

**MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK**

**SPECIAL SESSION  
January 29, 2004**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:00 A.M., January 29, 2004, in the Supervisors' Conference Room, 301 W. Jefferson Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3; Fulton Brock, District 1, Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Absent: Don Stapley, District 2. Also present: Fran McCarroll, Clerk of the Board; David Smith, County Administrative Officer; and Paul Golab, Deputy County Attorney.

**MINUTES FROM THE CSA MEETING, JANUARY 29, 2004**

President Bob McLendon called the County Supervisors Association Board of Directors meeting to order at 12:26 p.m. The following members were present: (ADM604)

Others present:

Governor Janet Napolitano  
Alan Stephens, Governor's Office  
Brent Brown, Governor's Office  
Martin Willett, Pima County  
Jimmy Jayne, Navajo County  
Steve Besich, Gila County  
Jody Klein, Cochise County  
David R. Garcia, Yuma County  
Jim Holst, Yavapai County  
Kevin Tunell, Yuma County  
Fran McCarroll, Maricopa County  
Christian Stumpf, Maricopa County  
Mark Barnes, CSA & Pinal County  
Lisa Atkins, CSA Staff  
Sally Bender, CSA Staff  
Penny Adams, CSA Staff  
Nicole Waldron, CSA Staff

Senate President Ken Bennett  
Anna Marie Chavez, Governor's Office  
Terry Doolittle, Pinal County  
David Smith, Maricopa County  
Greg Lucero, Santa Cruz County  
Terry Cooper, Graham County  
Delwin Wengert, Apache County  
John Holmes, Coconino County  
Jo Johnson, Gila County  
Diane Sikokis, Maricopa County  
Rory Hays, Maricopa County  
Douglas Cole, Maricopa County  
Paul Golab, Maricopa County  
Dennis Miller, Santa Cruz County  
Jim Sawyer, AACo  
Joan Serviss, CSA Staff  
Kristi Williams, CSA Staff

**INTRODUCTIONS**

President Bob McLendon thanked Supervisor Mary Rose Wilcox for providing today's lunch. President McLendon commented it was an honor and a privilege to be the president of CSA today, because for the first time in the history of CSA, as far as he was aware, we have the Governor of Arizona attending one of our meetings. He noted that most supervisors from around the state are familiar with her, because she has taken the time to visit around the state. He thanked Governor Napolitano for taking the time to speak to our group. He asked the Governor to please remark on the situation of the captive jail guard, among the other issues she planned to speak on.

**BUDGET AND LEGISLATIVE DISCUSSIONS**

Governor Napolitano noted this was day 12 for the captive guards and it is of great concern to her. She said a week ago Sunday morning several inmates overpowered the corrections officers at Lewis Prison off of Highway 85, outside of Buckeye. One female and one male prison guard were taken hostage. They are being held in a watchtower in the middle of the yard surrounded by open space. It was designed to be inaccessible. They have been using professional negotiators to talk to the inmates. She and the director of the Department of Corrections have been following the path of patience, so long as the hostages were not in

imminent fear of death or serious injury. This past Saturday evening the male hostage was released. He did require some treatment at the hospital. Negotiations are still ongoing with the two inmates. She said she has been deeply impressed by the professionalism of the staff of the Department of Corrections and with the cooperation of the Sheriff's office, the FBI, and Department of Public Safety. She asked everyone to keep in their thoughts the health and welfare of the remaining captive officer.

The Governor advised that one issue of priority at the Legislature is the extension of the ½ cent sales tax in Maricopa County for the transit system. She said she supported the original MAG plan, as proposed, but it may have changed along the way. She had thought the original MAG plan was "the plan," and she thought it made a lot of sense for a regional approach to transportation. She said by regionalizing some issues, we would deliver a better product to citizens in the counties across the state. She said welfare and education need to be focused on, especially childcare and to start phasing in all day kindergarten. One of the big issues is the preservation of military bases. She said counties would play a critical role as we go forward on this issue. She said an office in Washington, D.C., was opened to help with this process. She commented the best thing for Arizona would be for our bases to stay open and that we be in a position to encourage further military consolidation into Arizona, as opposed to being afraid we are going to lose bases out of Arizona.

Governor Napolitano commented she is concerned with the state of the forests. A Forest Health Summit will be held in Prescott in March. Arizona has not had a lot of moisture this year and they are already preparing for a disastrous fire season. She said they would be working with counties and municipalities on emergency preparedness for it. She plans to do some joint exercises in the spring to prepare for what might actually be needed to be done in the summer.

The Governor commented the economy was purring along softly. She is concerned that not enough high quality jobs are being created, particularly outside of Maricopa and Pima counties. Efforts need to be increased to spread those jobs across Arizona, particularly jobs that provide benefits. She introduced her staff in attendance – Alan Stephens, Co-chief of Staff, Anna Marie Chavez, Director of Intergovernmental Affairs, and Brent Brown, who is working on rural issues in eastern Arizona. She said she and her staff are interested in having an ongoing dialogue with the counties. She said one of the reasons she wanted to attend today is because she feels the closer we work together, the better job we will do for the people who elect us.

President McLendon thanked the Governor and welcomed Senate President Ken Bennett. President Bennett said he began public service 20 years ago on the Prescott City Council. He said he is a firm believer in local control. He said that what they do at the state level should make what we do at the county and city level across the state easier not harder. He commented that the critical issue on the transportation bill is a bifurcated election on the issues of light rail versus when to hold an election. He said they need to move forward with keeping the plan the Governor mentioned intact. He noted the Finance committee passed a plan last night to put it on the November ballot to provide the voters plenty of time to look at all the issues. He said he was confident it would be approved. He supports the extension of the transportation tax. Upon approval, he hopes to continue to move Maricopa County and the whole state forward in the area of transportation.

President Bennett said there are going to be differences of opinion regarding the budget within the Legislature and with the executive branch, but they have made a commitment to keep the lines of communication open. He said he appreciates the Governor's interest. When they meet, he can tell she is knowledgeable and personally up to speed on the issues. He said they would work through any areas of disagreement and would find areas of commonality. He commented the Legislature's doors are always

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open and if anyone has any concern at the Legislature, to please give him a call, because he is fully committed to making sure what they do in the Legislature will make counties' jobs easier to serve the citizens they both represent. President McLendon thanked President Bennett for taking the time to come over and speak to our organization. He said he looks forward to working with both the Governor and President Bennett and requested they call upon the counties if there were anything we could do to help. President McLendon noted Speaker Flake was caught up in other meetings and we would welcome him to join us another time.

**APPROVAL OF MINUTES OF THE DECEMBER 11, 2003 BOARD OF DIRECTORS AND LEGISLATIVE POLICY COMMITTEE MEETING**

Supervisor Pete Shumway moved to approve the minutes of the December 11, 2003 Board of Directors and Legislative Policy Committee meeting, as previously distributed. Supervisor Mark Herrington seconded the motion and the motion passed.

**REPORT FROM LEGISLATIVE POLICY COMMITTEE**

Sally Bender reported that the Legislative Policy Committee (LPC) met this morning. She provided an update on the seven issues in CSA's 2004 Legislative Package. She noted that most of CSA's bills were introduced early, with Joan Serviss being the lead in getting her bill introduced very early.

H.B. 2089 Federal assistance monies; distribution. Would provide an additional \$4 million toward ALTCS contribution. Went through two committees and is ready for Rules.

H.B. 2127 / S.B. 1036 Jail inmates; meal costs. Increases the cost allowable to charge inmates from \$1.00 to \$2.00. Ready for Committee of the Whole (COW).

H.B. 2128 / S.B. 1033 Small claims court; mail service. Increases postage fee from current \$3.00 to \$8.00 (actual is \$7.92). Moving through assigned committees.

H.B. 2168 State mandates; counties; cities; towns. Would require a fiscal note for any bill that proposes an unfunded mandate on counties or cities. Passed Public Institutions & Counties (PIC) and will next go to Utilities & Municipalities and Appropriations.

H.B. 2182 Alcohol detoxification centers; study committee. Passed PIC unanimously. An amendment was put on that incorporates Representative Jackson, Jr.'s bill that adds a Native American to the committee and requires a meeting be held on the reservation. It next goes to Health.

H.B. 2191 Health inspections; food products. Brought to the LPC by county environmental health directors. It passed through Health and is ready for Rules and COW.

H.B. 2245 Expenditure and levy limits; study. Passed PIC unanimously and will now go to Rules. It did have an amendment to clarify that only county expenditure and levy limits would be considered, due to a concern by the cities that cities and towns would be considered.

President McLendon thanked CSA staff for an outstanding job at the Legislature. He said CSA's bills have been moving nicely and it shows that the CSA staff has been doing an excellent job. Sally then provided a status report on other legislation discussed at the LPC meeting this morning.

H.B. 2001 Judges pro tempore; domestic relations. The LPC voted to oppose. Was heard in House Judiciary today.

H.B. 2029 ASRS; service purchase cost. The LPC voted to monitor.

H.B. 2052 ASRS; retirement incentive cost. The LPC voted to monitor.

H.B. 2056 Local fire protection; payment. The LPC voted to oppose. The bill sponsor, Representative Robson, is working with some of the stakeholders and the bill has not yet been heard.

H.B. 2070 County planning; definition. This is a Maricopa County bill brought forth for clarification of what a rezoning ordinance is. The county planning and zoning directors are supportive of it. It has not yet been assigned to committee. The LPC voted to support.

H.B. 2119 Structural pest control commission. The LPC voted to monitor. CSA staff will participate in a meeting next week regarding this.

H.B. 2166 Levy authority for county excise tax. Changes the requirement of a unanimous vote of the county board of supervisors to a four-fifths vote to levy a sales tax. This issue will be brought back for consideration at the next LPC meeting after conducting further study on the repercussions of this bill.

H.B. 2200 Vital records; public health statistics. This bill was not heard by the LPC due to time constraints. President McLendon explained that all, but four, bills were considered at the LPC and those bills not heard have not yet been assigned to a committee. They will be considered at the next LPC meeting scheduled for February 6 at 10:00 a.m.

President McLendon commented that the LPC meeting this morning was only recessed and said he would entertain a motion to adjourn. Supervisor Pete Shumway moved to adjourn the LPC meeting. Supervisor Lenore Stuart seconded the motion and the motion passed.

H.B. 2215 Small claims hearing officers; salaries. The LPC voted to monitor.

H.B. 2263 Class one property valuation change; H.B. 2264 Secondary tax assessment; H.B. 2269 Truth in taxation public vote. These bills were not heard at the LPC.

H.B. 2306 Repeal fire districts county reimbursement. The LPC voted to oppose.

H.B. 2307 Fire districts; lake improvement fund. The LPC voted to oppose.

H.B. 2400 Vested property rights. The LPC voted to oppose. Three counties were not in agreement with the motion. The sponsor is Representative Farnsworth.

H.B. 2427 Fire district assistance tax. The LPC voted to monitor.

H.B. 2486 Public buildings; technical registrant employment. The LPC voted to approve. When the design build statute went into effect three years ago, the ability for counties to ask for price and man-hours was taken out of the statute. CSA attempted to change that the following year, but was unsuccessful. This bill, sponsored by Representative Mason, would restore that language back into statute.

S.B. 1034 Justice court jurisdiction. The LPC voted to oppose.

S.B. 1085 Solid waste fees. The LPC voted to oppose.

S.C.R. 1009 JPs; pro tem qualifications. The LPC voted to support. Supervisor Liz Archuleta was against it.

S.C.R. 1014 Lottery monies; reallocation; raffles. The LPC voted to oppose.

President McLendon commented he was pleased with the attendance by 14 counties at the LPC this morning. He said the LPC had a good discussion on the bills.

Lisa Atkins reported that CSA sent the counties by e-mail links to the Governor's budget the day it was announced, and the same when the JLBC budget information was available. Lisa advised the JLBC budget does not identify the new impacts; they are a continuation of items that have been in session law. She said the major difference to the Governor's budget with regard to counties is a shift from HURF to DPS with a \$6 million hit to counties. Lisa commented that several supervisors were in attendance at the AACo meeting yesterday and should have already received the OSPB and JLBC information distributed with today's agenda. She thanked Jim Sawyer for allowing CSA to copy these for our meeting. She said the revenue estimates and the growth numbers are closer this year than they were last year.

Lisa advised that she and Sally Bender spoke with leadership and the committee chairmen about the budget. She said everyone is aware the budget begins at \$350 million in the hole. She had an excellent meeting with Senator Burns, chairman of the Senate Appropriations committee. She said the general consensus with the members they have spoken with, which was reaffirmed yesterday when Lisa, President McLendon and Supervisor Stuart met with President Bennett, Speaker Flake, Senator Brown, Representative Loreda, and Alan Stephens, is that counties did strike an agreement last year, which was to cover the last fiscal year and also the upcoming budget negotiations. She said the reason Sally and she believe the conversation with Senator Burns was so important is that he laid the groundwork for that debt. He said the \$350 million debt is probably going to climb, because there is no pay package involved in the numbers received so far from JLBC. There is no increase for corrections, no federal TANF backfill, no rainy day fund, no elimination of the rollover (with, most likely, additional rollover in the final budget) no school financing for school facilities or debt financing, and no Ladewig money. Lisa noted that another court issue could be forthcoming regarding a retirement issue on taxation of dividends, which could cost \$100 million.

Lisa said that while they are optimistic with the conversations they had with members of the Legislature and the Governor's staff in that they acknowledge that we had an agreement last year. Lisa said that one of Senator Burns' solutions is to not raise taxes. There was some discussion on referring Proposition 204 back to the ballot, because of the unanticipated impact to the general fund. She said there are a lot of conversations about fees and debt financing. Lisa commented that counties are positioned well thanks to the work the counties did last year with personal conversations with legislative members. Counties received \$22 million out of the tax package passed last year, but there will not be any additional federal tax package this year.

President McLendon said that at his meetings yesterday with a few legislators and staff on the 9<sup>th</sup> floor he did express the opinion that we were not in favor of the HURF fund proposal. He said this organization needs to reaffirm its position on the policy of no cost shifts to counties to let legislators know we are still holding to that position. Supervisor Manny Ruiz moved to reaffirm the position of no cost shifts to counties. Supervisor Pat Call seconded the motion and the motion passed.

**EXECUTIVE DIRECTOR REPORT**

Lisa Atkins advised she has been attending meetings with the stakeholders group to reform state trust lands on how they are categorized and managed. She said there is still general agreement by the group on the term sheet she had provided to the board in November. She said a change did occur due to a conversation between Coconino County and NAU regarding the forest. The group is in the process of drafting for constitutional, statutory changes and session law. The group plans to have the information available to share by next week. Their goal is to agree on a product and ask the Governor to call a special session to deal with the information. She is hopeful the group can provide constitutional and strong statutory language counties would approve that would allow the ability to deal with the rights-of-way. She noted that Tim Hogan is planning to file suit that would require counties to pay the trust for all the rights-of-way for county roads and flood control structures.

Lisa reminded the board that the NACo Legislative Conference will be held in Washington, D.C., from February 27 through March 2. She also noted that the NACo annual conference will be held in Phoenix in July and will be hosted by Maricopa County. David Smith commented that Maricopa County appreciated the counties' contributions toward the conference budget, which is over \$1 million. They are seeking assistance from corporate sponsors and have asked for a modest contribution from all counties to help defray a small part of that expense. Maricopa County will send a delegation to Washington, D.C. during the NACo Legislative Conference to recruit delegates and their families to come to the summer conference. He reported they were able to get Major League Baseball to schedule games every night during the conference at the Bank One Ballpark. They are planning a fun event at Rawhide on Sunday and will provide tour buses. There will be a formal all-conference event at the ballgame Monday night. There will also be tours of new buildings that will be opened this year. He asked counties to send information to him if they would like any specific program or service featured on the program, in order to represent Arizona's high-quality, unique and innovative programs. President McLendon commented to please consider county supervisors as candidates for volunteers for the NACo annual conference. He said a good showing by all supervisors across the state would be worthwhile. It would allow the supervisors to be ambassadors for their county and for Arizona.

**CONSIDERATION OF ADOPTION OF A RESOLUTION EXPRESSING REGRET AT THE PASSING OF E. C. "POLLY" ROSENBAUM**

President McLendon said he had asked for this resolution to be placed on the agenda in order to honor Polly Rosenbaum, not just because she was a close personal friend, but also because she was a friend to all counties and a friend to Arizona. President McLendon asked for Penny Adams to read the resolution out loud.

Penny read: A Resolution Expressing Regret at the Passing of E. C. "Polly" Rosenbaum on December 28, 2003; Whereas, Edwynne Cutler "Polly" Rosenbaum passed away on December 28, 2003; Polly Rosenbaum was born in Ollie, Iowa, on September 4, 1899, the daughter of the late Arthur Henry and Myra Frederick Cutler; She moved from Colorado to Hayden, Arizona, in 1929 to teach at the mining camp school; Polly Rosenbaum served in the Arizona House of Representatives from 1949 through 1994; She was the longest serving member of the Arizona Legislature; In her 45-year tenure in the House of Representatives, Polly Rosenbaum served with 12 Arizona governors and 15 House Speakers and spent

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nearly 5,000 days in session; She was a passionate supporter of education, libraries and preserving Arizona history; Polly Rosenbaum was a friend to the counties and supported legislation helpful to counties; The County Supervisors Association honored Polly Rosenbaum on June 1, 1995, by presenting her with a copper plaque that recognized her as a long term, dedicated legislator and a friend to the counties; Therefore be it resolved that this body expresses its sincere regrets of the passing of E. C. "Polly" Rosenbaum and extends its deepest condolences to her family and many friends.

Supervisor Pete Shumway moved to pass the resolution. He said she never caused any expense with the elevators because she always took the stairs. Supervisor Ron Christensen seconded the motion. Supervisor Les Thompson requested a copy of the resolution be hung in the CSA building for viewing. Supervisor Pete Shumway incorporated that as part of his motion and Supervisor Christensen agreed. The motion passed.

Supervisor Shumway fondly told a story about Polly Rosenbaum. She saw him across the lobby of the House of Representatives and ran across to him and told him to follow her. They didn't take the elevator, but rather climbed the stairs to her office. She had had a visit the previous week from an east valley school field trip. One of the little girls drew her a picture of a boy and a girl and the caption read, "boys are badder than girls." President McLendon remarked he also had chased after Polly many a time.

#### **CSA/ACRF FY 2003-04 SECOND QUARTER FINANCIAL STATEMENT**

Lisa Atkins presented the second quarter financial report for FY 2003-04, which was included with the agenda. She noted the financial report was right on target.

#### **COUNTY CAUCUS REPORTS**

Supervisor Jim Palmer noted that Graham County hosted the Small Counties Caucus last evening. He noted that Mark Spitzer of the Corporation Commission presented proposed legislation to change the way green credits are issued to utility companies in order to put biomass and wind on an equal footing with solar energy. He said the Small Counties were in favor of it, because they see that as part of the solution for the forest health problem. They discussed the disparities between counties on the ALTCS issue.

Supervisor Palmer reported they also discussed a report from a County Managers Association meeting on an assessment for CSA in order to put it into the 21<sup>st</sup> century. He commented that CSA came into the new building under funded in adequate equipment to provide staff the ability to do their jobs. He said CSA is also losing staff because the salary levels are questionable. He noted the equipment CSA currently has cannot keep up with the demands in order to provide to the counties what is necessary. The proposal from the County Managers Association was for a one-time assessment for an across the board \$20,000 from each county (not based on population as the dues are) to be used for the computer system, communication system, and to provide staff with the ability to do their job as counties feel is necessary. Supervisor Palmer said he personally feels this is vitally important. He said the small counties don't have the luxury of their own lobbyist to help represent them; they only have themselves and CSA staff, who do a great job. He recommended the other caucuses, as well as the CSA board, consider the assessment. President McLendon said that would certainly be something for the medium-size counties and the large-size counties to consider and for the board to discuss at a later date.

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Sandie Smith reported that Pinal County hosted a breakfast meeting this morning for the Medium County Caucus, or the Magnificent Six, as they like to be called. Coconino County will host the next breakfast meeting, and then Yuma County. They discussed the salary bill. She said a lot of their questions were answered with today's report. They also discussed lot splits and the illegal splitting. She said they need to protect ranches that would like to split for family purposes. They discussed the new septic regulations. She said the rules are the same for shallow groundwater as those for 600-feet deep. They would like to find out if that problem could be taken care of by ADEQ or if legislation needs to be done. They discussed the retirement bill regarding using the highest three years of service instead of the last three years. She advised next month's meeting would begin at 9:00 a.m. on the CSA board meeting day, prior to the LPC meeting, and breakfast will be hosted by Coconino County.

Supervisor Andy Kunasek said that no meeting was held for the Large Counties Caucus. He said he believes his counterpart in Pima County would appreciate, as he did, the proposal from the Small Counties Caucus on technology funding at a flat rate for CSA. He thought it was very big of the counties to propose such an arrangement. He commented that the lot split issue is widespread across the state and it's getting worse. He said a solution needs to be found, because the regulations that currently exist have no penalty. He commented that some areas are breaking down 100-acre parcels into acre-parcels. He said counties need to sit down with realtors and interested parties to reach some resolution.

Supervisor Fulton Brock commented that Maricopa County has worked for a number of years with Pinal County on a clean-up around a park in Queen Creek. They have designated February 7 as this year's annual clean-up day. He said they have found one of the more positive things that can be done inside a community and working with other counties on a nonpartisan basis, as well as a feel-good citizen's project, is to invite people to clean-up a park or an area in the county. He said they have worked with Pinal County for the last six or seven consecutive years on these projects and they have enjoyed it. He noted that Supervisor Max Wilson took on a lot of that responsibility last year and they have a number of clean-up projects planned for this year.

Supervisor Wilson commented there is a major problem around military bases on the lot split issue. He said they have an agreement with the military bases to try to do what they can to protect them, but there are areas where lot splitting is a problem. He said all military bases are at risk. He said there are many different ways lot splitting is a problem, and that needs to be addressed. He thanked Supervisor Kunasek for his previous comments.

**NEXT MEETING DATE AND TIME**

The next CSA Board of Directors meeting will be held on February 19, 2004, with lunch at noon and the meeting to begin at 12:30 p.m. An LPC meeting will be held at 10:00 a.m. the morning of the board meeting.

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**OTHER BUSINESS**

Terry Cooper wanted to add some comments to what Supervisor Palmer had discussed regarding the managers' discussion on a dues assessment for CSA. He said the reason they feel the assessment is so important is because the equipment at CSA is terrible, citing several examples. He said the sound system also needs to be addressed. He said Graham County's IT guru looked at technology that would be needed at CSA and they determined \$100,000 would probably cover it. He said that would probably be for just the first year, with a little leftover to save for future equipment. He noted that the budget for CSA shows there is no contingency fund and if anything major should occur, there would be no funds to cover it. He commented this issue might need to be addressed again some time down the road.

Lisa Atkins provided a reminder about the county managers/finance directors meeting this afternoon at 2:30 p.m. to discuss the ALTCS issue. She invited anyone else who might want to attend to stay for the meeting. Joan Serviss added they are trying to get the presenters to arrive by 2:00 p.m. so the meeting could begin earlier.

**ADJOURNMENT**

There being no further business, the CSA board meeting was adjourned at 1:35 p.m.

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Andrew Kunasek, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board