



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 9/19/2023

**= Mandatory, information must be provided*

Click or tap the boxes to enter text. If not applicable, indicate "N/A".

***Title:**

Revisions to BOS Policy D22.4, Tax Reduction and Debt Retirement Fund

***Introduction/Background:**

Originally adopted on October 26, 1999, this policy established a process for reducing or offsetting property tax rate increases that would otherwise be required to retire long-term deficits and/or fund one-time expenditures.

***Discussion:**

We are requesting this policy be eliminated as this policy is no longer needed because the policy's purpose is now included in BOS Policy D 22.12 General Fund Capital Improvement Fund Pay-As-You-Go Program and Policy D 22.13 General Fund – Fund Balance.

***Conclusion:**

The elimination of this policy will remove a redundant policy.

***Recommendation:**

Staff recommends eliminating this policy.

***Fiscal Impact:**

The County will continue to develop and adopt an annual budget to ensure transparency, accountability, and compliance.

***Board of Supervisor District:**

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Department Director Signature:

Ellen Moulton

Date:

9/1/23

Deputy County Administrator Signature:

[Signature]

Date:

9/11/23

County Administrator Signature:

Date:

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PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

| <u>Subject:</u> Tax Reduction and Debt Retirement Fund | Policy Number | Page |
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Purpose

The purpose of this policy is to establish a Pima County Tax Reduction and Debt Retirement Fund to be used to reduce cash flow borrowing as well as reduce or offset property tax rate increases that would otherwise be required to retire long term deficits within the County or fund other one-time expenditures necessary to provide for the health, safety or welfare of County residents.

Policy

There is established a Pima County Tax Reduction and Debt Retirement Fund. The Fund consists of unrestricted monies specifically budgeted or transferred to the Fund by the Board of Supervisors.

Monies to be considered by the Board for potential budgeting or transfer to the Fund shall include:

1. Unanticipated reimbursements for previously provided services.
2. Unbudgeted revenues from newly implemented fee schedules.
3. Unbudgeted revenue sharing or cost savings resulting from actions of the state or federal government.
4. Proceeds from the sale of County assets.
5. Unbudgeted monetary judgments in favor of the County.

The minimum target balance for the Fund is five million dollars and may be increased by recommendation of the County Administrator and approval by the Board.

The Fund shall be used by the Board of Supervisors in adopting the annual operating budget for the County to reduce the amount of countywide taxes that would otherwise be necessary to be levied.

Expenditures and uses of the Fund may include:

1. Fiscal stabilization by supplementing revenues during economic downturns. Such use shall include a plan to implement appropriate budgetary and financial management changes to accommodate the new, constrained economic environment.
2. Retiring outstanding long and/or short term debt.
3. Reduction of cash flow borrowing.
4. Funding of one-time capital purchases with cash to avoid incurring debt, as long as sufficient reserves remain to ensure financial stability.
5. Funding of outstanding but otherwise unfunded liabilities of the County including liabilities associated with major County assets.

The County Administrator shall include within the annual Recommended Budget recommendations consistent with this policy for allocations to and expenditures from the Fund. During a Fiscal Year the County Administrator may recommend to the Board that monies identified by this policy be transferred into the Fund.

Oct 26, 1999