

**SPECIAL SESSION  
June 20, 2005**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:00 A.M., June 20, 2005, in the Supervisors' Conference Room, 301 W. Jefferson Phoenix, Arizona, with the following members present: Max W. Wilson, Chairman, District 4, Don Stapley, Vice Chairman, District 2, Andrew Kunasek, District 3; Fulton Brock, District 1, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board, Juanita Garza, Administrative Coordinator, David Smith, County Manager and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

**~ Supervisor Kunasek attended telephonically ~**

**PUBLIC HEARING – TRUTH-IN-TAXATION**

Chairman Wilson called for a Truth-in-Taxation hearing, pursuant to A.R.S. §42-17107, to hear taxpayers in favor of or against the proposed tax levy.

No protests having been received and no speakers coming forth at the Chairman's call, motion was made by Supervisor Stapley, seconded by Supervisor Brock, to approve the proposed primary tax levy increase of \$14,109,679. Motion carried unanimously (5-0) on a roll call vote with Supervisors Wilcox, Stapley, Brock, Kunasek, and Wilson voting "aye."

In addition, pursuant to A.R.S. §42-17107(A)(5), the motion directed the Clerk of the Board to mail a copy of the truth in taxation notice, a statement of its publication and the result of the governing body's vote to the property tax oversight commission within three days of this hearing. (C4905047800) (ADM1801-001)

**FY 2005-06 MARICOPA COUNTY BUDGET**

Chairman Wilson called for a public hearing, pursuant to A.R.S. §42-17104, to consider and adopt the FY 2005-06 Budget by total appropriation for each department and fund in the amount of \$1,988,770,383 (Expenditures totaling \$1,826,830,934 and Appropriated Beginning Fund Balance of \$161,939,449); and the FY 2005-06 Budget Executive Summary. This represents a \$251,266,757 reduction from the tentatively adopted budget of \$2,240,037,140. (C4905039800) (C4905048800) (ADM1801)

David Smith, County Manager, invited the budget staff, Sandi Wilson, Deputy County Manager, Chris Bradley, Deputy Budget Director, Brian Hushek, Deputy Budget Director, and Lee Ann Bohn, Budget Administrator to come forward to present the Final Budget. Mr. Smith said, "It has been a very dynamic 30 days since the tentative budget was approved." He indicated that the proposed final budget included a three-quarter reduction in the Health Plans budget expenditures, which in turn reduced the gross county budget by \$251 million. In addition he related that the recommended changes to the Maricopa County FY 2005-06 budget included adjustments for Results Initiatives related to Criminal Justice and Public Health, minor changes to the Capital Improvement Program (CIP) and economic development, and a compensation plan. He also briefed the Board on the process for handling the rate increase for the proposed compensation plan.

Supervisor Brock requested clarification on the proposed tax levy increase, even though the budget included a reduction in the primary tax rate. Sandi Wilson responded that the approximate 2.5 cent overall tax rate reduction is due to the combined reductions in the Primary and Library District tax rates, and is the lowest combined tax rate in the last 25 years. In total, the combined tax rate has been reduced from \$1.4748 to \$1.4511. However, an increase in assessed valuation can mean increased revenue even though the tax rate is reduced. Any tax fluctuation will depend on the assessed value of the owner's property.

Sandy Wilson reported on the recommended changes to the Maricopa County FY 2005-06 tentative budget, using a slide presentation and handout. Ms. Wilson indicated that the reduction in the tentative budget is in part due to the  $\frac{3}{4}$  reduction of operating costs associated with the Health Plans allowed only \$14.1 million of the General Fund subsidy to be reallocated to contingency for administrative run-outs and other liabilities associated with the Health Plans. The other major budget adjustment was the recovery of \$20.5 million from the State. These savings were reallocated to fund a ten-year loan to the Special Health Care District and unfunded liabilities.

Chris Bradley discussed the recommendations for Results Initiatives issues in Criminal Justice and in Public Health. Mr. Bradley indicated that the recommendations in Criminal Justice called for 2 Full Time Employees (FTEs) for Probate Case Monitoring, 12 FTEs for Pre-trial Supervision and Electronic Monitoring, and an expansion of the "ALPHA" Inmate Addictive Recovery Activity fund.

In response to a question from Supervisor Stapley in regards to the ALPHA II program, Mr. Bradley said that the ALPHA II program is related to ALPHA, but is not part of this funding. This is a new program and still in process of working out some details. Mr. Bradley said they hope to have it ready to present to the Board within the next month or two.

The next two Results Initiatives issues Mr. Bradley discussed were the West Nile Virus issues with recommendations for 2 FTEs, 35 temporary FTEs and a renewed emphasis on larviciding and complaint response. There was also a recommendation for 4 FTEs in the Vital Registration department.

Brian Hushek reported that a Grants Compliance Unit was added to the Finance Department. This unit will be in charge of monitoring all grants over \$1 million annually, as well as 10% of grants under \$1 million. The goal is to have 100% of the grants in compliance before the initial internal audit.

Supervisor Wilcox asked if this new unit would be working together with the staff that writes the grant applications. Mr. Hushek replied that these two groups will be directly involved with each other and will be under the direction of Tom Manos, Chief Financial Office.

Mr. Hushek continued discussion on the minor changes in the Capital Improvement Program (CIP) which included a recommendation to increase funds to continue renovation on the Security Building Project, miscellaneous adjustments to other CIP projects to restate objectives and the Jail renovation project which was broken into 3 different projects.

Chairman Wilson asked for an estimated figure of how much of the allocated \$5 million the County has already invested into the Security Building Project. Mr. Hushek said that he did not have that information on hand, but he would get back to Chairman Wilson with a figure.

In response to a question from Supervisor Brock, it was said that even though the County has invested more than expected on the Security Building Project, the return on investment will be reasonable. Due to the loss of several office building leases, some County departments had no place to relocate. The increased funds and resulting renovated space will help house additional departments in the facility.

The last item in Mr. Hushek's presentation was Economic Development, which outlined allocations currently in the budget. He indicated that the staff was open to any direction for changes to this item. He also reported that the next item on the budget calendar is the Property Tax Rate adoption in August.

Supervisor Stapley indicated he would like to offer an amendment to the "Economic Development and non-profit funding" portion of the proposed budget. He explained that the amendment would provide funding for the Super Bowl, Insight Bowl and for emergency shelter services.

In response to a question regarding the Insight Bowl funding, Bill Scalzo, Assistant County Manager, Community Services, said that the funding for this event will be part of an agreement with the Sports Commission. The Stadium District will be funded to continue to work with the Insight Bowl, which is currently in process of negotiating a four-year agreement to take the Bowl through 2009. He indicated that this portion of the economic development program "produces significant economic impact" and "also produces significant new sales tax dollars to cities, towns, and the County."

Discussion ensued regarding to the five-year commitment with the International Genomics Consortium (IGC). Tom Manos, Chief Financial Officer, reported that 3 annual payments of \$1 million have been made to IGC and said that he expects a presentation from IGC in the near future to report on their achievements.

Supervisor Brock voiced his concern in regards to the increased spending to battle the West Nile Virus with spraying of pesticides. Mr. Brock said that he worries about the long and short term effects of these sprays. He commented that everyone should be concerned about the pesticides and everyone needs to focus on finding other effective ways of fighting this virus without the use of pesticides.

Motion was made by Supervisor Stapley, seconded by Supervisor Brock and unanimously carried (5-0), to amend the budget as presented by taking the following actions:

- Approve the transfer and expenditure of \$400,000 from FY 2005-06 General Government (470) General Fund (100) Contingency (4711) to General Government (470) General Fund (100) Non-Profit Funding (4774) to provide one-time funding to the Greater Phoenix Convention & Visitors Bureau-Super Bowl in the amount of \$200,000, and to fund the Maricopa County Sports Commission-Insight Bowl in the amount of \$200,000, and
- Approve the transfer and expenditure of \$45,000 from FY 2005-06 General Government (470) General Fund (100) Contingency (4711) to Human Service (220) General Fund (100) Support Detail (2200) to increase the funding for Central Arizona Shelter Services-Emergency Shelter in the amount of \$45,000 (from \$180,000 to \$225,000).

Chairman Wilson thanked the staff for a well prepared presentation.

Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox , and unanimously carried (5-0) to approve the FY 2005-06 Budget and the FY 2005-06 Budget Executive Summary as amended and summarized above.

#### **FY 2005-06 PERFORMANCE-BASED SALARY ADVANCEMENT PLAN**

LeAnn Bohn came forward to present and discuss the 2006 Performance-based Salary Advancement Plan. Ms. Bohn briefly outlined the details of the plan and indicated that the salary increases would be an average increase of 4.5% for eligible employees, based on performance ratings and length of employment. The effective date of the increase for eligible employees would be July 4. Further discussion ensued to clarify methodology and timing of the salary increase in relation to the employee's performance ratings.

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In response to a question from Chairman Wilson regarding the cost-of-living increase rate, Sandi Wilson indicated that the cost-of-living increase would be approximately 2.5%, but to keep in mind, that employees would also have an increase in their Arizona State Retirement System (ASRS) contribution. The pay increase will off-set the ASRS employee contribution and the anticipated increase in Employee Health Benefits. The new health benefit rates will take affect in January of 2006.

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) to:

- Approve the document, "FY 2005-06 Performance-Based Salary Advancement Plan". The provisions of this document supersede Section VI, Paragraph A of the Maricopa County Compensation Plan, entitled "Salary Advancements", and
- Pursuant to A.R.S. §42-17051, direct the Office of Management and Budget to transfer appropriated budget amounts as necessary to each department and fund as necessary in an amount not-to-exceed 4.5% of budgeted salaries and variable benefits by fund (excluding amounts budgeted for positions with salaries defined by statute). Amounts are to be transferred from reserved contingency item, "Compensation Reserve" in General Government (470), General Fund (100), Detention Fund (255), and General Government Grants Fund (249). If necessary, amounts may also be transferred from the Detention Fund Operating Contingency in General Government (470) Detention Fund (255). (C4905046800) (ADM3308-001)

#### **FY 2005-06 SPECIAL DISTRICT BUDGETS**

Chairman Wilson convened a public hearing to consider and adopt the FY 2005-06 Budgets for the Other Special Districts per the FY 2005-06 Budget Schedules entitled "Direct Assessment of Special Districts Secondary Roll" and "Street Lighting Improvement District Levies Secondary Roll". (C4905043800) (C4905052800) (ADM4301-003)

No protests having been received and no speakers coming forth at the Chairman's call, motion was made by Supervisor Stapley, seconded by Supervisor Wilcox, and unanimously carried (5-0) to approve the FY 2005-06 Budgets for the Other Special Districts per the FY 2005-06 Budget Schedules entitled "Direct Assessment of Special Districts Secondary Roll" and "Street Lighting Improvement District Levies Secondary Roll". (On file in the Clerk of the Board's Office) (C4905043800) (C4905052800) (ADM4301-003)

#### **EXECUTIVE SESSION CALLED**

Pursuant to A.R.S. 38-431.03, motion was made by Supervisor Stapley, seconded by Supervisor Wilcox, and unanimously carried (5-0) that the Board recess into Executive Session, pursuant to listed statutory authority, to consider items listed on the Executive Agenda dated, June 20, 2005.

**~ Supervisor Kunasek did not attend the Executive Session ~**

#### **LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION -- ARS §38-431.03(A)(3) AND (A)(4)**

**Compromise Cases** – Barbara Caldwell, Outside Counsel

Almora, Joel Martinez  
Espinoso, Sarah

Rosales, Luis  
Solis, Maria

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Noble, William  
Ortiz, Zoyla  
Perone, William

Sowinski, Ailene  
Valero, David

**Write-Off Cases** – Barbara Caldwell, Outside Counsel

Kisto, Dean

**PERSONNEL MATTERS – PROMOTION, DEMOTION, SALARY, ETC.; LEGAL ADVICE – ARS §38-431.03(A)(1) and (A)(3)**

**Legal Advice Regarding Health Plans Operated by Maricopa Managed Care Systems, Including Workforce Management Issues, and Proposed Incentive Plan for Continued Staffing Support and Continuation of Services.**

Sandi Wilson, Deputy County Manager  
Phyllis Biedess, CEO Maricopa Managed Care Systems  
Mike Schaiberger, Chief of Operations, Maricopa Managed Care Systems  
Diane Golat, Administrative Director, Maricopa Managed Care Systems  
Sam Espinosa, Mercer Consulting  
Elizabeth Yaquinto, Deputy County Attorney  
Mary Cronin, Deputy County Attorney

**PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)**

**Light Rail Property Acquisition by City of Phoenix**

Tom Manos, Chief Financial Officer  
Dennis Lindsey, Manager, Real Estate Services  
William Riske, Deputy County Attorney  
Paul Golab, Deputy County Attorney

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) and (A)(4)**

**Anthony Ramos v. Maricopa County, et al., Superior Court No. CV 2003-004559**

Richard Stewart, Deputy County Attorney  
Dennis Carpenter, Deputy County Attorney  
Peter Crowley, Risk Manager  
Patrick Spencer, Risk Management

**SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)**

**Maricopa County v. Sterling Truck Corp.**

Rick Garnett, Deputy County Attorney  
Patrick Spencer, Risk Management

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**MEETING ADJOURNED**

After consideration of the above items, and there being no further business having come before the Board, the meeting was adjourned.

ATTEST:

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Max W. Wilson, Chairman of the Board

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Fran McCarroll, Clerk of the Board