

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
October 16, 2006**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:00 a.m., October 16, 2006, in the Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1, Andrew Kunasek, District 3, Max W. Wilson, District 4; and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Liz Evans, Administrative Coordinator; David Smith, County Manager; and Vicki Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

SCHOOL DISTRICT RE-DISTRICTING COMMISSION

Item: Presentation regarding the School District Re-districting Commission (SDRC) established through SB1068. This 13 member commission is responsible for crafting the K-12 school district unification re-districting plans scheduled for the November 2008 General Ballot. (C0607023M00) (ADM3800)

Martin Shultz, Chairman, School District Re-districting Commission

~ Supervisor Wilcox and Mr. Smith entered the meeting. ~

Martin Shultz spoke to the Board as a member the School District Re-districting Commission (SDRC) formed by the State Legislature.

~ Supervisor Brock entered the meeting ~

The SDRC is charged with reviewing all school districts that are not unified to consider combining these into new unified districts that offer instruction from preschool through grade 12. There are currently 51 school districts in Maricopa County alone. Mr. Shultz stated that school districts that are not unified have suffered from a lack of continuity and continuous curriculum. Mr. Shultz informed the Board that the SDRC would be presenting its initial unification proposals to the public later that day. A public hearing will be held in November 2007, and after district plans have been formalized and finalized over the next year, they will be placed on the November 2008 ballot to the voters.

More specific information about the re-districting proposals can be found on the Arizona Department of Education website.

USE OF YMCA FACILITY

Item: Presentation regarding the exclusive use of each of the various program areas within the YMCA facility.

Approve and execute Lease Agreement No. L7390, with the Valley of the Sun Young Men's Christian Association (YMCA), Lessor, for office space and program availability at a new YMCA facility to be located at 67th Avenue and Clarendon Street in the Maryvale area. The lease term will commence on or about December 2007, or the date of a Certificate of Occupancy, and run for a 15-year term. This Lease Agreement will provide Maricopa County with a leasehold interest in a 120 square foot office. Maricopa County will also have the right to the exclusive use of each of the various program areas within the YMCA facility (gymnasium, multi purpose room, teen and tech center, and conference room) for 11.5 hours per week. In addition, YMCA will provide memberships annually for allocation at the discretion of Maricopa County. The Juvenile Probation Department will manage and schedule the available program time as needed for the Juvenile Probation Department and other county departments. The estimated cost for the entire 15-year period is \$350,000, and will be paid in advance. Also, per ARS § 42-17106, transfer FY 2006-07 expenditure appropriation in the amount of \$350,000 from Appropriated Fund Balance (480)

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General Fund (Fund 100) Other Programs (4812) line item Crime Prevention Grants to a new line in Appropriated Fund Balance (480) General Fund (Fund 100) Other Programs (4812) entitled "Juvenile Probation Pre-Paid Lease". This action will have a county-wide net impact of zero. (C2007012000)

David Smith, County Manager
Amy Rex, Justice System Coordinator
Debra Hall, Juvenile Probation
John Youngberg, YMCA

Mr. Smith stated that the Board had approved \$2 million dollars in the budget for crime prevention grants, and currently about a half a million dollars is being utilized in crime prevention partnerships with the cities of Phoenix and Mesa. Mr. Smith said that they feel this partnership is consistent with County's strategic plan.

Amy Rex explained that Maryvale is one of the areas with very high referral rate to juvenile detention and they hope that this partnership will help to impact and reduce that rate. The County will be given 115 memberships to give to juveniles coming through system. Ms. Rex said they're hoping to not only reach out to juveniles, but their families and the community. Juvenile probation officers will be placed in the YMCA as part of their office hours, working as coaches and mentors. Construction on the facility should start by the end of the year. The County hopes to work with the YMCA on some other pilot projects in existing facilities that will be brought back to the Board as they materialize.

Pablo Munoz, Executive Director of the Maryvale YMCA, wants to mainstream and integrate youth not just into the YMCA family but into the community as a whole. Mr. Munoz explained that the 11.5 hours per week that the County may use the various program areas is a minimum.

John Youngberg reported that this YMCA will be built on an 18 acre property, and that the YMCA has entered into a partnership/interagency agreement with the Boys & Girls club across the street to use each other's facilities and do some joint programs. Mr. Youngberg said that Imagine Schools will be opening a junior high school on the property. Mountain Park Medical will build on the campus to provide quality health care to low income families. Chicanos Por La Causa has also applied to have a presence on the campus to provide job placement to youth, as well as behavioral health services.

Debra Hall from Juvenile Probation shared some potential programs such as teen courts, substance abuse education, and a juvenile diversion program to suppress truancy. Ms. Hall said they are also considering offering parenting programs.

OPEN MEETING RECESSED TO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431, motion was made by Supervisor Kunasek, seconded by Supervisor Brock, and unanimously carried (5-0) to recess into Executive Session, to be held in the Tom Sullivan Conference Room, 301 West Jefferson, for the purpose of obtaining legal advice from the Board's attorney on the following item at 11:00 a.m. All members remained in session.

RESCIND DELEGATION OF WARRANT AND VOUCHER APPROVAL

Effective immediately, rescind the Board's delegation to the County School Superintendent of warrant and voucher approval for the Maricopa County Regional School District. No warrants or vouchers may be drawn, prepared or distributed without prior approval of the Board of Supervisors. The Board of Supervisors must also pre-approve transfers of any monies between funds of the District. The Deputy

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County Manager shall monitor all financial transactions of the District, and only recommend for approval those that are required by court order pursuant to Judge Fields' ruling in Schweikert v. Dowling.

LeeAnn Bohn, Budget Administrator
Brian Hushek, Deputy Budget Director
Shawn Nau, Director, Health Care Mandates
Tom Irvine, Outside Counsel
Dean Wolcott, Outside Counsel

OPEN MEETING RECONVENED

The Informal Session reconvened at 11:40 a.m. in the Supervisor's Conference Room. All members remained in session.

RESCIND DELEGATION OF WARRANT AND VOUCHER APPROVAL

Motion was made by Supervisor Brock, seconded by Supervisor Kunasek and unanimously carried (5-0) to rescind the Board's delegation to the County School Superintendent of warrant and voucher approval for the Maricopa County Regional School District, effective immediately. No warrants or vouchers may be drawn, prepared or distributed without prior approval of the Board of Supervisors. The Board of Supervisors must also pre-approve transfers of any monies between funds of the District. The Deputy County Manager shall monitor all financial transactions of the District, and only recommend for approval those that are required by court order pursuant to Judge Fields' ruling in Schweikert v. Dowling. (ADM3814-002)

COURT TOWER PROJECT

Pursuant to A.R.S. §42-17106(B), motion was made by Supervisor Brock, seconded by Supervisor Kunasek and unanimously carried (5-0) to authorize the following amendments to the FY 2006-07 Five-Year Capital Improvement Plan (CIP):

- Create a new project in the General Fund County Improvement Fund (445) titled "Court Tower", Function Class JUST, in the amount of \$800,000 in Year 1 and authorize the Facilities Management Department to proceed with the implementation and management of the completion of basic concepts and initial programming of the project.

- Approve a fund transfer in the amount of \$800,000 from Appropriated Fund Balance – Other Programs (Dept. 480, Fund 100, Org 4812) "Unfunded Liabilities" line to Appropriated Fund Balance – Other Programs (Dept. 480, Fund 100, Org 4812) "Transfer to CIP funds" line. Then transfer the same amount from there to the General Fund County Improvement Fund (445), Appropriated Fund Balance Department (480), Org (4813), Function Class JUST. This action will require appropriation adjustments increasing the revenue and expenditure budgets of Appropriated Fund Balance Department (480), General Fund County Improvements Fund (445) by \$800,000, with offsetting revenue and expenditures eliminations in the Eliminations Fund (Dept. 980, Fund 900). These actions will have a county-wide impact of zero. (C7007017000) (ADM800-003)

ECONOMIC FORECAST FOR MARICOPA COUNTY

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Item: Presentation to provide an update of the national and local economic factors that impact Maricopa County's revenues. Elliot Pollack & Co. has been under contract by the Office of Management and Budget for use in development of the long-range financial forecast for Maricopa County. (C4907010800) (ADM1825)

Elliot Pollack

Mr. Pollack opened his presentation by addressing some factors that affect the economy from a national perspective. Some of the negative aspects of the current national economy are a slower housing market and slower consumer spending, rising labor costs, uncertain oil prices and inflation. On the positive side, unemployment is low, wages are increasing faster than inflation, people are taking money out of their houses, and businesses are streamlining. Mr. Pollack said that while trends seem to indicate that a recession will occur at some point, it will most likely not occur for another 2 – 5 years.

Mr. Pollack stated that the National Blue Chip Panel statistics indicate that the United States is experiencing the slowest growth in three years, suggesting that the economy will grow at about 2.7%. He also said that the National Blue Chip Panel's September consensus predicted that there is a 25.1% chance of a recession this year, however Mr. Pollack does not believe that the chances are that high.

Mr. Pollack said that oil prices are coming down and he expects them to remain relatively stable. He expressed concern that residential investment as a percent of the Gross Domestic Product (GDP) is the highest it's been since World War II because, historically, once it peaks it then begins to decline fairly drastically. However, non-residential structures investment as a percent of GDP is relatively low and likely to go up, so overall construction will probably be flat and not a major drag on the economy.

Mr. Pollack stated that median unemployment is hovering around 8 weeks; a 6 week median would mean a tight labor market. Job growth is up and is expected to stay up. Mortgage rates are still low by historic standards. Corporate profits are huge, even relative to a year ago. Overall, Mr. Pollack said that the shortage of capacity, huge cash flows, and banks willing to lend are dynamics that suggest that business will be the major driver of the economy over the next year.

Government spending is growing at about 8% per year, which Mr. Pollack commented is very high for an economy that's growing less than 1% per year in population, and about 3% per year in GDP. He said that the federal deficit, while large, is relatively low as a percent of GDP and should not be of concern.

In Arizona, both population and job growth were second only to Nevada in 2005. Mr. Pollack surmised that the population of Maricopa County will grow by about 3% this year, which equates to about 110,000 new residents. The Phoenix metro area has been growing at ten times the national average. Although the housing market is slowing, the commercial real estate market is strong and is expected to stay that way. Mr. Pollack forecasted that County sales tax revenues, which are currently at an all time high of 15.1%, but are expected to drop to around 7% in 2007 and 2008.

Employment in Maricopa County was up 6.2% last year, is at about 4.5% this year, and is expected to be up about 3.2% next year. Mr. Pollack said that to put it in perspective, 1 out of every 72 jobs in the United States are in Greater Phoenix and 1 out of every 19 jobs created in the U.S. over the last 12 months have been in Greater Phoenix.

EXECUTIVE SESSION RECONVENED

The Executive Session reconvened in the Tom Sullivan Conference room at 12:30 p.m. to consider the following items.

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LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

Write-Off Cases – Barbara Caldwell, Outside Counsel
Sheriff's Uncollectible Accounts

Scottsdale Memorial Health Systems v. Maricopa County and related cases (Nos. CV1997-021512)

Anne Longo, Assistant Chief, Civil Division
Sandi Wilson, Deputy County Manager – **did not attend**
Shawn Nau, Director, Health Care Mandates
Logan Johnston, Outside Counsel
Bruce White, Deputy County Attorney

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

Aida Renta v. Maricopa County, TX1996-016474

Roberta Livesay, Outside Counsel
Timothy Boncoskey, Chief Deputy Assessor
Sandi Wilson, Deputy County Manager – **did not attend**
Jean Rice, Deputy County Attorney
Joe Maltagliati, Treasurer's Office
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Finance

Bashas v. Maricopa County, TX2004-000424 Safeway v. Maricopa County, TX2004-000423

Roberta Livesay, Outside Counsel
Timothy Boncoskey, Chief Deputy Assessor
Jean Rice, Deputy County Attorney

PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03 (A)(4)

Maricopa County v. American International Group and Ace Group

Tom Manos, Chief Financial Officer – **did not attend**
Peter Crowley, Risk Manager
John Paulsen, Deputy County Attorney

LEGAL ADVICE – ARS §38-431.03(A)(3)

Maricopa County Substance Abuse Policy for employees subject to Federal Highway Administration and Federal Transit Administration Regulations

Peter Crowley, Risk Manager
Bill Warren, Assistant Risk Manager and Safety Manager
Martin Demos, Deputy County Attorney

PERSONNEL MATTERS – PROMOTION, DEMOTION, SALARY, ETC. – ARS §38-431.03(A)(1)

County Manager Annual Performance Review

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MEETING ADJOURNED

At the conclusion of discussion on the above items and there being no further business to come before the Board, the meeting was adjourned.

ATTEST:

Don Stapley, Chairman of the Board

Fran McCarroll, Clerk of the Board