

## BOARD OF SUPERVISORS' RETREAT MEETING MINUTES

The Pima County Board of Supervisors met in session at the Pima County Administrator's Office, 115 N. Church Avenue, 2nd Floor, Copper Conference Room, Tucson, Arizona, at 12:00 p.m. on Monday, February 9, 2026. Upon roll call, those present and absent were as follows:

Present: Jennifer Allen, Chair  
Dr. Matt Heinz, Vice Chair  
\*Rex Scott, Member  
Steve Christy, Member  
Andrés Cano, Member

Also Present: Jan Leshar, County Administrator  
Sam E. Brown, Chief Civil Deputy County Attorney  
Melissa Manriquez, Clerk of the Board  
John Stuckey, Sergeant at Arms

\*Supervisor Scott participated remotely.

(Clerk's Note: See the attached verbatim of the meeting minutes.)

### 1. **PLEDGE OF ALLEGIANCE**

All present joined in the Pledge of Allegiance.

### 2. **LAND ACKNOWLEDGEMENT STATEMENT**

The Land Acknowledgment Statement was delivered by Sam E. Brown, Chief Civil Deputy County Attorney.

### **COUNTY ADMINISTRATOR**

### 3. **Budget Overview**

Discussion/Direction/Action: State of the County Budget/Alignment with Strategic Plan & Prosperity Initiative; Five year budget forecast; Current Iteration/Status Budget Fiscal Year 2026/27; Projected expenses and revenues; Possible challenges and opportunities.

### 4. **Bonds**

Discussion/Direction/Action: Identification of need; Review of required timelines and possible next steps.

5. **Expenditure Limit Report (ELR)**

Discussion/Direction/Action: Status of Pima County Expenditures vs. Limit; Review of next steps and authorization to proceed with preparation of November 2026 Voter Approval.

It was moved by Supervisor Heinz, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Christy abstained, to direct staff to prepare to send to the ballot a permanent base limit adjustment proposal for the voters to approve in 2026 November.

6. **Break**

7. **Special Taxing Districts**

Discussion/Direction/Action: Review of Special Taxing Districts in Arizona and Next Steps to create District(s) in Pima County.

8. **County Administrator Search Process**

Discussion/Direction/Action of Process and Timeline.

**RECORDER**

9. **2026 Regional Transportation Authority Special Election - Early Ballot Drop-Off Sites and Replacement Locations**

Discussion/Direction/Action:

RESOLUTION NO. 2026 – 5, of the Board of Supervisors, relating to elections; approving the early ballot drop-off sites and authorizing ballot replacement locations for the 2026 Regional Transportation Authority Special Election.

It was moved by Chair Allen and seconded by Supervisor Heinz to adopt the Resolution. No vote was taken at this time.

A substitute motion was made by Supervisor Christy to approve the ballot off sites and replacement locations as presented, but to pull the Mobile Voting Unit from the item for future discussion and consideration at the Board of Supervisors' Meeting of February 17, 2026. The substitute motion died for lack of a second.

Upon the vote of the original motion, it carried 4-1, Supervisor Christy voted "Nay."

10. **ADJOURNMENT**

As there was no further business to come before the Board, the meeting was adjourned at 3:15 p.m.

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CHAIR

ATTEST:

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CLERK

DRAFT

Verbatim

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JA: Chair Allen  
RS: Supervisor Scott  
MH: Supervisor Heinz  
SC: Supervisor Christy  
AC: Supervisor Cano  
JL: Jan Leshar, County Administrator  
SH: Steve Holmes, Deputy County Administrator  
CD: Carmine DeBonis, Jr., Deputy County Administrator  
SB: Sam E. Brown, Chief Civil Deputy County Attorney  
MM: Melissa Manriquez, Clerk of the Board  
ART: Art Cuaron, Director, Finance and Risk Management

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JA: Good afternoon. Welcome to the second Board of Supervisors' Retreat. We are going to start it out with roll call.

MM: Supervisor Cano?

AC: Here.

MM: Supervisor Christy?

SC: Here.

MM: Supervisor Heinz?

MH: Present.

MM: Supervisor Scott?

RS: Here.

MM: Chair Allen?

JA: Here.

MM: Let the record show Supervisor Scott is participating remotely. All Board members are present.

JA: Thank you. We will move on to the Pledge of Allegiance. *I pledge allegiance to the flag of the United States of America and to the Republic for which it stands. One Nation under God, indivisible, with liberty and justice for all.* For Item No. 3, Sam Brown is reading our Land Acknowledge Statement, our Chief Civil Deputy County Attorney.

SB: Thank you, Chair. *On behalf of Pima County residents, we honor the tribal nations who have served as caretakers of this land from time immemorial and respectfully acknowledge the ancestral homelands of the Tohono O'odham Nation and the multi millennial presence of the Pascua Yaqui Tribe within Pima County. Consistent with Pima County's commitment to diversity and inclusion, we strive toward building equal partner relationships with Arizona's tribal nations.*

JA: Thank you. We will move on to Item No. 4, which is the Budget Overview.

JL: Okay. Thank you very much, Chair Allen, and thank you all for being here today. What we are looking for, I think, is some general guidance, perhaps guardrails of what the Board is interested in including in next year's budget. We will share with you the work done to date, but nothing of course is nearing finalization and so it is good to have your input about your thoughts of tax rates, inclusion of dreams, etc. You know, those sorts of thoughts. And I will tell you, I think with the direction of this Board and the incredible work by our department directors, we are in what I would consider very good shape fiscally. We come to the budget a bit conservative financially, and what we are looking at is the fact that we are not in the hole for this year. We are taking a fund balance forward and that is helping us make next year's budget. I think what has been the concern with the staff, and we have all discussed it at the Board level in the last five years or so, we have come out of about a half \$1 billion in additional funds, with about \$150 million in recovery dollars, another \$350 million in CARES dollars, and those were all programs provided at the County that then we have from which we have been winding down. And I think that, as I mentioned, an extraordinary effort by the directors to come out of additional \$500 million and be still sitting in an okay position. But what we are going to do is walk you through kind of where we are with the draft. And I will share that at this point, when we begin to look at current year, what we have been doing this year, looking at taking all of our various departments and doing a plus up in their budgets for inflation, increasing utilities, things that we know will hit everyone. We did not expect departments to budget for that. We have provided the dollars, and we will review that number with you. We have looked at the fact, obviously the Board has a policy that includes a three-cent tax rate increase in the primary to support affordable housing. What you will see so far that we have been discussing at the staff level would include a \$0.01 increase in the Flood Control District to really move forward our programs with One Pima with work in the washes, etcetera, and a \$0.02 increase in the Library District so that we can begin to build to ensure that we can continue staffing and building libraries and support PEEPs and not have any kind of problem between the two. When we go through an overview of the budget, you will see we will also share with you. As you know, we looked at DREAM requests. We ask departments to dream and by that we thought it was important for the Board to not only see what departments might need next year, but what they are thinking for the next 3 to 5 years, so that the Board can begin to look at what is the trajectory as we go down the road, so there is no surprises, but for what might we need to build. When we look at all that together, we are looking at a pretty good budget. And then we have two buckets that we want to just discuss with the Board today. One is if we

look at DREAM requests, that staff is not at this point recommending be included, that is round numbers, about \$10 million. When you look at a compensation package that will include work, continued work in class and comp to get everyone within 1 to 2 grades of what we think they ought to be, adding daycare, adding student loan forgiveness, some of those elements. That is another \$15. So we would be looking at an additional approximately \$25 million in some expenditures. We also have for the Board today a look at what increased revenues might be. Do we look at reviewing the Board policy about 17% to 15% again? Do we look at PAYGO? How would we look at that? But if the Board would like to consider any of that additional \$25 million, we make that balance by either increasing revenues or decreasing expenditures and that is what is before the Board today. But I will go back before I turn it over to Art, and when we get to the pieces, Deputy County Administrator DeBonis is going to talk through what we are doing with some of the compensation piece and the class and comp. Deputy County Administrator Holmes will talk with you about some of the additional programs we have been considering and reviewing. But most of this will now be with Art Cuaron and his team. But again, because of Art, Andy, Javier and all of the team working on it, it allows us all to sleep through the night a little bit more when we are coming to you with the ability to balance this budget without making some hefty or devastating cuts. So that is simply the introduction in the way of saying we are in pretty good shape. And now we will start looking at next year and welcome guidance and direction. Mr. Cuaron?

ART: Thank you, Administrator Leshner. Members of the Board, Chair Allen, thank you so much for allowing us to be here and spend this time with you today. Administrator Leshner touched on this budget slide here. Overall for FY25/26, and you will recall last week I gave this same update, our General Fund budget is physically stable for this fiscal year. We have General Fund revenues projected to exceed our budget at this point by about \$9 million. Our General Fund expenditures are trending lower. As I mentioned at the Board meeting last week, our departments are doing a good job of monitoring our expenditures. And so the combination of our revenues projected to exceed budget and general expenditures trending lower, leaves that projected fund balance increased as a result of those aforementioned things of about \$20.8 for the Period 6 Forecast. We will obviously continue to update you as new numbers come in and those will be made available to the Board. Our '26/27, as Administrator Leshner laid out, based General Fund budget demonstrates continued stability. And so what I mean by that is just taking our base revenues and our base expenditures we are in a financially stable position. And you will see that in the next slide. As we talk about our budget process and where we are in that process, this is a slide that I shared with you. I believe it was at the November Financial Forecast. Base budgets were due November 24th or I am sorry, January 16th, and we are in between where the gold star is. Today is the retreat. We will go over some high level numbers. We will also be coming back to you on February 17th to discuss the Strategic Plan Overview as it relates and intertwines with our budget. Some of the key terms at the bottom of the page there just high level base budget. As Administrator Leshner mentioned it is our base budget adjusted for known and measurable financial changes, utility increases, known contractual changes, increases in postage and other sort of volumetric increases and adjustments that have needed to be made in

some of the departments based on the volume that they are seeing. Our revenue streams does include the implementation of the Board of Supervisors policies, including our PAYGO program, our state cost shift, BOS policy, as well as the closing the gap in our affordable housing of three cents. Our DREAM submissions, we have General Fund and Non-General Fund requests with those that do not have an identified funding source as yet. And then we have supplemental requests, which are requests that are made by Non-General Fund departments that have dedicated revenue streams to cover those increases in supplemental requests. Next slide please. So this slide here demonstrates our Base Budget for '26/27. Again on the left hand side you will see the revenues, on the right hand side you will see our expenditures. And just starting with that '25/26 base on the left side, you will see \$802.6 million in base revenues. And we are adding those revenue components really due to our BOS policies, at least the last three. We have a \$21.1 million increase in our revenue stream due to our net assessed value, an additional \$3 million as a result of our PAYGO property tax. We have state cost shifts of \$4.7 million, the three cents for affordable housing, \$3.7. And then we are seeing additional vehicle license tax of \$2.2 million for '27 and \$14.9, in additional state shared sales tax as the economy continues to hum right along. Total net change from '25/26 as we look into '26/27 is close to \$50 million. So total revenues in '26 is \$852.2. We add a little bit in Transfers In to get to that \$855.4 as far as revenues and transfers in total sources, if you were. On the right hand side, you will see our expenditure number \$722 million. If we take out our budget stabilization, which is really our contingency of \$1 million, and we also have a lawyers contingency for things that are unforeseen from a litigation standpoint, that is \$1.7. We are adding additional \$2.4 million in retirement costs based upon projections that ASRS and PSPRS, and we have a total change there of a little less than a million at \$700,000.00. That brings our projected FY26 based expenditures at \$722.7. Our total Transfers Out, you may note, is \$132 million. Transfers Out equates to our debt service, we transfer out money to our Debt Service Fund to pay our debt service on our COPS, that is \$45.7. Our transfer to the Health Department is \$18 million. We have our PAYGO to CIP of \$31.3. Again, that is in line with the policy. And then we have our PAYGO to DOT debt service for the bonds that we issued for road improvements of \$25 million. That gets us to expenditures and transfers out of total uses of \$855 million. So there again, Administrator Lesher's opening comments about budget stability. All things being equal, where we have our total uses and our total sources, just about even with a slight increase in our revenues of \$400,000.00 to the good. Next slide. Now, as we get into our General Fund projections with adding in our base budget adjustments, our DREAM requests of those that are still alive for consideration, and then our increase in Transfers Out, you can see our total expenditures there is \$906.1 against our revenues at the bottom there of \$855.4, which is the same number from the bottom slide. We are projecting available use of fund balance in this budget of \$20.2 million. And you can see the difference is the number that we are trying to solve for is just a little bit over \$30 million as we get into our discussions about DREAM requests and base budget increases and supplemental requests. Next slide please.

- AC: Chair Allen. Just a quick question for the Director. When you are saying the balance is \$30, Director Cuaron, you are asking the Board to look at total sources and then the expenditures. So it is the \$906 minus the \$875?
- ART: Yes. Correct. It is on the chart to the left, you will see the expenditure number at \$906.1 and the \$875.6. The difference is the number that we are trying to solve for.
- AC: Got it. And Chair Allen, with your permission, I would like the County Administration to work on a breakdown of our PAYGO funds, historical investment and a district-by-district breakdown as well, please. Thank you. And that is related to transportation is what I am thinking about.
- RS: Can I ask for a clarification on that request from Supervisor Cano? The County is responsible only for roads in the unincorporated areas. So if you are looking at districts that are largely unincorporated, such as mine, if you look at the road repair and maintenance list in any given year, a lot of those roads are going to be in District 1. There will also be a substantial number in Districts 3 and 4, because they also have a lot of unincorporated land, which is where the 2,200 plus miles of roadway that we are responsible for are located. So I just hope that that is taken into account when we follow up on that request.
- AC: Chair Allen. Thank you and Supervisor Scott certainly recognized the geographical constraints that our districts face, and certainly really just wanting to get a better picture to understand PAYGO a bit more.
- RS: Thank you, Supervisor.
- SC: Being on the Board, the time PAYGO creation that theoretically was devoted primarily, if not completely to a County road repair plan. Now, since that time, it is morphed into other capital projects. So I think it is important that we underscore that change from taking care of our roads to a number of other projects that got thrown in there since that time.
- ART: Thank you for that question, Supervisor Cano, and we will get to work on that. This slide demonstrates our assumptions as we move through working with the departments. Again, this is a working draft. The revenues on the left are the same from the prior two slides. With the addition of the use of fund balance that we are programming in as of this point to our '26/27 budget discussions. \$20.2 so you see our total sources there of \$875.6 that corresponds to the previous slide, the snippet of the chart on the previous slide. On the right hand side are our expenditures. You can see our '26/27 base of \$722.7. If we add in our base budget adjustments of \$0.9 again, these are things to account for inflation, utility cost increases, postage increases, known contractual changes. Those total \$20.9. Our General Fund DREAM requests that are still alive, total \$10.2. There is a slide in here that will further delve into what those DREAM requests are. And then we have \$15.6 million earmarked for our compensation strategy. As Ms. Leshar pointed out earlier, these are things for childcare, student loan repayments. We have the below grade and

benchmarking costs that are included in that number as well. And Deputy County Administrator DeBonis will take you through those numbers a little bit later in the presentation. We add in our Transfers Out again, base transfers out of \$132.3 million. That corresponds to the number on the prior slides. We have an increase to PAYGO. That is \$3 million. So that is just a net in and net out. And then we have additional health support for \$1.4 million as a Transfer Out to our Health Department. For those, a portion of that is a base budget adjustment and a portion of that is a DREAM request for heat related programs. Next slide please. We did include a slide here to further define what a Transfer In and a Transfer Out is. Transfer In to the General Fund is money that the General Fund receives from another fund within the County. As examples, we have indirect cost recoveries on grants that come into the General Fund from our Grants Fund. And then, you know, we have things like vehicle impound revenues that are collected from the Sheriff's Department. They move from the Special Revenue Fund to our General Fund. Again, this number is \$3.2 million that we are projecting in '26/27. And then our Transfers Out, I have alluded to this a little bit in the presentation thus far, we have money going out of the General Fund to other funds within the County. So General Fund provides monies to our Debt Service Fund to make our debt service payments on our COPS. And then we have the aforementioned subsidy to the Health Fund to sustain Health Department operations.

SC: Question on the Transfers Out the General Fund monies for debt service. What about past bonds?

ART: Chair Allen, Supervisor Christy, that is included in debt service payments. So anything that the General Fund issued that we transfer out to the debt service funds are from prior bond issuances.

SC: What would you estimate is the balance of those bonds? Just the bonds not the COPS, just the bonds.

ART: Oh, Chair Allen, Supervisor Christy, we would have to get back to you with that. I do not have that number right off the top.

SC: But that is included?

ART: [makes note of request] Next slide. So as we talk at a high level about what are some funding levers that the Board has available as we look to solve for that \$30 million that we mentioned, we can look at BOS policy review with respect to the PAYGO, with respect to state cost shifts, what we do there, we have a General Fund, Fund Balance policy that the Board has authorized, you know, one time use from 17% to 15% for this current year. Again, we are recommending that we go back to 17% for '26/27. But that, again, is within a lever that the Board has at its disposal. And then, you know, we could also look at what we are doing with the affordable housing and the three cents. On the revenue side, we can look at a property tax rate increase, the, you know, for every \$0.01 of a property tax rate increase, you get about \$1.2 million in revenue. As we will see in a forthcoming slide

there are some limitations with our levy limits, as well as what it might do on our primary property tax rate and the pressure that any property tax rate may put on that primary property tax rate. And then we can look at, you know, reduction of expenditures between our DREAM requests, our compensation strategy, or other expenditures in the General Fund. Next slide please.

AC: Thank you, Chair Allen. Director Cuaron, related to the second bullet point, the property tax rate increase. This is, of course a hypothetical, but one option to ensure that the budget recommendations are met. Can you give the Board and the public a summary of the Board's prior actions as it relates to the primary tax rate? Have we kept it neutral? If so, how long?

ART: Chair Allen. Supervisor Cano, I would respectfully request to come back to the Board with that. I do know in the current year's budget, the state cost shift was included in the primary property tax rate. But I would be speaking out of turn if I were to try and provide that information without it readily at my fingertips.

JL: Thank you. And if I may, I think if you look over the last ten years, I am going to say we are down \$0.30, just about \$0.30 from the height of when we had, paying a lot of debt back. We were down more than that and we started trending back up, but happy to provide that. But when you just take us, if you snap a line and look at about ten years ago, we are down at this point, about \$0.30.

SC: Madam Chair?

JA: Yeah.

AC: I am sorry, I was not done.

SC: I am sorry. Go ahead.

AC: Sorry. Chair Allen. Okay, so the point I was wanting to ratify is that this Board exercised a primary property tax rate that was neutral last year. And to my knowledge, this is the second year that we have done that. I could be wrong, but we will get back with some additional information from the Administration. With the additional information, Chair Allen, that I am hearing, the Administrator is letting us know that the primary property tax rate has also been at a much higher rate. You said we are \$0.30 down than a historical high, which is very helpful information. Thank you. That is all.

SC: But theoretically, over that same time period, it is never been truly revenue neutral because the assessed value was not taken into consideration with the primary property tax. So overall, the overall bottom line of the increases in taxes it has increased. It has not remained neutral. The only thing that may have been neutral was the primary property tax. But when you put that against the assessed value, it actually the bottom line, the whole tax issuance was brought up.

- JL: Supervisor Christy. Yes. Over the last couple of years, even if the rate was stable, the valuation went up. I still believe we are down from the historical but would like to come back with that information because even though the assessed valuation has gone up, the tax rate went down so much it might be lower today than it was, but I would like an opportunity to come back. But yes, the last two years, if the rate was neutral because of assessed valuation, it has inured to the benefit of the fund.
- SC: Yes, it might have come down, but it did not come down to the point where it was completely revenue neutral.
- JL: It is \$0.50 down, you know, at one point almost \$0.50 down even with assessed valuation. But I think the point of the last couple of years absolutely with the assessed valuation.
- JA: Director Cuaron, and this might be a question for a follow up, but I am curious about how things are looking at the state legislature. I had heard that there was possibly some traction, but I have not followed this, around letting an electric vehicle tax because electric vehicles do not pay into the gas tax. And so I am just kind of curious whether there is anything that might get some shifting at the legislature.
- JL: Chair Allen, at this point we have not taken any of that into account. We are hearing that there is always evaluation, I think, of transportation funding, the fact that the gas tax being so significantly different, how do we increase that, what those revenue sources might look like? We are tracking it, but none of that has been accounted for in the budget at this point.
- ART: Chair Allen, members of the Board, this slide is a high level overview of our DREAM requests that are still alive and under consideration, and the compensation elements that we mentioned at the outset, my understanding is that Deputy County Administrator DeBonis and Deputy County Administrator Holmes will discuss this in greater detail.
- CD: Good afternoon, Chair Allen and members of the Board. So Deputy County Administrator Holmes and I have been involved in both aspects here, DREAMS and Compensation Elements. And it was mentioned that I was going to cover Compensation Elements, but that would be Deputy County Administrator Holmes.
- JL: Can I [inaudible]
- CD: It is okay. So I do not want to step on his notes. So he has got good prep.
- JL: We can swap it just for fun.
- CD: We could actually. I feel comfortable that either of us can talk to either of the issues. I am just going to touch briefly on the DREAMs. So as you see on this slide, there were requests totaling \$40.4 million. We broke them down according to the categories that we used last year in the budget, when we were discussing

supplementals with the Board. And those were maintaining existing resources and assets that totaled about \$19 million, expanding existing resources and assets, which was around \$17.2 million. And then new programs and services, \$4.2 million. As Director Cuaron had indicated earlier, we went through and looked at these requests. DREAM requests were submitted primarily by the General Fund departments. Those were requests that did not have a funding source associated with them. So they said, we have a need. We do not have an identified funding source. The County Administrator and Finance Director and both of us, Deputy County Administrators, sat in meetings with each department and reviewed the elected budget requests and went through each of the DREAM asks and of those, what you see on the far right are the amounts that are tentatively still alive. As you heard, the dream is still alive in the various categories. So \$5.3 million in maintaining existing and then \$3.2 million in expanding and \$1.7 million in new programs and services. I will say not every department made a DREAM request. We do have the details on what was requested. Just to give you a flavor. They ran the range right from personnel requests to equipment and new programs, programmatic offerings, new service deliveries. So wide range of different asks that had come in. And I can answer any questions that you may have. Did we bring a copy? Okay. So we have a copy of the detailed breakdown of it that we will provide to you.

JA: Thank you.

MH: Chair Allen. Thank you. If under the maintaining existing resources and assets and possibly expanding existing resources and assets, those DREAM requests could do you, I do not know if you have this right away, but what if any of those were requested to replace a disappearing federal grant or something like that, that we were already expecting, right?

JL: Yeah.

CD: Supervisor Heinz, Chair Allen and members. So there were some that related to grants, for example. So if you know, we are looking at the sheet, do you have another one? I am looking at the sheet. If we go to Page 2 for Department of Environmental Quality. So in their request there were two items. One was grant contingency having to do with the 105 Grant for our air quality program. And then the other one was Ina and Tangerine landfill repair. So that 105 Grant was an example of a request for DREAM funding. There is not a determination, a final determination on whether or not that funding will be discontinued. So at this point in time, we are optimistic that we will see that funding. And so it is here on the DREAM request list. We did not include it in the approved category, because we are not sure if that funding will be discontinued. However, if there was a need to address it, the County budget reserve could be a source, right. If that were to come up. Another one that stands out to me was, it was under the Office of Emergency Management and Homeland Security. And so the pages are not numbered, but it starts at the bottom of the third page and then goes over to the top. And so what you see here were requests relative to personnel. And so that department is heavily grant funded.

And again similarly those items were discussed, and we accounted for it with the same approach.

JL: Thank you. [inaudible]

CD: Oh that is oh that is yeah. My apologies. Oh yeah. It is at the top.

JL: What you said was right. It was just Office of the Medical Examiner not Emergency Management.

CD: They total at the bottom. So that is Office of Emergency Management. So it is at the..

JL: Okay. When you say it started though I was okay. Got it. Go ahead.

CD: It is at the top of that fourth page. So there has been discussion about that. We had similar discussions in the Health Department area. And again, understanding that these grant funded programs could be impacted if that funding were significantly reduced or were to go away, we have acknowledged that and are factoring for it.

RS: Chair Allen?

JA: Supervisor Scott.

RS: Thank you. Could we go back for a second to the slide that talked about reduction of expenditures at the bottom? It was during right there. Yes. Thank you. I would appreciate it if the Board could get some more detail on the third bullet. Other expenditures. You know, that is pretty broad. And it would be helpful if we could get some more detailed breakdown of what might be meant by other expenditures. So that would be my first request. The second one, can we go back to the slide that Mr. DeBonis has just on? Thank you. So, you know, we are talking about requests that came in with regard to maintaining existing resources and assets, expanding existing resources and assets and new programs and services. Mr. Cuaron mentioned that we have got a little over \$30 million to resolve in terms of the difference between revenues and expenditures, and so I wanted to ask about something that I have discussed in detail with Administrator Leshner and both of the Deputy County Administrators, and that is the vacancy policy implementation and how it might inform budget development. We have had the vacancy policy in place for about a year and a half. I want to truly commend the County Administrator and her team for how it has been implemented, because the overall vacancy rate has been going down. This has led also to a more open and transparent use of what has been called for years vacancy savings. But there are several departments that continue to have high vacancy rates in the double digits. After determining if any of those positions are hard to fill or other issues are not in play, I am interested in knowing more about how those continued high vacancy rates in several of our departments inform budget discussions with directors or elected officials between Ms. Leshner and the Deputy County Administrators. The bottom line for me has

always been that we only need as many PCNs in any department to ensure the effective delivery of services and supports to the constituents that we serve. If a department continues to have high vacancy rates and the delivery of effective services and support that is happening, doesn't that warrant looking at the requested number of PCNs, as we are looking at maintaining existing resources or expanding them? To that end, I would like to request that the Board get a breakdown of PCNs by department over the last five fiscal years.

JL: Thank you. Chair Allen and Supervisor Scott, I hear you. We will get that breakdown. A couple of things, I want to go back. The "Other Expenditures" is broad because it is that broad, I think, should the Board wish to look at other areas where it thinks that we could cut expenditures, that is a policy of the Board, and that is why we left it that broad. If a request is for staff to go back and provide you with a list of where we might recommend the next level of cuts, we could do that, but we just really put it in as a statement to be that open for Board policy and direction. But we could you know, we will give you a swipe at if that is desired. I will tell you the vacancy policy. As you and I have discussed, we get down to the point where if you take out of the equation some of the elected officials, and that we will provide you the five year even for those individuals, those departments as well, where you see vacancies that remain over 240 days, is where we have really identified those as departments, where we need a structural fix in the allocation of funding for the PCN. You are going to start seeing those positions popping up in our need to look at moving within grades. I think Facilities is one of the departments that springs to mind that we have continued high vacancy rates. We simply are not able to keep employees at the rates we pay. Once we got through the first year or two of eliminating positions that had been open for 2,000 days and things like that, we have been doing this long enough, as we mentioned, that when we really get down and we look at positions that have been open for 240 days or more, we are really looking at identifying them as a management tool to find a better way to fund and to fill those positions. But we hear you about the request for PCN by department, elected and appointed to the last five years.

RS: I appreciate that, Miss Leshner, and just to expand on the point, if a department historically has high vacancy rates, I am curious as to how those high vacancy rates factor into the discussions that you and Mr. DeBonis and Mr. Holmes have with them about their PCN requests.

JL: And I think perhaps, if I may, I am sorry, Chair Allen and Supervisor Scott, when we talk about what we are looking at for the class and comp to really be some of the adjustments to hit the hard to fill positions, let us see if that gets answered in discussions during that element. If not, we will revisit this and provide additional detail.

RS: No, I appreciate that. And we have had some good conversations on this topic, but I thought it was important to bring it up again. Given that you are asking for direction on budget development from the Board. And, you know, to that point, I am glad that you mentioned the elected officials. But I think one of the other departments that I

see with continual high vacancy rates over the last, certainly since the policy has been in place, is within the Courts. And I realize that that requires some discussion with the presiding judge and the court administrator. But one of those departments that always has a high vacancy rate is within that realm. And then to go back to your first point, with regard to other expenditures, I would appreciate a list for the Board of what you and your team are looking at because if the Board is going to, as you said, take a swipe at something, we need to know what might be reasonable to consider. That is why I asked for a little bit more detail in that area. Thank you, Chair Allen.

JA: Supervisor Cano.

AC: Thank you. Chair Allen. Administrator Leshar I am looking at the Economic Development DREAM requests, and I just want to make sure that I am reading between the lines correctly. This DREAM request is telling us that you are considering for the Board's final adoption two additional FTEs. Is that accurate? Since they would be in the yes category on the far right?

JL: Thank you. Chair Allen. Supervisor Cano. Yes, sir. It is two additional FTEs and two, is it consultant report. You know, the supplemental dollars around to support the FTEs and programs.

CD: Supervisor Cano the two items. One is a business retention and expansion FTE. And then there is funding associated with programming associated with small businesses. So those go in tandem. Similarly there is the FDI focused individual. And then there is programmatic dollars associated with doing foreign direct investment. You know, business services. I will just go down the list. Also, since you may be touching on those, we had heard an interest in funding others of the regional Chambers of Commerce. And so under that line item that is advertising, sponsorships and promotional \$200,000.00 in there that would go towards those efforts. And then there were smaller items included, one for Small Business Commission advertising and sponsorships that would enable the Small Business Commission to do outreach that they have discussed and expressed the desire on being able to do, and then a plus up and some travel and economic development. That is the \$30,000.00 item. And that all is separate from the programming for small business support related to homelessness that was included in One Pima.

AC: Thank you, Chair Allen, Administrator Leshar and Mr. DeBonis. I am looking forward to learning more about these recommendations, and I am grateful that growth in the FTEs allotted to Economic Development is being reflected in the numbers being considered today. Of course, I am grateful for the One Pima dollars being included as well. The Board adopted this plan in November. I do not see the Superior Court and the County Attorney's allocations in this particular budget for the One Pima, which is an increase to the STEPS program and an increase to DTAP. Can you just walk us through how we are handling those requests, please? And if that is not clear, I can expand upon a bit.

- ART: Yeah, Chair Allen and Supervisor Cano, those two specifically, and correct me if I am wrong, but I think it was \$100,000.00 additional over and above what we are currently doing for those two programs, those have been programmed in our base budget. So they are in the base budget of \$20.9 million as opposed to a DREAM.
- JL: Chair Allen and Supervisor Cano, one of the things we are looking to do, there are elements of One Pima scattered within the budget, some in Economic Development, in the Courts, etc. What we have been discussing is when you see the tentative budget, pulling that together so that it is very clear what is the One Pima Program and what is targeted for that, even though it is pulling from a variety of departments.
- AC: Thank you, Chair Allen and Administrator Leshner.
- CD: Okay. Thank you, Chair Allen and Board members. I will turn it over to Deputy County Administrator Holmes.
- SH: Chair Allen, Board members, at the second half of that same chart, you see Compensation Element. Just to break down further, you saw what was equivalent to a 5% increase in salaries at about \$15 million, which was a starting place. We used that number because last year, in our first year of actually having implemented the phase one and phase two of the class and comp study, we got into actually how we moved the whole salary schedule. Last year, as you recall, we did this in two chunks, right? First, a 3.6% increase in the beginning of the fiscal year, followed by a 1.4% increase in January that totaled the 5%. So it was our starting place. One of the things that helped inform how we look at our increases for employees is that every year we do get from our consultants that help us with the class and comp and market, look at what is the trend, what is moving. Last year we had closer to five. This year we are closer to three, right. And so that is kind of we still kept the five in there as a starting place because we have other needs and other wishes that I know our Board of Supervisors have had, particularly as we look at class and compensation for our employees. Noted here is that we are taking a strong look at this idea of a childcare stipend and student loan forgiveness. Question is when will it start? There is still some exploratory data that we are trying to get in terms of who actually is in the repayment of student loans. How much will we put forth on that, along with childcare stipends and what is available in the process by which we would go about doing that. We set aside about \$1 million for each one of those two categories, at least in this current iteration for your feedback. And as we looked at off the top, looking at a 3% increase across the Board, please recall that part of the reason we do this across the Board is we want to maintain integrity with our salary schedule to make sure that we are moving it according to what market is saying and what our consultants are saying, so we do not fall behind what market is considering movement given the current market conditions and job vacancies. Included in here as well is the benchmarking in demand and below grade adjustments. What that means is that this past year, we took about half of our job classifications and compared them to market. It is something that we committed to do as part of our class and comp study. As a result of that particular analysis, we

have jobs that we discovered are below market and some of them at least three grades below market. So to adjust for those that are below market and bringing them back up to market, along with in-demand jobs, that we have agreed that we should compensate more for because it matches what market is saying we have set aside close to \$1 million there. And as we did a similar benchmarking for our deputies and sergeants, moving them up to market is about \$3.5 million to move our deputies and our sergeants as well. And that was analysis we did here statewide. So total you still see the equivalent of 5% in a \$15 million allocation. But you see how we are breaking that down into actually over across the board raises. And what we are doing with the other funds to make sure that we are meeting the needs and expectations of our Board and our class and comp study.

JA: Deputy Holmes does the benchmarking for the deputies and sergeants, does that also include the corrections officers? Is that a separate category or are they built within deputies?

SH: Chair Allen. We took a look at that. We did make some significant adjustments in the last market and according to market, right now, we are not seeing them stand out. That really was the sergeants and the deputies that stood out as being below market in our analysis.

JA: Ok, thank you.

JL: Chair Allen, I understand it is a little catch 22 of wondering what can we spend until we know what the revenue might be, but just for the conversations, what we have been looking at internally is if we looked at that percent, we look at the 15.6% but we have been chatting about is if we end up using is that if you will, as the guardrails, what makes that work? Do we start the loan program in July, perhaps spend a little more time getting ready to start childcare in January? Do we split as we did this year, the salary increases. To recall, we did, I believe, 3.6% in July, 1.4% in January, so that there is continued, you know, sort of a drumbeat of increased but not have the full boat starting July 1st of expenditures. So we have been just looking at what is the whole nut looking at it this way. And then how do we make any of those allocations.

JA: Supervisor Cano.

AC: Thank you. Chair Allen. Administrator Leshner and Mr. Holmes, perhaps can you just walk us through the numbers again for the deputies and the sergeants? How far behind are we and how much more do we have to catch up?

SH: Chair Allen, Supervisor Cano, that \$3.5 million will bring the deputies to our market analysis. So that \$3.5 is I am trying to remember exactly what the actual percentage increase and I apologize. I do not have it in front of me. But there were two percentages. I know the deputies were looking, originally came to the Board asking for a significant increase that did not actually align with our market analysis. But what you see before you is our analysis that brings them to market. So that would

be the one time. And if we maintain our salary schedule, they should stay within market unless there is significant shortages over the course of time where market adjustments end up changing that number.

AC: And Chair Allen, Mr. Holmes, can you walk us through the how that works on paper? Do these particular PCNs also get the additional 3% that the non-sheriff departments employees are getting?

SH: That is a great question. We walked that through in our own discussion. Chair Allen, Supervisor Cano, so yes they would. So we would bring them to market as a first step. And then to keep up with market we would then they would get that same increase that all employees would get.

AC: Thank you. And Chair Allen, if I might, it might be helpful to just get a breakdown of how many positions that is going to be supporting. I think I kind of can see it on the spreadsheet for the DREAM request, but it might be good to just have that clarified, "The Board is considering supporting X amount of deputies and sergeants."

SH: Will do.

RS: Chair Allen?

JA: Supervisor Heinz and then Supervisor Scott.

RS: Thank you.

MH: Thank you Chair. Give a little background on the childcare staffing program and student loan repayment. Are we finding in your analysis, are you finding that competing entities already have these kinds of programs? And that is where we are either losing people to or where people maybe go instead of coming to us?

SH: Chair Allen, Vice Chair Heinz, we had to go back to our employees. We just submitted another asking to complete another survey. We had very poor responses the first time around. So we are going to try to do another analysis. I do believe these two continue...

MH: To clarify you mean poor responses like a negative evaluation or just not enough people responded?

SH: Thank you for the clarification. Chair Allen, Vice Chair Heinz, we did not get enough responses. So we are hoping to get more so we can actually dive deeper into the analysis to make that determination, whether it is something that our employees really want. I do know at our initial conversation that we had a couple of years ago, we found across the County that it was a compelling incentive or benefit to a lot of folks who had younger children. I do know the market is fairly competitive in that space, so hopefully once we get that data announced, we will know how many

really still need it and how many have actually found elsewhere, or their children have aged out by the time we have actually implemented.

MH: Great. Thank you.

JA: Supervisor Scott.

RS: Thank you, Chair Allen. Just a housekeeping request. I think there has been a couple of references during the meeting to copies of documents that may be available there in the Copper Conference Room, but that are not attached to the item on the agenda. If I could just ask, does not have to be until after the meeting, of course, that those items could be forwarded to me.

JA: Was there anything else, Supervisor Scott?

RS: No, ma'am, just that request. I think there is a spreadsheet that has been referenced a few times that I do not believe I have.

JL: And Supervisor Scott, my apologies. We are sending that to you right now.

RS: Oh, thank you, Ms. Lesher.

AC: Chair Allen, the spreadsheet says do not share with District 1 on the watermark.

RS: [laughs] I knew it, I knew it.

JA: I was going to note that the Administrator has brought out her binders, so rest assured we are in good hands now.

RS: Alright.

JA: I had a question as well, I think about the childcare and student loan repayment. Based on what you know now does the \$1 million seem like it is a comfortable with that number? Is it not going to exceed that? That is a high number. Or what degree of comfort do we have around that number?

SH: Chair Allen, I think we are very comfortable as a starting place with that number. I do believe in the student loan repayment. We are working through some of that analysis right now. I think we are close with that number. The childcare is a little bit more elusive for us because it is until we really get good clarity and costs associated with that. We figured it was a good starting point. This is why I think potentially even starting half the year gives us a little bit more of a runway to make sure that we are getting it right. But they seemed in the ballpark of what we were looking at, at least initially.

JA: Okay.

JL: And Chair Allen, I think that number is going to grow. I think what we have heard from our employees is we began surveys, and it is some of our team is serving on the NACO, the national committee that is looking at this. It is really moving into being a way we can hire people is the provision of childcare and daycare. So I think it is the way that we think we can get started. I do not believe it will ever be that low again if it is a program that this Board chooses to adopt. It is very popular benefit across the nation.

JA: Supervisor Heinz.

MH: Thank you, Chair Allen. I think it is important when we are talking about those two programs, specifically the childcare as well as student loan repayment, incorporating, I know it is it might be hard to do this, but there is a significant expense associated with looking for these people and also just not having them there, other people having to do that job until we find them and all sorts of other, maybe not totally obvious expenses that come with not having those two programs. And I think it is important for framing purposes, "Hey, this will cost us 2 or 4 or 5 or whatever million a year but not doing it might cost us twice that." I do not know, just making sure to have that context I think would be really helpful as we discuss this in the future.

RS: Chair Allen?

JA: Rex Scott.

RS: Thank you. To expand on the point that Supervisor Heinz just made in terms of that kind of cost benefit analysis. On the previous Board, we expanded parental leave to make ourselves more competitive with other employers, specifically the City of Tucson. Maybe if we could get some data as to the salutary effects of that expansion of our parental leave policy, it might provide a foundational argument for some of these additional compensation elements that we are talking about. I do not know the best way to get that data, Ms. Leshner, but I think, you know, what I am asking about is, have we seen increases in the amount of people taking advantage of parental leave? Have we heard people say that it is a reason that they chose to stay with the County or come to the County? I just think that might be reflecting on our successes with that, might be a way of looking at the potential for a childcare stipend or student loan repayment program.

JL: Got it. Thank you.

RS: Thank you. Thank you, Chair Allen.

SC: Madam Chair, I am just curious. The last couple of board meetings, we presented certificates of appreciation for retiring employees. Seems like at each Board meeting, and at least at the last one, we had several employees that had been here since the Garden of Adam and Eve, it seems, and I think it is important. None of these benefits were around then. Yet we have a significant amount of people who

are willing to stay on employed. Do we talk to them and ask them why they stayed so long?

JL: We do. I am sorry. Chair Allen, Supervisor Christy, we do exit interviews and employees are leaving for various reasons, whether they are retiring, they have quit, you know, different information. And I am happy to provide the Board with a summary of what that looks like. We ask this guy every day, why is he here 35 years and it is to come to the Board meetings.

CD: [inaudible] all of them.

JA: Supervisor Cano.

AC: Thank you, Chair Allen, I commend County Administration for looking at childcare stipends and a student loan repayment program and conversations with our employees. These are ways for us to lower costs for our County employees and to also mitigate the Board's limited ability to increase compensation. We are going to try to do both, but where we cannot, this supports working families, and I have particularly seen the second student loan repayment program be really useful in target industries. Things like nurses, attorneys, who do all the right things. They go to school and are left with a student loan bill in public service that ultimately could be mitigated by a program like this. So thank you for looking into it, and I hope our County employees respond to the surveys.

JA: Supervisor Heinz.

MH: Thank you, Chair Allen. And one other thing for staff on student loan repayment, as I recall, there is I do not know if it is IRS or some other federal, there is like some limitation as to what that can be. Right. Can you just remind us what that is?

JL: \$5,250.00 per year. Chair Allen, Supervisor Heinz \$5,250.00 per year.

JA: Okay.

ART: Alright. Moving back to the presentation. This slide here, slide 10, I mentioned briefly in one of the earlier slides. This is just taking a look at our primary property tax levy limit projection and you can see the chart does start in FY23/24. So you can see how much room we had between the levy limit and what we were actually levying in '23/24. The black line on the chart represents the levy limit as per Arizona Revised Statute. The green line represents what we have levied in the past, what Pima County has levied in the past, and incorporates the Board of Supervisors policies in our projection moving forward. You can see that in FY28/29, we reach an inflection point where we do actually reach that levy limit. In accordance with Arizona Revised Statute, not ASRS excuse me, and so I want to note here that this just takes into account the policies, so the state cost shifts to \$0.03. Any Board of Supervisor policy that deals with where we are going to increase the primary property tax rate because of state cost shifts or because of the affordable housing

Board of Supervisor policy. It does not contemplate any increase in the primary property tax for reasons that do not include a Board of Supervisor policy. And so moving that primary property tax rate, increasing it in any given year, pushes that red diamond further to the left. So there were some questions asked earlier this weekend for our TNT rate projection for '26/27. That dollar amount is \$4.05. Again, that rate is what the Board could levy without a public hearing. And then the question was what our max tax rate we could levy in '26/27. And that dollar amount is \$4.6163. Again not necessarily contemplating that, but that is the information that. Yeah. So our current tax rate for '25/26 primary tax rate is \$4.1943. Again, and the primary property tax levy is limited to 2% growth over the maximum allowable from the prior year, plus the percentage of growth attributable to new construction. That that comes directly out, we can probably change the slide, that comes directly out of the revised statute. And historically, the new construction has added somewhere between 1% and 2%. And the county's levy has increased somewhere between 3% and 4% per year in accordance with the statute. We cite the levy limit here. So again, it is just a headwind for us to monitor as we look at the five-year forecast and seeing what our primary property tax rate could do and is projected to do with just the Board of Supervisors policies. Next slide please.

MH: Chair Allen?

JA: Supervisor Heinz.

MH: Thank you. So this statute I mean this levy limits just arbitrary stuff the legislature did right? This was a part of the statute. The legislature I am assuming put it there. Like why is it 2% and not 3% or 1%, I do not know. This is an arbitrary thing that they did correct?

ART: Chair Alan, Vice Chair Heinz, my understanding is this particular statute was imposed at the same time the expenditure limit was in 1980. And so I do not have any context for why the percentages are 2% year over year. We could do some research and get back to you on that. But I do know that it was adopted in 1980 along with the...

SC: [inaudible]

MH: I think I was 3. Okay. So I guess there is one other follow up, the override. So as a County, we can ask the voters to override that levy limit, but it creates a new secondary tax. It does not just let us go up on the primary. I guess I was a little perplexed. And also, do we have to override it every single year that it is going to be going up or do you just do it one time and then we are good?

ART: Chair Allen, Vice Chair Heinz, that is a good question. I can tell you that definitively it is an increase in the secondary property tax rate, not the primary property tax rate. And with respect to if you have to do it every year, I do not know the answer so I will get back to you on that. My presumption is that you do for every year that you are going to exceed your limit. But we will get back to you on that.

MH: So like potentially we would have to have an expenditure limit levy every single year. Like every year?

ART: Yeah.

MH: Okay. What am I. This is my bad. Got it okay.

JA: I have a question that I, maybe it is really obvious, but I am trying to reconcile as we have committed to three cents for ten years for affordable housing. A part of the exception is that increases our primary property tax levy and then part of that is investing in the construction, right? New developments. And so that also factors into the equation. Are those both upward pushes or do they balance one another out? One is increasing the levy and then the new construction that is consequent from that investment in affordable housing, is that driving it down? Do they balance one another out? Do you understand my question?

JL: I believe I understand, Chair, yes. Part of the equation is to increase the construction costs. So if you are using the 3% to increase affordable housing, it should in fact increase construction costs. You know the amount that is spent in construction. So we would be seeing that 1% or 2% going up as your tax rate went up. I do not know that they are moving upward at the same rate, but they are both on the same, they are both headed up. I just do not know what the trajectory is of that. So we can do a little more research on that but yes.

ART: Administrator Leshner, if I may add a little bit there. Chair Allen, they would not go up necessarily the same time because by the time the new construction takes to get on the tax rolls would not necessarily correspond with each annual three cent increase in the property tax rate. So there would be a lag.

JA: Okay. Thank you.

ART: Okay. As we have been focused on FY26/27 for majority of the conversation. As we move out and take a look at what our five-year General Fund forecast is, which we will demonstrate on the next couple of slides. We wanted to show the Board here what our revenue assumptions are, what our expenditure assumptions are, and our fund balance assumptions are. As we take a look at that five-year forecast over the forthcoming five years. So our revenue assumptions include an average annual change in our NAV of 5.2%. The increase in PAYGO is, you know, per Board policy. So as our debt service amount changes and our primary property tax changes, those increases will be per Board policy. We do have in the five-year forecast, again, that increase in three cents for affordable housing. We are assuming a 3% average annual change in our state shared sales tax and a 3.2% in our vehicle license tax on our on the revenue assumptions. On the expenditure side, we have projected a 7% increase in health insurance premiums, 5% in retirement costs, 3% in internal service rates, and then 5% each in our wage strategy and utility costs across the Board. On the fund balance assumption side, we are assuming the

available use of fund balance, which is per Board policy. So that would be required 17%. We do have built into our five-year forecast operational adjustments of about \$10 million. That is favorable. These are things like these are things like operational savings from departments monitoring expenditures and/or increase in revenues. You know, I mentioned last week and earlier in my presentation, we are seeing an increase in our state shared sales tax as a result of a healthy economy. So we are factoring in a portion of that as favorable adjustments to our overall numbers. And then we are programming in, you know, just the Board policies again on PAYGO, affordable housing, and then factoring in our debt service, as we look out over the five-year period from debt service schedule perspective.

MH: Chair Allen?

JA: Supervisor Heinz.

MH: Thank you and Director Cuaron, is the \$10 million favorable? That is \$10 million over the five years or is that like the other two categories, that is an annualized number?

ART: Good question. Chair Allen and Vice Chair Heinz, it is annual. Next slide please. And so this chart is a high level summary of what our five-year projection looks like. Again the red line indicates expenditures and transfers out. So total uses. The solid green line represents our revenues and transfers in and then the dotted green line represents our use of fund balance. So you can see that over the long term there is a delta that we would need to account for on the prospective five-year basis. Again, taking a look at those assumptions that we identified on the last slide we do note here in '28/29 again that primary property tax levy limit that would be reached here is denoted with the gold star. So you can see over the long term the delta in our revenues and fund balance and our expenditures gets closer and closer and closer together as we get to 2031. Now, if we change the slide, we take a look at what it would look like if we do reach that levy limit and what, in terms of what we would be able to bring in, in revenue if we do reach that levy limit trigger. So you can see the gold line represents our revised projection. If we did reach that levy limit and we would only be bringing in at that point the difference between the 2% growth and what our NAV is growing at, so at roughly 3%. So you can see how it levels off there moving into 2031. Next slide please. So as we take a look at our General Fund key takeaways overall we are in a fiscally stable environment for '25/26, and as we look at '26/27 on a base level we are fiscally stable. We are monitoring those future financial headwinds in terms of the primary property tax levy limit restriction. And then, as you will hear in a later presentation, our annual expenditure limitation. On the right, we give a projected or initial primary initial primary property tax rate for '26/27. You can see our primary rate in this fiscal year is again that 4.1943. And you add in what we know today of our BOS policy implementation of PAYGO, of state cost shifts at a little over three and a half and then the affordable housing. So our initial primary rate is 4.2733. All of the things being equal. Next slide please. We did include a couple of slides here about our Non-General Fund budget update in terms of the number of DREAM requests for Non-General Fund that were submitted and

those that are under consideration, and then those that in the supplemental category for those funds that have identified funding streams and what was submitted versus what was initially approved and under consideration as we move towards the Administrator's recommended budget later this spring. Next slide, please. As Administrator Lesher mentioned our Non-General Fund takeaways at the outset. We do have, at least initially, included a two cent increase in the secondary property tax for Library, that one cent for Flood Control. And you know, we are looking at Fund Balance reserve policies that will be forthcoming to the Board at the 2/17 meeting with the Library, the Regional Flood Control District and the Wastewater Reclamation Fund. On the right here you see the secondary rate and the changes to the secondary tax rates for the Library that we mentioned, the Flood Control, we are going to see a slight decrease in our debt service. And then we add the state cost shifts for both Library and Flood to get to that secondary rate of just over a dollar. Combine that with our primary property tax rate of \$4.27 from the prior slide and you get your estimated combined rate of \$5.28. Our '26 combined rate is \$5.00, a little over \$5.19. So the increase in the tax rate would be just over eight cents all in.

SC: Madam Chair?

JA: Supervisor Christy.

SC: Do we have a number that equates to the average taxpayers' requirement based on the \$5.19 tax rate, average taxpayer bill?

JL: Chair Allen, Supervisor Christy, let us get that to you. We are looking at what the median house is, we have been figuring out, but we can by the end of the week get you something on that. Thank you.

ART: Next slide please. With that Chair Allen, members of the Board, that concludes my prepared remarks today. I would be happy to answer any additional questions that you may have.

JA: Supervisor Cano.

AC: Thank you, Chair Allen. Administrator Lesher and Director Cuaron, I want to make sure I understand this math correctly. So, what I am hearing from you, Director, let me just get these page numbers right. On page 15 of the slide show. So we would go back. Who is controlling the? We are going to page 15. Okay. Thank you. Director, you are telling us that right now with the numbers that we are considering, we are at this \$4.2733 amount. And did I hear correctly that with the 2% number, our max would be \$4.6163? That is our legally mandated cap of the 2%? That is our high?

ART: That is our max levy limit for FY27 projected.

AC: Got it. And so right now we are at \$4.19. This last page on page 17 would get us to \$4.2733. Is that the right thing?

ART: That is correct.

AC: Alright I just wanted to make sure I was tracking this correctly. To my colleagues and to the Administrator, related to the Library recommendation of a two cent property tax increase, secondary property taxes. We do not have the same limitations as we do on the primary. It would be very hard for me to support a budget that would not match the level of investment proposed here for PEEPs, with the rest of our library branches. From the District 5 perspective, I am comfortable with a four cent increase to support both programs, and I believe that they are equally important, but that is just one District's position, and I certainly appreciate the Flood Control adjustment as well, given that so much of the work that our men and women in our Flood Control Department are doing right now are related to cleanup efforts, that is costly. I am looking forward to seeing your report on the progress that we have made with limited dollars in our current budget.

JA: Can you remind me what an additional one cent increase, what does that tend to result in monetarily?

ART: Sure, Chair Allen. A one cent increase in the property tax rate for 2027 is projected to bring in \$1.2 million in additional revenue.

MH: Chair Allen?

JA: Supervisor Heinz.

MH: Thank you. In my notes here, I have that for every additional one cent increase in property tax rate, the median homeowner will pay approximately an additional \$2.50 over the course of one year.

JA: Okay.

JL: Chair Scott and thank you. And I think what we heard from Supervisor Cano and others is simply that sort of sense from each of the Supervisors, how people are feeling about what they are seeing so far, moving in the right direction, wrong direction. What is there an interest in reviewing in greater depth? We have already captured a group of questions to which we can respond quickly. So, I do not think it needs to be a vote on anything, but simply make sure we are moving in the right direction.

JA: Supervisor Scott, just because you are online and it is hard to grab our attention, I just wanted to check and see if you had any comments or questions.

RS: Chair Allen, that is very kind of you. I have made comments and asked questions as we have gone through the presentations, but I really appreciate you circling back to me.

JA: I have a sort of macro level question just around budget, and then as it relates to, I think Supervisor Scott has kind of put out the concept around priority based budgeting and then we also on the boat there is a check box for prosperity initiatives. And I guess as we think about both the General Fund and the Non-General Fund, DREAM requests and thinking about secondary tax increases, all of that, my gut goes towards having some of the analysis at the macro level that gets us clear on what our priorities are, and then from those priorities the budget reflects that. Because I think that budgets are always sort of the numeric representation of our values and our priorities. And, I am feeling the need to get clarity up at that higher level and articulating what it is, like what is the moment that we are trying to, it is the moment and then the reality and the projection over the next five years of what are we trying to do with our budget? They should reflect the priorities that we see, priorities we want to address. And I also feel like they should reflect our commitment to the Prosperity Initiative. We have seen in most of our agendas, the contracts, money going out, departments are checking off how they are advancing the Prosperity Initiative. I would love to see some analysis then of what that has done. So, as a result of some of the expenditures, what have folks said that we have invested in over the past year, whether in fact, those are sort of spatially accurate? Is it attributable to the Prosperity Initiative and then how have we moved the needle? And then thinking from that, what did we learn from what we did this past year in investments in the Prosperity Initiative. And then think about the coming year, how do we want to move the needle on the Prosperity Initiative, at least through our operations and through our budget? I need a little more. So I think it is just a long winded way of saying I need some sort of higher level, what are we trying to accomplish this year? But I think that identifying priorities and utilizing the Prosperity Initiative, and I know we have the Strategic Plan and how those things are informing some of the decisions that we make around investments in our money.

JL: Thank you. And if I may, Chair Allen, if you remember, I think it was last year's budget two years ago. I think we started with each line, the budget then indicated which of the Strategic Plan elements that line item addressed. I think what we can do this year is not only provide that same breakdown by the Strategic Plan, but as it relates to the Prosperity Initiative as well. So, while we have all the various elements of the budget, there is a story to tell about One Pima. There is a story to tell about how it lines up with the Strategic Plan, how it lines up with the Prosperity Initiative that we need to recut in various ways, the same budget and provide that information. We can do that. Where I think is the challenge that is going to be a year away from us, is a concern in how we figure out the Prosperity Initiative, as an example, is made to address intergenerational poverty. Have we begun to turn around intergenerational poverty? Have we moved the needle that we started to try to move? We have more work to do on that and can bring that back to you. But I think in terms of looking at priority based budgeting, every element of what we do

now lines up either in the budget or in a BOSAIR coming to the Board to show how it relates to the foundational elements of what you do and I think that is going to be a critical element. That next step of looking out in the world and saying, and now has it had an impact, are we building more homes? Are people living in homes, are we decreasing poverty? etc. It is going to take some tools that I do not believe we have right at our fingertips today.

RS: Chair Allen?

JA: Supervisor Scott.

RS: Just to follow up on your inquiry and the response you got from Administrator Lesher. Administrator Lesher, were you saying that long term aligned with what we are doing with Strategic Planning and further implementation of the Prosperity Initiative, that you are looking for, some performance measurement metrics that we can use to determine the success of priority based budgeting that we are doing, aligned with that strategic planning process?

JL Chair. Oh, good. The microphone was off. I did not say Chair Scott. Chair Allen, Supervisor Scott, yes. I think that is what we all need at some point. You know, sometimes data is scary, but we have got to have it. If what you have done is a budget and you have developed priorities and strategic elements and the Prosperity Initiative to change the community, we need to be able to see a way to measure and to evaluate whether there has been success. I think of the dashboard and things like that, where we are actually looking at what the data looks like. And if there are those elements about number of people living in homes and number of people not living in poverty, those are numbers we can start tracking and aligning each year as you move the budget forward.

RS: Is that potentially where, and I am not sure where this stands, maybe the Board could get a report from Dr. Schafer on this, but is that where our partnership with the Urban Institute might offer us some direction in terms of what other communities have been doing?

JL: Absolutely. Let me get back to, as you say, Dr. Schafer and others working with the Prosperity Initiative and see what all of that looks like of how we can provide you updates in real data to show how you have moved the needle.

RS: Thank you, Chair Allen. Thank you, Ms. Lesher.

JA: Thank you. Supervisor Cano.

AC: Thank you, Chair Allen. You made me think a bit, and I am just looking at page 9 of the material that we just got. And I do not know where staff can go with this, but what I am trying, the story that I am trying to paint is that investment in our County employees, our 7,000 County employees, is always going to be our greatest ability to influence people. And really, if you look at three line items, the childcare stipend,

the student loan and the benchmarking for a total of \$2.9, that investment is the third. If you were to aggregate the big one, which is the class and comp at \$9.2, and then the second, which would be the benchmarking of the Sheriff's Department, deputies and sergeants. And then I am combining those three items to come up with a \$2.9 number. For parity and equity stake, I do believe that we ought to be looking to figure out a way, I always call it spreadsheet gymnastics, to figure how that \$2.9 can be the same as the \$3.5, if possible, because while I firmly believe that we need additional resources to our deputies and sergeants and I will vote as such, we have to not do that at the expense of the entire system. So I would be looking for a \$3.5 in a similar bucket somewhere in there. But now you have got Board members really going into the granular Administrator Leshner that is a bad thing when you give us spreadsheets.

JA: Alright. Are we moving on to Item No. 5? Here as we are. Alright. So this is a discussion on Bonds.

JL: If I may, Chair Allen, we have had conversations in the past about whether or not we wanted to go back out for bonds. And we have provided information to the Board over a period of time about how we might do that. I think that you have information in front of you about what we can do, what a timeline might be for '26 bonds or for '27 bonds, or actually really looking at if you wanted to go out in '26, what that timeline might look like. My recommendation, honestly, at this point would be to look at, I think we are getting dangerously close to running out of runway for any kind of ability to take a package to the voters. Understanding that this Board would have to create the Citizens Advisory Committee, put some things together to get feedback, etc. If the Board wanted to move in the direction of, say, the PAC bond in 2014, where there was one item, pardon me, \$22 million, one item. Very simple. We know that where the community stood on an issue like this and take something like that forward, we could move forward with that easily. We can ramp up the entire Citizen Advisory Committee and get everyone convened to begin to look at an overall bond election, either in '26 or '27. Again, runway a little bit short for what some might think of as a robust opportunity to deal with the community, but still plenty of time simply to take an item or two to the voters. We have provided some background. Reminder, 2004, 2006 were the last really successful bonds other than 2014 with the PACC Bond when going out in my recollection, 2015 and 2017/18 on GO bonds and then out road bonds and not being at all successful. We delineated how we might do that again and what you need to go forward. So just we are here looking for discussion amongst the Board and some feedback and direction about whether you would like us to begin to convene the committees, when you would like to go to the voters, what you would like, just getting some direction from the Board to staff of next steps related to bonds.

MH: Chair Allen?

JA: Supervisor Heinz.

MH: Thank you. I think that it is important that we seat, create the Bond Advisory Committee now or at least soon to really achieve the best process, the most community engagement, listening, all that kind of stuff that needs to be done. I think getting that done for anything more than a very small, highly targeted, dedicated, tiny amount of money in 2026 could be a problem. I think we have seen the electorate is still potentially willing to support these kinds of efforts, but having more time to hear from the voters and our residents and to kind of explain the options and what we need to be doing with this, I think that would give us the highest chance of success and also the highest chance to align our residents' priorities with what we present to them most ideally, I think, in November of 2027, because we do not want to see any repeat bond election failures as we have in the past. I think it is also important to, just for context, know that other entities, Pima College potentially, is looking at going to the to the ballot as well in 2026 potentially for an EMS Center for Excellence and maybe one other thing. And so just context is important. We also have to note we have to go in for the expenditure limit thing. Right. That is this year. So having too much on the ballot could spook some folks. And I think therefore we especially need to put in the necessary amount of time and listen really carefully to our residents over the next 16 to 18 months and then present something to them in 2027 for a more robust bond package then.

SC: Madam Chair?

JA: Supervisor Christy.

SC: We are going to be discussing this later in the alternative revenue sources and special taxing districts. But this is a general obligation bonds subject and it states that the Board of Supervisors action requires majority approval by the Board of a resolution to call the election, including one or more bond propositions. So that would require a movement, a motion by the Board, if majority approval to go to the voters, and how soon after, let us assume that it was approved by the Board to go to the voters. How soon is the time period between that action and the actual placement of the ballot of the bond issue?

JL: Chair Allen and Supervisor Christy, if you were looking to go to the voters this November, you would have to approve the bond implementation ordinance in July or August of this year. We would be looking to get you, I beg your pardon, the Board would call the bond election in June of this year, so you would have to begin the conversation. We would have to make a recommendation to you probably May, for your consideration in public feedback in May and June and then finalize it in June to go to the voters with the publicity campaign.

SC: So we have a pretty narrow window?

JL: Yes sir.

SC: I would suggest also, just as a point of information from my perspective and my constituents' perspective, I think there is a taxation/bond exhaustion by the general

populace, by the residents, by the taxpayers, given the very short notice or the very short time span, to come up with anything that would be of a representative or pertinent manner to the community. I think that the time frame is much too narrow. And quite frankly, given the recent elections in the City, elections on the past bonds of general obligation bonds and the fact that we have elections coming up, I think that this if we did any action of asking for bonds, we would get the same response that we got with these other taxation bond election events in recent history. So I would say that we should prioritize our efforts into other areas than creating a bonding package, which in my estimation it is doomed to fail. Why go through the whole process and create the animosity that that type of thing does with the community.

JA: And Supervisor Christy, is that for '26 and '27 or just for '26 to clarify?

SC: I would say at least for '26 and potentially for '27, depending on what comes up in that time frame.

JA: Yes. Supervisor Cano.

AC: Thank you, Chair Allen. I am really appreciative of the County Administrator for circling with the district offices about what timeline makes most sense. This Board needs to also exercise its connection to its constituency by starting with the message that investment in ourselves is always a good thing. And that is what bonds do. They allow us to have a greater reach. They allow us to stretch our dollars and to invest in significant capital improvement projects, facilities, programs that our community can benefit from. And I do believe that that community driven process is going to be done through the Bond Advisory Committee, and I am in support of asking the Bond Advisory Committee to come back as soon as possible, with the goal of having a recommendation for voter consideration on the '27 ballot. I do believe that it is better to start that process sooner rather than later. If we were to activate the Bond Advisory Committee, for instance, in April or May, with the goal of the following year coming back to the Board, you are going to have the summer lull there, which means you really will not get the opportunity to get the full advisory committee back until August or September. That timeline still works from the District 5 perspective, but I want us to be able to have a robust conversation, not about what our constituency will say no to, but what they will say yes to. It is so important for us to look at why we have failed in years past, and what the voter sentiment is going to be moving forward. I believe that the approach this year that I believe I am hearing from County Administration, which is ask for the expenditure limit on the ballot this year, is something that I am supportive of and have the Bond Advisory Committee do its due diligence between now and April of next year to come back with the Board for its recommendations. With that, I will also say that I am much more in favor of larger asks than smaller ones. You know, a 10 year plan versus a 20 year plan is something that I am going to be paying close attention to, because I believe we have to we have to not shortchange the asks in front of us. For instance, if our parks folks need \$200 million to be able to make use of a strong bond program, let us not give them a quarter of that or a half of that. That can be for any

of the various fields that we are going to be paying close attention to. Since the Board has adopted the One Pima initiative, I do see neighborhood reinvestment as a top priority for this Board, which benefits the entire region. Investment in sidewalks, playgrounds, infrastructure, traffic mitigation. And that will be the top issue of the District 5 Office for the Board's consideration and the Bond Advisory Committee's consideration. I hope that makes sense. Thanks.

RS: Chair Allen?

JA: Supervisor Scott.

RS: Thank you very much. I appreciated everything that both Supervisors Heinz and Cano said about the need to have time for a robust public discussion, first on the Bond Advisory Committee and then within the community. And I am comfortable with the timeline that was discussed by both of them in terms of moving towards a general election vote in 2027. But to follow up on some of the concerns that Supervisor Christy raised, especially given the number of revenue packages that the public's, the electorates and Pima County have been asked to consider, one of the chief reasons that we are being asked to consider a bond package is because capital improvements costs are excessively competing with operational costs. Is that accurate, Ms. Leshner?

JL: Yes, sir.

RS: So with that point in mind, I think it is going to be important for the Bond Advisory Committee and the Board of Supervisors to be able to demonstrate how any bond package could have a positive effect on what we are asking for in terms of not just the primary property tax rate, but the Regional Flood Control and Library District secondary taxes as well. This was a point that I made when Ms. Durazo and Ms. Fife came into our office to talk with us, is that we need to be able to talk holistically to our public about how a bond package is not something where we are just asking for a way to fund capital improvement projects over a certain period of time. But it is also something where we can demonstrate the potential salutary impact on the overall property tax rate. So I hope that is something that we are mindful of moving forward.

JL: Thank you. And if I may, Chair Allen, I think when the County went out for bonds every few years and, you know, '97 they went out in May for GEO Bonds, November for HURF funds totaling about \$740 million in '97 dollars. But I think the other element of that, when you look, the County went out in 2004 and 2006. Elements of those bond elections built upon each other as we expanded what has now the Behavioral Health Pavilion and the Crisis Response Center, the Emergency Room, we added \$100 million for the Pima County Wireless Integrated Network recognizing that there was a long multi-year plan that was responded to with bond elections over a period of time. And that is what I hope we are beginning to look at. We hope we have started looking at a five year, you know, what is our financial projection, and then to sit today and look at our the integrated infrastructure

program. What does ten years look like? And then where do you need to go out for bonds to provide that critical infrastructure? Since we have not been successful since 2006, we are now at the 20 year mark where we have not been able to provide dollars for the critical infrastructure, and we are seeing that in some of our infrastructure. And I see looking at that long term plan is going to be critical.

JA: So.

RS: Chair Allen?

JA: Oh. Go ahead.

RS: I am sorry, just to just to follow up on the points that Ms. Leshner just made. Yeah, I think it is going to be very important that we talk to the voters about a long term plan and I appreciated the Administrator's comments because I think that long term plan needs to show how bonds and to take up a lot of what we are currently asking of the General Fund, how bonds can have a positive effect on what we are looking at for the General Fund. In other words, I just hope that we are going to be making a big picture argument in terms of our long term strategic plan to the voters, not just in terms of our bond strategy, but how that bond strategy influences what we want to do with overall budgetary policies. Thank you, Chair Allen.

JA: So my two cents on the bonds is that I also think it makes sense to form the committee as soon as possible to start a robust community process with an eye towards getting on the ballot for '27 general election. But anything shorter than that is just too short and too quick. The way that I tend to think about the bonds now is that and I think maybe it is comparable to not put words in Supervisor Scott's mouth, but perhaps comparable around a bond that can articulate a vision rather than a hodgepodge of different projects. But indeed is a vision for where we want to move forward, where the County sees both County operations, but how through the bond we are investing in the betterment of Pima County. And the thing that I look at as I, in fact, was going back through the list of the Integrated Infrastructure Plan and looking at the projects that are within there with a lens of how do they potentially, again knowing it is just a phrase, but the degree to which they might align with the Prosperity Initiative, because I do think framing up the bond in terms of and I will say to not go off, there is a whole lot of projects in there that on the surface, they look like they would be advancing prosperity. But if we can articulate a prosperity bond, that shows both how we are strengthening the infrastructure of the County and investing in infrastructure that will be improving pieces of One Pima which is integrated in parts of Prosperity and that includes decreasing crime, the investing in bonds that will help us be more resilient in the face of climate change, health and education, workforce, economic development. All of these pieces are part of Prosperity and I think through bonds, we could help be part of expanding that vision. I think the thing that is excellent about Prosperity, and the prosperity vision is that it is not only the bond, right. We have municipalities throughout the region who are supporting prosperity initiative and working towards it in their own ways, through their own general fund and other programs. So, it is a piece that we are continuing

to make progress on in other ways. So it is not entirely bond dependent. So I think it enables us to tell a much bigger story of what we are doing, what we could advance and the vision that we can work towards through investment in this bond. So that is kind of my two cents on a frame for moving a bond forward, but I think speaks to the realities and the needs both of the County as well as Pima County residents and families.

RS: Chair Allen?

JA: Supervisor Scott.

RS: To go back to what you said at the beginning of your remarks, you are definitely not putting words in my mouth. I think you were doing a far better job of articulating what I was saying about the need for a big picture argument to come from both the Bond Advisory Committee and the Board, with regard to the arguments we make from voters. But I think you probably did a better job than me because I am sick. So give me some grace on that.

JA: Grace given. Supervisor Heinz.

MH: Thank you. So what I heard was Districts 1, 2, 3, and 5 say in panel, I think get the Bond Advisory Committee going and then an eye toward '27, in District 4 maybe '27 or never. Okay.

JL: We will make sure that the Board has the most recent Pima County Code that describes that advisory committee. Each of you, I believe, have 2 or 3 appointees to that committee, as do other jurisdictions. So we will start thinking about that and we will get that out to you right away and get that formed and moving quickly. Thank you.

RS: Chair Allen?

JA: Supervisor Scott.

RS: With regard to those appointments, could we get some general guidelines Ms. Leshner, as far as the type of individual, their professional or other backgrounds that might make them a good candidate for appointment to the Bond Advisory Committee?

JL: Certainly.

MH: Chair?

JA: Supervisor Heinz.

MH: Thank you. Does this work? If it is far away from me? Well, okay, but I was told it did not the last time. That is why I keep holding it. Where do they have to live? We

cannot have I mean, we cannot be pulling people from Cochise County or Coconino. That seems weird, but I say that because I am trying to figure out this whole trial court, multi-layered committee that appoints a committee that selects a person for that appointment. Somewhere in all that mess, I believe the District 2 people have to physically live and vote in District 2 for certain things, but then for other stuff we can appoint people in Houston. So I am just curious if we could know if the three people that we have to appoint need to physically live and vote in, in each of our districts? Or can I appoint a bunch of people from District 4 and 3 and 1?

JL: I think I have got the Code with me, so give me a second to find it.

JA: There is a binder for that.

AC: Chair Allen?

JA: Supervisor Cano.

AC: Thank you. While staff looks at the binders. I will buy some time, happily. The agenda material for prior bond elections tells us that we have in successful general obligation bonds, asked for as much as \$730 million. I think some of the scenarios that we have been given have been \$100 million cap. Right. And so I just ask staff to be mindful of whatever the average is from 1974 on up of the buckets that have been sent to voters and have been authorized there should be a delta there, right? Obviously, we are going to do our best to figure out why these proposals at that amount failed in 2015 and 2018, but I do believe that there is a delta here to suggest that a bond package, upwards of \$300 or \$400 million is certainly doable based on historical precedent.

JL: Thank you. If I may, Chair Allen, 3.06.040, three appointed by each member of the Board of Supervisors. And that is all it says related to your appointment. And just for fifteen members, three appointed by each member of the Board, five members, one appointed by each of the incorporated cities and towns, two - one from the nation and one appointed by the tribe. Three members appointed by the County Administrator, and they serve for a term of six years, because, if you recall, the Bond Advisory Committee then continues to review updates and evaluations to ensure that all the bond dollars are spent in accordance with the bond plan. But it indicates the committee shall review and make recommendations to the Board on the proposed amendments and again meet as often as deemed necessary to put the plan together.

MH: Okay, Chair?

SC: The Bond Advisory Committee has been dissolved.

JL: Chair Allen and Supervisor Christy, yes. This is to recreate the Bond Advisory Committee, but it is defined in Code. So if you wanted to make changes to this, you have to amend the County Code.

SC: [inaudible]

JL: Not today.

MH: Chair Allen and staff what was the total number? I missed it. There is fifteen, but then there was five for the City.

JL: Twenty-five total.

MH: And then two from the tribes and three from the County Administrator, so twenty-five total?

JL: Correct.

MH: Okay. Great.

JA: So no, they do not have to live in our district, but preferably not in Houston.

MH: [inaudible]

JL: It is not included in this Code. There are other sections of the Code that deal with our committees and commissions, and it has not specified again, some boards or committees or commissions specify that, some do not. I believe we had a member of the Redistricting Commission that was from outside of the County.

MH: Okay.

JA: Okay. Anything else on discussion of the bonds? Alright. Then we will move over to Item No. 6 and this is the discussion on the Expenditure Limit Report.

ART: Thank you. Administrator Leshner, Chair Allen, members of the Board, I have a brief presentation for you this afternoon. It was sent around in the materials, I believe, on Friday related to the expenditure limit, what we will call a base level increase. We will wait for the slides to get pulled up here. Alright. So if you want to move on to the next slide, we will give you an overview of what the expenditure limit is and how it is calculated. The expenditure limit was a state constitutional amendment that was passed by the voters in 1980, really to limit the growth of government. Again, as I mentioned in the budget presentation, it was accompanied by that levy limit amendment as well. This is something that affects all counties, community college districts, cities, towns, and it limits the growth of expenditures because of the calculation, which we will get to in a minute. One important note as we talk about the timeline and the calling of a potential election. The expenditure limit does not set the County's taxing authority. So this does not raise property taxes or sales taxes.

What the expenditure limit allows the County to do is to spend the revenues that we are currently receiving in any given fiscal year. The expenditure limit does not raise property taxes or sales taxes. What it allows the County to do is spend the revenues that are currently coming in. Okay. So that is an important distinction. And as far as how it is calculated, every year the State Economic Estimates Commission provides each of the counties with the expenditure limit for the forthcoming year. So for this fiscal year, the expenditure limit is, as you can see on the screen there is \$762 million. And it is a calculation that takes our base limit in 1980, multiplies it by a population factor and an inflation factor that dates back to 1978, actually, and so the calculation that is represented on the screen there is representative of the EESCs. Well, it is now the '26 expenditure limit as \$762,073,160.00. Next slide. So historically, how has Pima County utilized its expenditure limitation? You can see here that you know the totality of this chart is the bars on the chart represent the total amount of expenditures that were subject to the limit. And the gold bars at the top of each chart represent the carryforward balances that the County has used to get beneath the expenditure limit in each of the given years. So you can see the anomaly in '22 is because of a large carryforward that resulted in the Pension Obligation Bond proceeds being received in FY21, but we did not actually spend those until '22 as the County had expenditure authority constraints in that given fiscal year, which is the significant balance there. I do want to note that there are certain exclusions to the expenditure limit in terms of what was included, and you may be familiar with some of these as we have talked about it, in terms of debt proceeds and debt service payments are subject to the expenditure limit. The expenditures of separate legal entities, i.e. The Flood Control District and the Library, are not subject to, all tax and access expenditures are not subject to, federal, state and private grant revenue are not subject to the expenditure limitation. Any IGA revenue that the County may receive, as well as investment income and interest, is not subject to the limit either. And so each year the County does a good job of ensuring that we have come underneath the limit, but it is becoming increasingly more difficult as that carryforward balance fluctuates from year to year. Next slide please. So how does the County compare to other counties and what other counties have had a permanent base adjustment in what year? So you can see the box that is highlighted there represents Pima County in terms of where we are at in meeting our permanent base or our expenditure limit. I am sorry. There are total of seven other counties that have adopted or have passed a permanent base limit. The most recent being in 2024, we had Yavapai and Coconino County adjust their base limit. Maricopa gosh, in 1998 that was 11% adjustment. And you have some other counties there, La Paz, Navajo, Greenlee and Apache. Apache I think the longest ten years, 1984, had a 55% increase in their base limit adjustment. I do know that Yuma County is also planning on going out with a permanent election later this fall in November. Next slide please. So as we talk about what does the future looks like from an expenditure limit perspective and our current revenue growth, the green dotted line represents our revenue projections on this chart. Where the black line represents the current projection of our expenditure limit. I want to note that for fiscal years '27 through '31, these revenues are the same as the five-year forecast that we showed during the Budget Presentation. And then beyond 2031, we are assuming an annual average growth rate of 4% for our

revenues. The purple line at the top of the screen represents what it could look like if the voters passed a permanent base limit adjustment. This is demonstrating a \$70 million base limit or 75% increase in our base. But as we will see in a slide or two, this is completely up to the County as far as what we ask the voters for. It could be something less or it could be something more, but we just use \$70 million, which represents a 75% increase in our permanent base limit for illustration purposes. Next slide please. So, what are the implications if the County did exceed our expenditure limit in any given year? Essentially the County would be required to reduce its levy limit in the following fiscal year by the amount that we exceeded. So we give two examples here. In fiscal year '23, tax year '22, our expenditure limit was \$654 and we had subject expenditure for \$741 million. So if we would have not had \$87 million in carryforward balance to meet the expenditure limit, the County would have had to subtract that amount from the from the levy in '24. So that would have been an \$87 million reduction in the following fiscal year of \$87 million. So what would that have looked like in fiscal year '25? That levy limit is \$531 million in fiscal year '25 would have been reduced to \$444 million. The actual tax levy for that year was \$461 million, which means we would have been \$17 million short in our limit.

SC: Madam Chair, quick question. It seems like it is a credit you are taking on the next year to utilize it for a year, and then you have to pay back what you take following.

ART: Chair Allen, Supervisor Christy, I do not know that I would look at it as a credit as much.

SC: An advance.

ART: What the County is able to do depending on how we manage the expenditure limit, i.e. Wastewater bonds, COPS, those elements help us reduce our limit. And so it is not a credit every year. I would think about it as more of a...

SC: IOU.

ART: It is not an IOU either. It is just the way we manage the limit. And we do that really through the issuance of debt. It is the County's largest lever in utilizing those carryforward balances from any given year. So there is prudence that we take from the financial perspective to make sure that we can stay under that limit. That limit is just getting narrower and narrower as we look at the five-year picture.

JL: Chair Allen, when we met last year, as we do each year with ATRA, which is Arizona Tax Research Association, which is a rather conservative organization that does not necessarily support tax increases. One of their questions for us is why we have not gone out to increase our expenditure limit, saying that we were then at times historically looking at COPS, Certificates of Participation, and there may be ways to cause the County to incur debt rather than to be able to spend money that we brought in. So I took as a good sign that when ATRA is saying, why do not you go out and increase your limit? We did ask if they would be willing to sign on in favor of the initiative. But know that this was not seen by ATRA as a way that we were going

to be increasing taxes, but simply having the ability to spend some of the money that had already come into our coffers, if you will.

MH: Chair Allen?

JA: Supervisor Heinz.

MH: Thank you. I do not know if any staff would know this, but for the counties that have more recently successfully passed the permanent base limit adjustment, looking at La Paz in 2018, Greenlee in 2022, and then the two most recent ones, Yavapai and Coconino counties in 2024, what did those elections look like? What were the results? Because Coconino tends to be more left leaning. Yavapai, more right Greenlee, as well as kind of more right. So you have I just I am curious, did these counties overwhelmingly approve these? No big deal. Or was it like nail biter? I am just kind of curious from a historical perspective. What the [inaudible]

JL: [inaudible]

MH: Okay. That is fine. Thank you.

JA: And then if I could just ask about why this is in place, I am assuming that it is intended to kind of temper growth and ensure that counties are sort of having modest growth rates. What is the rationale behind having an expenditure limit?

ART: Yeah. Chair Allen, as I understand it, it is really that to limit the growth of government and it is not just counties, cities and towns and, and community college districts are also subject to the expenditure limit and it is really done to limit the growth.

JA: Okay.

RS: Chair Allen?

JA: Supervisor Scott.

RS: Just to follow up on what Mr. Cuaron just said, correct me if I am wrong, but given that this was passed back in 1980, I think it was a direct outgrowth of the Proposition 13 fervor that came out of the state of California, led by Howard Jarvis. And because that was around the same time and the fact that so many of our sister counties, counties that are more blue and counties that are more red have already acted a long time ago to raise their expenditure limits, speaks to the problems that this voter approved initiative caused back in 1980. But then I just wanted to ask a clarification question. Didn't Pima Community College act to raise their expenditure limit, I think a couple of years ago?

SH: Chair Allen, Supervisor Scott, it was closer to like between 5 and 7 years ago. I know that they went out and did that already. So that was probably the most recent request that we have had on the ballot.

JL: School districts.

RS: And if I..

SH: School districts are not subject to the same.

RS: And if I remember, Mr. Holmes, the Pima Community College measure passed by a rather sizable margin.

SH: Chair Allen, Supervisor Scott, I believe so. I know it was. I would be guessing, but I know it passed fairly strong.

JL: We will add that into the...

RS: I appreciate it. Did I have my history right, Ms. Leshner, as far as this being connected with the Howard Jarvis thing?

JL: In 1980, is what I was looking at is when the constitutional amendment was passed here in Arizona, and that was for both the levy and the expenditure limit.

ART: Chair Allen, I am getting real time information. I am told Coconino County was 73% in favor. Yavapai County was 63% in favor in those representative elections. Change slides, please. So what are Pima County's options? The statute does allow a mechanism to increase this in two ways. We can do a single year override, which is a specified amount and purpose. And the override is only effective for a specified fiscal year that we include in the publicity pamphlets. The permanent base limit adjustment, which is what we are discussing in depth here, it permanently raises the expenditure limit. So you do not have to go out each and every year for an override. There is no statutory limit on the amount of the adjustment. So we could set the adjustment such that it meets the needs of Pima County for the foreseeable future. Again, I will reference this. The approval does not raise taxes or grant the governing body additional authority to levy any taxes. It just allows us to spend the money that we are scheduled to receive. Again, the list of counties that have approved permanent base limit adjustments are Maricopa, Coconino, Yavapai, Navajo, Greenlee, La Paz, Apache and Tucson, Marana and Oro Valley have also done those PBLA adjustments, and we will include those results as well on the follow up to the Board's inquiry there. I do want to note either of these options requires voter approval. You can change the slide. And so what does that permanent base limit adjustment look like. As I said County can request from voters any dollar limit increase to the base. It is a dollar amount limit. So I do want to note that. And for references a \$10 million base limit would increase the expenditure limit by about \$80 million, or 11%. A \$70 million base limit would increase the expenditure by about \$590 million. Again, if we went out in November of '26, this would not be

included in our calculations until FY28, but it would be a 75% increase over that base limit. And the purple line, this is a snippet of the chart that I showed a couple slides ago. The purple line does represent that 75% increase, or \$70 million base limit adjustment. So what does it look like from a timeline perspective? If the Board did want to send this to the voters in November, we can change the slide. Sometime between March and June we would have to hold two public hearings to get the appropriate notice and the paper of record. The Board would vote to refer the measure to the voters June at the latest, but the vote would have to come immediately following the second hearing, and pass was with a two thirds majority. In July, a revenue and expenditure limit analysis would be submitted to the Attorney General's Office for review. Auditor general. I am sorry. Auditor General. I get those two confused. In August, we would submit the publicity pamphlet for the Auditor General review. And then in October, that publicity pamphlet would be mailed to voters in time for the General Election on November 3rd, 2026. So that is a high level overview of the expenditure limit, what it is, what it is not, and what the implications are. So that concludes my prepared remarks. Be happy to answer any questions the Board has.

MH: Chair Allen?

JA: Vice Chair Heinz.

MH: Thank you. So just back to that last slide real quick. And this comes from the PAG RTA side of things. As I recall, we as a Board have to refer things five months before the November 3rd, 2026 election. So would that not be the last meeting in May, not actually a meeting in June, we would be required to do that? Or am I doing that math wrong?

JL: Chair Scott, Vice Chair Heinz, we will confirm that these are under the statutes related to expenditure limits, and they do the ticktock of everything related to the election, and they are slightly different than others. But we will just confirm, do the crosswalk with others and make sure that we have the right dates and come back to you. But these are what is clearly specified in the statutes related to these kinds of elections. So let us confirm. Thank you.

MH: So potentially I guess Chair Allen and staff, folks like that is crazy. It should be the same for all of it. So like a referring this versus referring the RTA package versus referring like, you know, taxing district or something like those could potentially have all different timelines. It is weird. Okay. Thank you.

JA: So is there something that we need to do today at this meeting in terms of moving this forward?

JL: Thank you Chair. Our agenda is to be able to take action. If the Board would like us to move forward with preparing the expenditure limit election, we will do so and begin with the process of, pardon me, scheduling public hearings in March.

MH: I will move that we direct staff to prepare to send to the ballot a permanent base limit adjustment proposal for the voters to approve in 2026 November.

AC: Second.

JA: Seconded by Supervisor Cano. Discussion?

SC: Yeah, I am going to say I need to have more time to reflect on this other to move forward. From the surface of it, it has its attributes, but I would respectfully request that I have the opportunity to study this and maybe have it for the agenda for the next board meeting. If that is the will of this Board. But if we are going to vote for this...

MH: Chair Allen, just to clarify, this is just to direct staff to get it going. This is not the referral to the ballot itself. Just to clarify that.

SC: [inaudible]

JL: Yes, the motion before you is to move forward with the first step in scheduling the public hearing and you would not be actually voting to send this to the ballot until a later date. But this could easily simply begin the process as if we were to be going to the ballot and schedule, confirm the dates and schedule the public hearings.

SC: Starting the process?

JL: Yes sir.

JA: Okay. Any other discussions? All those in favor?

MH: Aye.

AC: Aye.

RS: Aye.

JA: Aye. Those opposed?

SC: Abstain.

JA: The motion passes. 4 in support, 1 abstention. I believe part of the agenda. It is now time for a break. We will resume in ten minutes.

[Break]

JA: Alright. I think we are all back and we are moving on to Item No. 8, Special Taxing Districts.

JL: Thank you, Chair Allen, first time today, said it right. Just information. There have been conversations in the past about what the Board might want to do, what is possible related to the establishment of revenue sources and special taxing districts. You have a list in front of you in the memo of possible. Actually, there was we recirculated a memo from March of 2025 that show what all the different districts are, what the requirements are from the Board, etc. Just to provide these as some background, should the Board wish to at any time begin the conversation about special taxing districts.

SC: Madam Chair?

JA: Supervisor Christy.

SC: Two questions. Who oversees these taxing districts? Is it like fire districts?

JL: Chair Allen and Supervisor Christy. it depends on the district. Some get created like a health district, as an example, is the same as a library district or a flood control district where you would all be sitting as the Board of that entity. Some become different. There is some different governance related to fire boards and things. Most of these is my recollection, I believe that you sit as the, if you create the district and it is a taxing authority within the County, you sit as that board.

SC: Other than the district, it is not already created. We would be the overseers of it. But if there are some districts that have different overseers, such as fire districts.

JL: Yes. But something like a health district, which is one of the ones that we have been hearing about the most. You would be sitting as the Board of that community, that public health district.

SC: And, Madam Chair, I just want to point out that on page 3 that shows the voting of the Board of Supervisors, I think pretty much of them require a unanimous vote. Just wanted to point that out.

MH: What?

SC: These. Page 3 of the memorandum, Board of Supervisors' action requires unanimous approval of the Board. Requires unanimous approval of the Board. Requires unanimous approval of the Board.

JA: Just some food for thought.

SC: [inaudible]

JL: Well in, Chair Allen and Supervisor Christy, as you notice in some of these, some you create, some is response to a petition from the community. Some there are different. That is what we have tried to again, I look at some of them. They are quite different in some. But you are right, many require unanimous.

MH: Chair Allen?

JA: Vice Chair Heinz.

MH: Thank you. For the awareness of my colleagues. One district that is being looked into contemplated by a subcommittee, a working group of the Southern Arizona Chamber at this moment would be a public health services district. This working group was, I think, impaneled over a year ago by the Southern Arizona Chamber to address the worsening health care workforce, specifically physician shortage issue, and that group has representatives from all of Pima County's major health systems, two of our community health centers, as well as, of course, Carondelet Northwest Medical Center, TMC and Banner. So they are looking at the feasibility of that potentially for later this year to address the, what I also believe is a huge healthcare workforce issue and could potentially become a competitive disadvantage for this region if people cannot get in to see a doctor or, frankly, any kind of primary care person, or they have to drive up to Phoenix for a specialist, that kind of stuff. So I do know that is one special district. That would be a majority vote of the Board to send it to the ballot for voters to approve, not a unanimous vote, but it would work like a library district if that is something that comes forward.

JA: So it does not require unanimous vote to create the public health district?

MH: Correct. Chair Allen. It would simply be referred to the voters, just like the library district was whenever that happened, and then the voters would vote and a simple majority would establish that district. So for the Public Health Services District, the Board of Health would go away, we would become the Board of the Public Health Services District.

JA: But it does not require unanimous vote of the Board to call for the election? That is a simple majority.

MH: Correct.

JA: I am wondering if somebody could explain the scope of a public health services district, what all could be contained within that. I have heard about the interest in the initiative behind physician shortage. Right. It has been a driving factor towards some interest in this, but I am interested in what else can be covered within that district.

MH: Sure. If I may, Chair Allen. So conveniently for public health services, there is nothing in the Arizona Revised Statute that presently defines exactly what that is. Which means there, we have quite a lot of flexibility, for example, with regard to the very early draft language that I know the Southern Arizona Chamber Working Group is looking at. It is not simply just to address healthcare workforce, but also to address pressing needs of population health, such as education, screening, connecting people to care, access to care issues, all surrounding the two things that

kill us most, which is, of course, cancer and heart disease. So it would not just be health care workforce efforts or initiative that is being contemplated, but one that also more broadly addresses pressing public and population health issues affecting Pima County residents.

JL: Chair Allen, if I may, I am looking at the information provided by the County Supervisors Association, just about the overview of public health services. The general purpose is delivery of public health services within a given County, with the governance being the Board of Supervisors serving as the Board of Directors. And then simply the Board provides for an election approved by the majority of voters. There are a variety of other information related to tax, levy and such, but this was all the CSA has done a very good job summarizing every different district available. So that one line summary comes from CSA. And Chair Allen should the Board, there have been discussions in the past that the Board might want to move forward with the creation or additional evaluation, consideration of a district it is on for that purpose. If the Board is not at this point, looking for the Board to be moving forward to create a district, we do not need specific action.

AC: Chair Allen?

JA: Supervisor Cano.

AC: Thank you. The District 5 office has not been approached about the proposal or the idea of a health district. Therefore, I cannot be supportive at this time. Thank you.

RS: Chair Allen?

JA: Supervisor Scott.

RS: I read with interest the materials attached to the item, but given the crucial need to move forward with a bond package, I would prefer that the Board of Supervisors not consider any kind of special taxing district, health, jail, or any of the others that are mentioned in that document until we are able to move forward with a bond package.

JA: Thank you.

RS: Also, just to add to that, I was, as our representative to the Board of Directors of the Chamber of Southern Arizona, I am somewhat aware of the work of the working group that Supervisor Heinz made reference to, and I would want to hear some more, not only from that group, but just as significantly the role that our area hospitals and health care organizations would take in terms of being at the vanguard of any such proposal. Thank you, Chair Allen.

JA: Any other discussion? I think I would be interested in hearing how or learning how a health district might help create a net for those who are being pushed off the roll from the Affordable Care Act because of the increased premiums of people who might no longer be getting coverage or are pushed out from increased obstacles for

staying enrolled in through Medicaid. And just as people are struggling with health care, I guess my question is the creation of a health district a way to help compensate for folks losing access to health care and the lack of affordability of health care on the near horizon. And I also, I think to echo Supervisor Scott's comment would be interested in hearing from folks in the community who are working on this idea and kind of invested in this concept and to kind of learn a little bit more about what they are thinking and why they support it. Any further comments on this item? We have on the agenda, Item No. 9, County Administrator Search Process, but I think we have already solved this. We have just come up with another one year contract. So we could just move on. Alright.

JL: Thank you and if I may, Chair Allen the only information that we would need today. You know, my contract ends in January of '27. We are in the last year. There is no need to take action at this time unless the Board believes it would like to hire a search firm to work through the process. Chair Allen and I have looked at a timeline, and I think this can easily wait until spring/summer to begin. The concern is, if you would like to hire a search firm, our procurement process can take from 90 to 120 days. And we wanted to add that to the beginning of this, so that if there is a search that would require a firm that we can start to procure that to assist the Board. So that is your timeline today. Thank you.

SC: [inaudible]

JL: I am sorry. Chair Allen and Supervisor Christy, I think to start a process this summer in the late spring, early summer is fine. If you would like that process to be informed and to be driven by a consulting company, we need another 90 to 120 days to hire that company to go through the procurement process. So that is why we are coming to you today to say, what is your direction? Did you want to go to a national firm? How would you like us to handle that, so that we can ensure that we are developing a timeline that allows you to hire that company or to procure.

SC: Madam Chair, I would like to offer that I should be in complete control of the appointment of the next County Administrator.

JA: I will put on the table that my opinion is that we can do a national search without necessarily hiring a firm and convene a representative committee that can be part of this process and drive it forward without the additional layer of a firm. And looking around at other municipalities, folks have done well doing with national hirings without the addition of a firm that just kind of getting the word out and there is some tools. And I think that people have had some success with to reach folks at this level.

SC: Yes, I would agree that I think we are fully capable at our level and local level to come up with a proper vetting committee or our own search and not necessary to hire outside consultants who have to take so much time to work themselves up to speed. I think what we should talk about in relation to what you are offering, and what I am agreeing with, is the makeup of this committee. Is it going to be purely

Board of Supervisors? Is it going to be community members? Is it going to be employee representatives? I think those things need to be considered. I would also think that as much transparency in the process would be better than how it has been perceived in the past, rightly or wrongly, but it should be done in the public and the public view, with public participation. As far as the extent of perhaps including general members of the public from each of our districts to participate in the committee as well. So I do not know how to word it in the sense that we need to start the steps but based on those criteria I just outlined.

JA: Thank you. Supervisor Cano.

AC: Thank you, Chair Allen. Of course, it goes without saying that all of us on the Board dream of the administrator offering a one year extension, but we know that that is not the case and we have got to move in a judicious manner to make sure that we have another top tier candidate leading our County. I do believe that we need to expedite the timeline for a new administrator. I am more comfortable with an October or November 1st hiring date. I believe that that timeline allows us to be able to ensure that there is an administrator-elect who will be able to hold hands with our current administrator throughout that process. It is also right before the budget request. Actually, let me backtrack, Chair Allen, if we were to do this with a status quo time frame, meaning January hire, I am worried that the same timeline that we have reviewed today, for instance, where departments are just submitting their budgets, is not going to be conducive to the long term strategy because that new administrator would be jumping right into budgetary recommendations and decisions. And so I do think some kind of overlap and some kind of training with the current administrator is going to be paramount to that. That would put us at a selection review, probably throughout June or July, with the time frame that we have just heard of. Although I do want to give some voice to the fact that I or to the District 5 perspective, I do not know that we need to lock in a national firm either. I believe we can hire locally and we can have a third party candidate firm, I should say, be able to oversee this process and have a little bit of independence on behalf of the Board, since technically this is our decision. Right. But the timeline that I am more comfortable with is not us figuring this out in January. It is in the fall.

JA: Okay. Thank you.

RS: Chair Allen?

JA: Supervisor Scott.

RS: No, I think it is very important that we have a fulsome search process. I do not think it necessarily has to involve a national search firm, but the reality is that we are looking at somebody other than someone with the last name Huckelberry or Leshner serving as the County Administrator for the first time since 1993. And the community is going to expect us to have a fulsome, robust, detailed search process. And frankly, I would like some guidance from our Human Resources Department as to timelines and structures that the Board might consider. I absolutely agree with

Supervisor Cano that having an administrator-elect, if you will, in place in October or November, perhaps even September, would give time for that person to have ample opportunity to work with Administrator Lesher. I also think there might be value since this is new ground for the County, but it is not new ground for Pima Community College or many of our local school districts that perhaps we could ask our Human Resources Department to also be in touch with some of those other large organizations that have hired a superintendent or a chancellor in recent years, because this is, as I keep saying, new ground for us. But I think we can ask Ms. Lesher to ask Ms. Bohland to follow up with us in terms of some structures, timelines, overall guidance that we might follow. But I agree with my colleagues that we do not necessarily need some high powered national firm. We just need more guidance and direction for something this County has not done in many, many years.

JA: Thank you.

RS: Thank you, Chair Allen.

JA: Supervisor Heinz? Sounds good. Good direction. Alright. Well there is nothing. Oh, no. We have an Addendum. Almost missed it. So we will move to Addendum Item No. 1. This is the 2026 Regional Transportation Authority Special Election. It is the early ballot drop off sites and the replacement locations. I will move the item.

MH: Second.

JA: Okay. Seconded by Vice Chair Heinz. Discussion?

SC: Madam Chair?

JA: Yes.

SC: I would ask that we approve the locations as presented. However, there is an item that I would request be pulled for future consideration by the Board, which will allow for plenty of time for discussion and discernment. And that item that I wish to have pulled on this agenda item is the Mobile Voting Unit. This is the first I have heard of it. I am not familiar with its makeup, its direction, its staffing, where its location is to be going. So I would ask to amend the motion to pull the issue of the mobile voting unit for future board discussion in a formal Board of Supervisors meeting, and to approve the ballot off sites and replacement locations.

JA: Just to clarify, you are making a motion that excludes the mobile voting unit from the drop off sites and replacement locations?

SC: Yes, and that would be for this Tuesday's Board of Supervisors meeting.

SB: Excuse me, Chair, is that related to the addendum item?

SC: My understanding is that this was the first this issue was brought up in relation to this item, that there would be a mobile voting unit involved.

JA: Is there a second to this motion. I do not hear a second, so the motion dies. Thank you.

JL: It is an attachment. Excuse me Chair, it talks about where the locations to drop off sites are and attachment does include a mobile voting unit, it was there.

JA: Okay. So the motion died to remove it. So we will return to the original motion that was seconded. Any further discussion?

RS: Chair Allen?

JA: Supervisor Scott.

RS: We cover so many items on board agendas. I have a vague memory of there being reference made to this mobile unit, either in a report from the Recorder or the Elections Director. Perhaps we could ask and I may be incorrect in that memory, but perhaps we could ask the Administrator to ask the Recorder's Office and/or the Elections Office to get us some more information about this unit that Supervisor Christy requested.

SC: So moved. [inaudible] I have never heard of this.

JA: So I do know that they had received the grant. Recorder's Office received a grant from the Tohono O'odham Nation, one of the 12% grants and then, I believe, received a second grant because in the time that the first one was received and then the cost of getting the unit together had gone up. So they received another grant and there has been resources then from revenue coming from the nation to help support this.

SC: Madam Chair, I think I am old enough to remember the first RTA and there was a pretty good cloud of controversy over the voting results of that. I do not think this community could go through another one of that nature. And I think when we bring in the subject of a mobile voting unit, we need more clarity on what that means, where it is going, who is going to be the beneficiary of, who is operating, who is staffing it? Are there political parties witnessing inside this? So once again, I would ask my colleagues if they want to go ahead, if we want to go ahead and approve the gist of this item, that is fine with me, but I would again request that we have a full disclosure discussion at the next board meeting on the mobile voting unit.

RS: Chair Allen?

JA: Supervisor Scott.

RS: Thank you. Just to reiterate something about this election, which is that it is an all-mail in election and the vast majority, a significant percentage of ballots that come in are going to come in by mail. We are being asked to approve this item because we have to do it with every election. But when it comes to the voice of the people with regard to Propositions 418 and 419, most of those ballots are going to be coming in by mail. So I do not know that I have the concerns that my colleague from District 4 does, but I do agree with him that it would be nice to get more information, but it is not going to preclude me from supporting the item, especially for the reasons I just cited.

MH: Chair Allen?

JA: Vice Chair Heinz.

MH: Thank you. Does staff have any additional description, explanation, anything about this mobile unit, how it is going to work? Some of the questions that, not right now okay. Alright. Thank you.

SC: Madam Chair. To Supervisor Heinz's point this item was first, I do not want to say divulged but manifested itself at the last Election Integrity meeting by the Deputy Recorder and this was basically the first time that entity had ever heard of it, and I dare say that no one in Pima County, no resident, has any idea what it is. And I really understand what Supervisor Scott's saying. But every little bit of controversy or element of unknown or non-transparency just adds to the general disgruntlement of the community and it really, I think, needs to be explained in those terms that I laid out before what this is all about.

AC: Chair Allen?

JA: Supervisor Cano.

AC: I am trying to figure out the end game here because I firmly believe and have confidence in our election workers and our Recorder staff who follow ASRS every single day, or ARS excuse me, and the result is no different. With a ballot being reviewed, signature verified. I mean, there are checks and balances in place for any kind of abuse to be flagged immediately. I do not believe that it is prudent for us to halt a very defined early drop off site list and replacement locations here that the Recorder and Elections team have asked for us over hypotheticals of what could happen in this instance when I have full confidence that our County staff are following the law and doing everything possible to ensure that this election is safe and secure.

JA: And I will also just add again that the intention behind a mobile unit is useful for my district in that people need more places to be able to drop off their ballot, dropping things off at the Recorder's Office when you live in Ajo, or you live in Three Points or Arivaca is incredibly difficult. So as we try to create opportunities for rural communities to have as equal access to some of the services and resources that

those that live close to Tucson have. I am in full support and I appreciate the leadership of our County Recorder in thinking about and addressing the needs of rural communities. With that, I will bring the item to a vote. All those in favor?

RS: Aye.

MH: Aye.

AC: Aye.

JA: Aye. Those opposed?

SC: Opposed.

JA: Item passes 4-1 and that would actually be our final item for the retreat. And we will thank everybody for all their work.

RS: And Chair Allen?

JA: Supervisor Scott.

RS: Thank you very much. Could I just thank our IT staff for moving pretty quickly to set up my ability to participate in this retreat remotely. They did not know that they needed to do that until probably when they walked in the door this morning. And I also want to thank Ms. Manriquez, our Clerk, and Ms. Perez, the Chief of Staff, to the County Administrator, because they also played some role in making it possible for me to participate remotely. I am very grateful. So thank you all.

JA: Thank you. We are adjourned.