MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD

TRUTH IN TAXATION HEARING AND PUBLIC HEARING

Tuesday, May 8, 2018
Sierra Vista Campus
6:00 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mr. Ortega called the Truth in Taxation Hearing and Public Hearing to order at 6:00 p.m.

Board Members Present via Roll Call:

- Mr. Danny Ortega
- Mr. David DiPeso
- Mr. Dennis Nelson – telephonically
- Mr. Tim Quinn
- Mrs. Jane Strain

1.02 Truth in Taxation Hearing and Public Hearing

Mr. Ortega stated that, pursuant to A.R.S. §15-1461.01, the College would hold a Truth in Taxation Hearing and a Public Hearing. The Governing Board shall seek public comment from persons attending the hearing related to Truth in Taxation. Immediately following the Truth in Taxation Hearing and Public Hearing, the Governing Board will consider a motion to levy the increased property taxes (2.0%) by roll call vote.

Dr. Rottweiler made the Board aware that, in accordance with state statute, the Truth in Taxation Hearing notice was appropriately published with the Sierra Vista Herald being the newspaper of record on April 22, 2018, and April 29, 2018. A courtesy publication with the Douglas Dispatch and the San Pedro Valley News was published on April 25, 2018, and May 2, 2018. The notice of tax increases were exactly the same in all papers, notifying of the Board’s intent to raise property taxes 2.0% or an increase of $4.71 per $100,000 of assessed valuation.

Mr. Ortega stated public comments would be limited to three minutes.

Community member Mr. Bill Wade addressed the Board stating the following:

“Good afternoon my name is Bill Wade, I am a resident of Herford, Arizona and retired small business owner of forty years. I am looking at Schedule B and C here; I am looking at Schedule B on the proposed 2018 budget and noted a balance of just over 20 million dollars in the bank account. Schedule C I note the estimated total expenditure of a touch over $40 million for 2018. I am not an accountant, but I think any reasonable person may conclude a 20 million dollar balance for a reserve fund on an operation that spends approximately 40 million dollars a year is unreasonable. Further note on Schedule B, the college is expecting this amount to increase approximately 4.2% over fiscal year 2017. As it stands right now, the college levy for most property owners is approximately half of, sorry, approximately equal to the county levy.”
“I don’t know if you are aware, but the county was in such dire straits with money last year they ceased maintaining approximately 780 miles of our county roads if the information I have is correct. This year, they have announced that even more roads would be abandoned by county maintenance. This is result of residents, like in our neighborhood, incurring the costs of road graders, tractors, and other tools to maintain the county road, plus we’re paying for gravel that’s averaging out to about $200 per resident per year. In order for the college to thrive, the county itself needs to thrive; infrastructure degrading causes everything to degrade, eventually affecting the college too.”

“I propose versus raising taxes again by the statutory maximum, we instead look at not only freezing the taxes this year but consider even lowering them by 2% until revenue and expenditures are in balance with a reasonable cash reserve for emergencies.”

“The current reserves are an aggregation of character stewardship of taxpayer dollars. Usually what results in the long run, is administrators and others that cannot stand there’s money laying around, create ways to spend money; $20 million sitting in the bank is an extraordinary temptation to future Board members and administrators. We don’t need crystal palaces, nor Gulfstream jets in our future, we need a well-run, fiscally responsible college working hand in hand with the county and its residents to benefit everybody with reasonable, fair, and equitable taxation; not just to benefit the college bank account. Once again, I request that we at least vote no on the proposed tax increase. Thank you.”

Mr. Ortega thanked Mr. Wade for his comments.

Community member Ms. Michelle Landis addressed the Board stating the following:

“My name is Michelle Lands, and there are many theories about elected officials and taxation; one is the taxpayers elect the officials who know better and make decisions on the taxpayer’s behalf. Two, elected officials should poll their constituents and vote accordingly representing the majority. The elected officials do what they want because they think they know best, or four, elected officials vote to do the right thing. My theory is below:”

“I stand before you as a taxpayer. I am a first-generation college graduate. My college career started at a community college just up the street, therefore by first-hand experience, I firmly believe in the value a community college provides. Today I speak to you, an elected official who is the conduit between the college and citizenry, one who supports the college’s mission and has accepted fiduciary responsibility as good and wise stewards of the taxpayer’s funds.”

“The reason for today’s presentation is I believe that insufficient justification has been provided to the county citizens at large to substantiate a primary property tax increase. Through the legally required public notices, the college has provided the public with its intention to increase the levy by its legal 2%. Printed in the Arizona Range News, the college is asking for an increased tax rate to aid in offsetting the impact of the increase in minimum wage. What is not mentioned in the April 20 article, but is mentioned in the February 13 minutes, is that the college wishes to fund the increased costs for all of its employees in the classified salary model; not just what is legally required to comply with the legislation. Also stated in the Arizona Range News, is that Cochise College is asking for an increased tax rate to fund quote, increased costs associated with medical benefits for its employees unquote. What is not mentioned is that the recommendation
associated with the fiscal year 19 medical benefits; quote, would be at no additional
costs to the college unquote. Again, this is in the February 13 minutes. This information
alone urges me to request that you vote no on today’s action item to raise the primary
property tax rate by any amount."

“But there is more; thinking about what the 2% means to me, I reviewed my last year’s
property tax bill and noticed that my taxes increased more than the intended 2%
mentioned in the college’s fiscal year 2018 truth in taxation notice, on a property that
reflects no change in assessed value. Last year the college’s tax increased 3.8%. Again, the college is requesting an increase in fiscal year 2019; if it is like prior years,
this legal 2% will be more than 2%; how much more is today’s unanswered question.”

“Another question that comes to mind is; Cochise College has 20 million dollars in the
bank, what plan does Cochise College have for the rest of the fiscal year that will deplete
all or nearly all of the $20 million and require more. In addition to having more than $20
million in the bank as reported in the Herald, the college is estimated to receive 140
million dollars over 18 years, or an average of $7.78 million annually for the Villages of
Vigneto development project in Benson. This $7.78 million is approximately 35% of its
current property tax revenues and will only add to the college’s bank accounts. To
support the college’s fiscal year 17 annual financial report, just today at Good Morning
Sierra Vista, the benefits of the Villages of Vigneto project was discussed and is still
expected.”

Mr. Ortega asked Ms. Landis if she was getting close.

“Okay, the college has consistently increased its property tax rate with the amount of
money in the bank accounts and the estimated future revenue growth. Does Cochise
College need to increase its rate, or is it doing so because it can? If it is the later, I find
this action as to someone who has twenty years of living expenses in a bank account
and applies for welfare.”

“As public officials who accepted the fiduciary responsibility of being good and wise
stewards of the taxpayer’s funds, and unless it is proven that an increase is necessary, I
urge you to vote no on today’s action item of increasing the college’s primary property
tax rate by any amount. Thank you.”

Mr. Ortega thanked Ms. Landis for her comments.

Community member Dr. Donald Simpson addressed the Board stating the following:

“Mr. Chairmen and members of the Board, I really don’t need to add much more than
what Mr. Wade and Ms. Landis just said, except I just want to add another plea. I’ve
been here in Sierra Vista for forty-three years; I’ve seen the taxes increase virtually
every year. I know I have sat on Boards, and I know how easy it is to spend money, I
also know how hard it is sometimes to make choices, and I’m asking you to make a hard
choice. You know, I recognize the college serves a great purpose, it’s well run, it has
the most beautiful one-acre grass in the whole darn county, and I just wonder how much
that costs; I know it’s some. But I am asking you to look hard at how you’re spending
money and stop increasing it.”

“One out of five property owners in this county is retired. Now they don’t have any
choice, they either pay their taxes, or they lose their home. I guess they actually can
stay in it, but then when they die the home will be forfeited to the county. But, it’s just
wrong to incessantly increase it 2%; 2% doesn’t sound like much, but it’s more than the retirees are going to get in their Medicare or their Social Security. It needs to be stopped. When you have a lower population in the county, it’s not a time to raise the taxes. You don’t have an increase in revenue here from increase money that the people are making. You should be actually spending no more than what the flat rate is every year, and if our prosperity increases, our home values go up, you’ll make more money. So I’m against any increase also, and I think you need to look hard, look into your hearts and think about that; I don’t think you need it. Thank you very much.”

Mr. Ortega thanked Dr. Simpson for his comments.

Receiving no further public request to address the Board, Mr. Ortega closed the Truth in Taxation and Public Hearing.

2. NEW BUSINESS

2.01 Approval of Increase in the Primary Property Tax (FY 2018-2019)

Mrs. Strain moved, and Mr. Quinn seconded a motion to approve an increase of 2% in the primary property tax levy for the Cochise County Community College District in fiscal year 2018-2019. No additional comments were made by Board members. Mrs. Wheeler then conducted the roll-call vote, as follows:

Mr. Nelson – AYE
Mr. DiPeso – AYE
Mr. Ortega – AYE
Mr. Quinn – AYE
Mrs. Strain – YES

There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

3. ADJOURNMENT

Mr. Ortega adjourned the Truth in Taxation Hearing and Public Hearing at 6:14 p.m.

Respectfully Submitted:

Mrs. Crystal Wheeler, Executive Assistant, Office of the President

Mr. David DiPeso, Secretary of the Governing Board