

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS  
WORK SESSION HELD ON  
WEDNESDAY, APRIL 20, 2022**

A work session of the Cochise County Board of Supervisors was held on Wednesday, April 20, 2022, at 10:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Ann English, Chairman; Peggy Judd, Vice-Chairman, telephonic; Tom Crosby, Supervisor, telephonic

Staff Present: Richard G. Karwaczka, County Administrator  
Sharon Gilman, Deputy County Administrator  
Paul Correa, Civil Deputy County Attorney  
Tim Mattix, Clerk of the Board

Attendees: Daniel Duchon, Budget Manager

Chairman English called the meeting to order at 10:00 a.m.

**ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION AND POSSIBLE ACTION**

**THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING**

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***ITEMS FOR DISCUSSION***

**Board of Supervisors**

1. Budget Work Session - Discussion of County budget for Fiscal Year 2022-2023, specifically: Early Projections for Revenues, Expenses, and Expenditure Limits.

Mr. Duchon presented this item using a PowerPoint presentation and responded to questions from the Board at various points throughout. The Expenditure Limit for Fiscal Year 2022-2023 decreased by approximately \$755,000, from \$72.7 million to \$71.9 million. He compared the Expenditure Limit to previous fiscal years and reviewed it in detail, including expenditures that do and do not count against it. Due to the decrease, expectations were set that budgets will remain roughly flat.

Mr. Duchon stated that as of the third quarter in the current fiscal year, all departments are projected to be under budget. Market Compensation plan updates will be reviewed in May. He reviewed various mandatory expense increases in Fiscal Year 2022-2023; state cost shifts to the County are estimated to be an additional \$2.3 million; he reviewed each estimated cost shift in detail.

Mr. Duchon reviewed the County's revenue sources, which include sales tax, property tax, and other fees and fines. He reviewed the activity for sales and prime contracting sales taxes and discussed with the Board the impact of the online retail sales tax, more of which are now being captured. He reviewed the Fiscal Year 2022-2023 assessed valuations, noting a 2.2% increase in new construction and

0.6% increase in property improvements and increases to value. For the first time, assessed valuations exceed \$1 billion.

Mr. Duchon reviewed the timeline of upcoming Board meetings, with tentative budget adoption in June, final budget adoption in July, and property tax rate adoption in August.

Mr. Karwaczka stressed that the decreased Expenditure Limitation has an adverse effect on the County. The Board and staff discussed the Expenditure Limit in further detail, including its history, impact, and the timeliness of requesting voters to increase it.

Mr. Karwaczka discussed American Rescue Plan Act (ARPA) funds and stressed that ARPA funds are one-time funds for one-time expenses; ARPA funds are not replenished year after year and have limitations on how and for what they may be used.

Chairman English adjourned the meeting at 10:28 a.m.

APPROVED:

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Ann English, Chairman

ATTEST:

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Tim Mattix, Clerk of the Board