, 2018

Chairman Wilson stated that this was the “second public hearing to be conducted pursuant to Arizona Revised Statutes Section 41-563.01, on a proposal authorizing expenditures by La Paz County of not more than \$3,000,000 in excess of its constitutional expenditure limitation established pursuant to Article IX, Section 20, of the Arizona Constitution, for the fiscal year ending June 30, 2019 and the submission of such proposal to the electors of the County at a special election on May 15, 2018. The purpose of the hearing is solely to receive verbal or written comments from the public regarding the proposal”.

County Administrator Drake introduced Finance Director Krukemyer who would have a power point presentation on the County’s history on expenditures.

Finance Director Krukemyer explained at length the difference in spending trends from last year compared to this year; however, noting that revenues were currently \$65,000 over the County’s expenditures. He added that the County was running “in the black” in 2018; and “right on target”, with a good budgeting process going into the new fiscal year.

He gave a history of the expenditure limitation overages reported since 2014, which increased over the years to the current amount at just over \$2 million; the reason for the expenditure limitation increase request to \$3 million at the May special election for the 2018/2019 fiscal year.

County Administrator Drake explained that he obtained information from the Auditor Generals website that explained what expenditure limitations were and how those limitations amounts were determined.

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He further explained that the County's limitations were set in 1983; however, over the years expenditures increased over and above the limitations set in 1983, and the County became subject to penalties.

County Administrator Drake stated that the request for an increase in expenditure limitations was not a tax increase; but permission from the voters to simply allow the County to operate on its budget.

He stated that County has had conversations with the Auditor General about the situation and that office was agreeable that the County was going about it the best way; a successful May election would allow the County to operate on its budget limitations for the 2018/2019 fiscal year coming up.

He added that the County would again hold an election in November 2018 for a permanent increase that would be adequate for years to come.

He stated there was a bill in the House that requested waiving the penalties incurred based on the audits submitted; and it is expected there was a good chance it would be approved.

County Administrator Drake stated that the County had never requested an increase in its established expenditure limitations since its creation; while other Counties, such as Greenlee County, similar in size to La Paz County, has had three increases since their creation as a County.

He noted that, ironically, revenues made at the Golf Course and the Parks help put the County over its expenditure limits.

Chairman Wilson stated that this hearing was the second hearing publicized in the Parker Pioneer in its January 17th and 24th publications.

He stated that the Clerk had reported that there had been no receipt of comments, for or against the proposed expenditures.

Chairman Wilson opened the public hearing and asked if anyone wished to comment on the proposed increase in expenditure limitations at a May 5, 2018 special election.

George Nault asked why would the Board not ask for the increase all at once in the May election.

Chairman Wilson explained that a permanent base increase could only be done at a General Election.

County Administrator Drake added that if the request for the increase was delayed until November, it would be beyond the July 2018 budget adoption, and the Auditor General would not permit that.

There being no further comments, Chairman Wilson closed the public hearing.

Discussion and possible action on the following items:

Receive recommendation by the Budget and Finance Committee for discussion and possible action

Budget and Finance Committee (BFC) Chairman Sexson presented and read a letter to the Board with their findings and recommendation to the Board of Supervisors.

The letter stated that the Committee, formed with 15 members; Lori Wedemeyer, Melissa Newton, Caryn Bonds, Claudia Seechoma, Don Denton, Terry Sexson, Robin Schilling, Norm Simpson, Keith Learn, Robbie Kaufman, Gene and Maggie Ross, Dennis Price, Gary Saiter, and George Nault, for the purposes of giving recommendation to the Board related to the draft Financial Stability Plan.

He read the recommendations of the Committee as follows:

1. Expenditure Limitation Issues
 - a. Recommend continued efforts to pass HB2290 which provides relief from potential expenditure limitation penalties up to and including fiscal year 2017/2018
 - b. Recommend a Special Election May 15, 2018 to provide a \$3,000,000 expenditure limitation increase for fiscal year 2018/2019
 - c. Recommend a ballot measure for the November 2018 General Election to provide an increase in the Expenditure Limitation Base Amount, estimated to be in the amount of \$3,000,000
 - d. Recommend a substantial effort be made to inform and educate the public regarding these elections to include Town Halls throughout the County
2. Budget: Recommend that the 2018/2019 budget be completed in a timely manner using appropriate revenue and expenditure estimates

The Committee further recommends that the County continue to pursue new revenue sources to fund County operations with the goal of reducing the property tax burden on property owners.

BFC Chairman Sexson thanked County Administrator Drake and Finance Director Krukemyer for assisting them with the issues. He expressed that the issues were “simple”, but getting through them was “complicated”.

He added that there will need to be a substantial effort to educate the public, suggesting townhall meetings and the like. He recommended budget approval in a timely manner and pursuing new revenue sources.

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CHAIRMAN WILSON MOVED to approve the recommendation received by the Budget and Finance Committee. Motion seconded by Supervisor Minor, passed unanimously.

Adopt Resolution No. 2018-01, authorizing expenditures by La Paz County, Arizona, of \$3,000,000 in excess of the county’s constitutional expenditure limitation for the fiscal year ending June 30, 2019, and submitting such authorization to the electors of La Paz County at a Special Election to be held on May 15, 2018

SUPERVISOR MINOR MOVED to adopt Resolution No. 2018-01, authorizing expenditures by La Paz County, Arizona, of \$3,000,000 in excess of the county’s constitutional expenditure limitation for the fiscal year ending June 30, 2019, and submitting such authorization to the electors of La Paz County at a Special Election to be held on May 15, 2018. Motion seconded by Supervisor Irwin.

Deputy Clerk of the Board Green conducted a roll call vote as follows:

Chairman Wilson:	aye
Supervisor Minor:	aye
Supervisor Irwin:	aye

MOTION PASSED unanimously.

Adopt Resolution No. 2018-02, expressing Board appreciation for service by Members of the La Paz County Budget and Finance Committee for work performed in connection with the authorization of a \$3,000,000 one-time override of the County’s constitutional expenditure limitation for Fiscal Year ending June 30, 2019; permanent base amount increase of \$3,000,000 for the November 2018 General Election; and other financial plans of the County

County Administrator Drake expressed that, as a “newcomer” to the County, he has seen overwhelming support of the action taken. He found that, instead of a position of “ridicule”, the public asked “how can we help?”. He stated he wished to “express his sincere thank you” for all the effort that was put into this by the Committee and others who called in and asked if they could help.

Chairman Wilson read aloud the resolution expressing thanks to the members of the La Paz County Budget and Finance Committee; and with that, announcing that the work of the Committee was completed, and the Committee was declared dissolved.

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Adjournment

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

APPROVED:

D. L. Wilson, Chairman

ATTEST:

Diane Green, Deputy Clerk of the Board