

The Board of Supervisors of Maricopa County, Arizona convened at 9:15 a.m., April 1, 2002, in the Board of Supervisors' Conference Room, Tenth Floor, 301 W. Jefferson, Phoenix, Arizona with the following members present: Don Stapley, Chairman; Fulton Brock, Vice Chairman; Andy Kunasek, Max Wilson, Mary Rose Wilcox, Fran McCarroll, Clerk of the Board; and Alma Hernandez, Administrative Coordinator. Also present: David Smith, County Administrative Officer; and Jill Kennedy, County Counsel. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

**PRESENTATION: UPDATE BY CRIMINAL JUSTICE FACILITIES DEVELOPMENT**

Item: Criminal Justice Facilities Development Department – Presentation, program overview, budget and revenue summary, and status update on specific projects regarding the jail expansion capital improvements and the construction of the new Forensic Science Center. (C4002013M) (ADM414)

David Smith, CAO, introduced the Criminal Justice Facilities Development presentation stating that the jail expansion is the largest project funded through the one-fifth cent sales tax authorized by the voters on November, 1998.

Bob Williams, Director, Criminal Justice Facilities Development Department (CJFDD), reviewed the March Status Report itemizing the main budget categories. It was noted that, on average, 23% of construction is complete, with a total of 5 projects at completion. The total approved budget for the jail expansion is \$512.9 million. Adding \$31 million for the Forensic Science Center brings the total approved budget to \$543.7 million. This project includes 16 construction contracts (with 450 subcontractors) and 9 professional service contracts, totaling 25 major contracts.

Supervisor Brock requested the total square footage of all 16 projects. Mr. Williams responded that it is roughly 2.8 million square feet.

Tom Manos, Chief Financial Officer, reported that the total of the Jail Tax Revenue to date is \$283 million. The target budget was \$281 million, thus currently bringing the project slightly over budget by \$2 million. However, the slowing economy has also slowed the jail tax allocation.

Chairman Stapley inquired about earned interest. Mr. Manos stated that interest was not budgeted during the first few years, but about \$18 million has been earned to date.

Mr. Manos also reported that cash flow is being monitored closely. Projections show that cash could be depleted by November or December, 2003. If a deficit situation occurs, roughly \$80 million would be borrowed with an anticipated payoff within 2 years.

Mr. Manos provided an overview of the Financial Report for the period ending February, 2002 showing a beginning balance of \$150 million and, as of February 28, 2002, an ending fund balance of \$146.5 million.

Funds are spent in three main categories:

1. General Government
2. Integrated Criminal Justice Integrated Systems

3. Criminal Justice Facility Development

Mr. Manos noted that the \$20 million amount budgeted under General Government for Capital Outlay included \$10 million in contingency for unexpected expenses.

Supervisor Wilcox questioned how the \$10 million in contingency would be handled if not spent. Mr. Manos stated that it would remain in the fund until next year's budget process, then the Board would decide upon its allocation.

Mr. Williams reviewed the Change Order Authority (see table) for Criminal Justice projects. Additionally, a Contract Status Report outlining change orders is sent monthly to each Board member.

<u>CUMULATIVE VALUE OF CHANGES</u> (per construction contract)	APPROVAL AUTHORITY
\$1 million	Bob Williams, Director CJFDD
\$1 to \$3 million	Norm Hintz, Director FMD
\$3 million to 5% of contract value	Tom Buick, County Engineer
Greater than 5% of contract value Or significant scope changes	Board of Supervisors

Supervisor Kunasek asked whether the 5% tier applied to smaller contracts regardless of the dollar amount; Mr. Williams responded affirmatively.

Supervisor Kunasek also asked whether approval authority applied during the initial contract award process. Mr. Williams stated that the design/bid/build process was not in place when the jail expansion contracts were awarded, hence, only the lowest bidders were contracted. A contract under the "design/build" plan, a 2-phase selection process, recently came before the Facility Review Committee. This process selects contractors, first, by qualifications, then secondly, on price. There is the possibility that the lowest bid may not be selected using this process. However, Mr. Williams clarified that none of the CJ projects used the design/build process.

Supervisor Kunasek requested a copy of the statute for design/build award contracts.

Supervisor Wilson inquired of Mr. Smith whether the Office of Management & Budget (OMB) should be included in the review of contract change orders. Mr. Smith stated that based on the experience, knowledge and track record of the staff involved, and not delaying projects, the current system has worked well. However, the numbers could be reviewed if there was any concern.

Heidi Birch, Senior Project Manager, CJFDD, proceeded with the presentation. Ms. Birch reported that, this is the largest correctional or criminal justice facility construction project in the county; approximately \$15 million is spent monthly with 650 workers employed in February, an increase of 100 jobs from January. This figure will continue to increase.

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Ms. Birch reported the following information per project:

Lower Buckeye Jail – Central Services

As of February, the contractor, Joe E. Woods, is 78 days behind schedule and the anticipated completion date is now November, 2002.

Supervisor Brock asked if the County levies any construction delay penalties. Ms. Birch answered that no penalty clause is in effect, however, there is a Liquidated Damage clause of up to \$5,000/day, which may be assessed beginning August 22, 2002.

Supervisor Brock inquired if the County provides any incentives for on-time completion of projects. Ms. Birch responded that other projects have early completion incentives, but none apply to this project.

Chairman Stapley asked how Liquidated Damages are assessed and collected. Ms. Birch stated that calculations are based on 1) project management costs and 2) cost of operating elsewhere during delays. Ms. Birch conceded not knowing the actual collections process, but believes the assessment could be charged back to the contractor or payments reduced through a change order.

Supervisor Brock questioned whether the County bears any liability for subcontractors who are pulled from other jobs. Ms. Birch responded that the general contractor is solely responsible for the subcontractors.

Supervisor Wilcox questioned the delays. Ms. Birch cited problems on the contractor's part with mismanagement of work and subcontractors, and scheduling problems.

Supervisor Wilson asked whether the bond is affected. Ms. Birch stated that the Surety Company is being informed of the lack of progress.

Supervisor Wilcox asked if this was the only contract Maricopa County had with the general contractor, Joe E. Woods, and Ms. Birch answered affirmatively.

Lower Buckeye Jail – Adult Detention

This is the largest project of all, with 1,800 beds, an infirmary, and psychiatric unit, and is on schedule for completion by July, 2003. One subcontractor, IAFD, filed a \$3 million "drilled pier" claim against Maricopa County, although the subcontract is only \$1.7 million. An Alternative Disputes Resolution (ADR) Neutral Evaluation hearing is scheduled for April 19.

Target General has filed an approximately \$400,000 claim for recovery of school tax funds they assert were not included in the initial bid. Joe E. Woods filed a similar claim last year, however, the ADR Neutral Evaluator ruled in favor of Maricopa County. Target General has not responded for over a year to an ADR request, therefore, the County's response will be that they have exceeded time limits.

Supervisor Kunasek commented that taxes appear to be recycled when sales tax is imposed upon government contracts and questioned whether a legislative change exempting government contracts is in order. Mr. Williams stating that legislation has been introduced in the past but never enacted.

Ms. Birch presented progress photographs of the site noting the pre-cast cells shipped from Atlanta, Georgia which allow for "inside out" construction.

Supervisor Kunasek asked about the tax impacts for pre-constructed buildings outside of Arizona. Ms. Birch stated that contractors are required to pay tax on 65% of the contract, regardless of the site.

#### Fourth Avenue Jail

This 1,360-bed, central intake jail facility includes an underground tunnel connection to the Madison Street Jail and courts. The tunnel is complete, but because of a sewer line reroute, Madison Street remains closed. The project is one month to 6 weeks behind schedule; however, the recovery schedule seems to be on track.

Supervisor Wilson questioned why the County does not inspect infrastructure thereby eliminating fees paid to other governments. Mr. Williams agreed, citing plan review and permitting problems with the City of Phoenix, but in most instances, there is no way around it.

Chairman Stapley inquired about the height of the building. Ms. Birch reported that it is shorter than Madison Street Jail, approximately 7 stories plus a basement. Mock cells were tested by MCSO for possible abuse by inmates. The cells passed the tests.

Supervisor Brock asked if the metal reinforced walls were designed to preclude inmates from entering other cells or were simply a design feature. Ms. Birch responded that the walls would preclude inmate access, but the primary feature is space savings, which ultimately eliminated one floor.

#### Durango Juvenile Courts and Detention Facility

This project, on schedule for completion in November, 2003, will double the number of the beds already in existence to 440, and will include 12 new juvenile courtrooms.

#### Durango Parking Center

This 965-car parking structure provides parking for staff and visitors for Durango Jail and the juvenile facilities, and includes space for future tenant improvements.

Mr. Williams commented that this project included a \$400,000 contingency. Because of changes by the City of Phoenix after construction began, a change order in an amount over \$400,000 will come before the Board. If changes had been incorporated in the original bid, the costs would have been 15 or 20% less, and subsequently, would not have depleted the contingency.

Supervisor Brock asked for recommendations to receive a more timely response from the City of Phoenix prior to construction. Mr. Williams recommended that the County should no longer utilize them, and that

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a statute provides for that option. He also suggests that plan reviews could be handled through the private sector contracted through Joy Rich, Planning Director.

Southeast Juvenile Facility

This project in Mesa, Arizona consists of 120 beds with areas for education, administration and recreation, and may be completed prior to the targeted September, 2003 date.

Supervisor Wilson requested clarification of the Change Order Authority process and asked if they applied to change orders for an accumulation of up to a \$1 million. Mr. Williams responded that they are aggregate changes per contract.

Durango Residential Treatment Center

This juvenile program at the Durango Facility houses 48 beds. The original contractor, Telstar, defaulted before they started. The project was re-awarded to Layton Southwest who underbid the original contract amount. The project was delayed by 45 days, but recovery looks positive.

Forensic Science Center and Parking Structure

This project, paid through the General Fund, is within budget and on schedule for completion in August, 2002. The building is approximately 63,000 square feet with a 1000-space parking garage being constructed by D.L. Withers.

Completed projects include the Estrella Support Building, Southeast Facility Parking Garage, Jackson Street Storm Sewer Relocation, Durango Utility Relocation, Clerk of the Court Superior Court Customer Service Center, and the Durango Microwave Tower. The tower had been the first design/build project and came within budget.

Supervisor Wilcox commented that this has been the smoothest of all construction projects she has overseen as an elected official, and congratulated staff on their progress.

Chairman Stapley, on behalf of the Board, expressed appreciation for the positive report.

**PRESENTATION: UPDATE ON JUVENILE PROBATION'S PREVENTION PROGRAMS**

Item: Juvenile Probation – Presentation by Juvenile Probation on the status of their prevention programs. (ADM 1400)

Cheryl Townsend, Director of Juvenile Court Services, provided an update and PowerPoint presentation entitled "Our Community and Crime Prevention".

Ms. Townsend reported that from 1992 to 1996, there was a 40% increase in juvenile referrals. From 1996 to the present, there has been a 7% decrease in referrals valleywide, despite a 20% increase in youth population between the ages of 8 and 18.

Program accomplishments include:

- The 1997 Crime Prevention Project Report from which programs were adopted and implemented.
- Implementation of the Zip Code Project in 1997.

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- The first Cost Benefit Analysis was completed in 1999. OMB identified that the long term cost avoidance to date was \$6.7 million.
- New emphasis on Truancy Prevention and expanding Safe Schools projects.
- Office of Juvenile Justice and Delinquency Prevention (OJJDP) funded the School Violence Prevention Initiative that is now underway.
- An ongoing partnership with Violence Prevention Initiative.

Ms. Townsend continued with a report on current investments that included:

- Nineteen contracts for delinquency and truancy prevention.
- Regional partnerships for safer schools involving over 50 schools.
- The OJJDP funded program, "Schools Are For Education Not Worry".
- Court Unified Truancy Suppression (CUTS) program involving over 70 schools valleywide including 13 of the 20 schools rated highest for truancy.
- Collaborative efforts in Sunnyslope working with faith-based organizations and the business community.
- Violence Prevention Initiative
- Targeting areas for improvement and refinement by analyzing data, looking beyond truancy referral reduction to dropout rate reduction, and better ways of evaluating programs.

Ms. Townsend presented a graph, "The Bottom Line", illustrating a 10% reduction in referrals in targeted zip code areas, a 28% decreased in complaints, and a reduction of truancy referrals by 27% in targeted schools. Another graph depicted a 25% reduction in referrals to juvenile court for violent offenses. Betty Adams has been assigned to focus on community crime prevention and is the point person to assist the justice agencies through the regional plan development.

The next steps for the program include a demonstration project with Adult Probation, Juvenile Probation and a "Blueprint Program" model for family services in 3 targeted zip codes, and a continued partnership with Violence Prevention Initiative. An update to the 1997 report showing the investment in prevention by the elected, court and appointed departments is planned.

**~ Supervisor Wilcox left the meeting ~**

In summary, the strategic goal for FY 2002 is to develop regional strategies to reduce juvenile delinquency, then a 25% reduction in violent crimes and a 10% reduction in non-violent crimes in targeted areas by fiscal year 2004. These goals have actually been realized at this date; but focus will be to maintain these reductions as the economy changes and prove the programs' value in spite of the economy.

Supervisor Kunasek remarked that the Board is accustomed to bad news and is pleased to hear positive reports on programs achieving their goals, making meaningful changes and improving the quality of life for Maricopa County residents. Stating that the changes in Sunnyslope have been remarkable, Supervisor Kunasek invited the board members to visit his monthly meetings in Sunnyslope to see the accomplishments, first-hand.

**~ Supervisor Wilcox returned to the meeting ~**

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Chairman Stapley echoed the comments of Supervisor Kunasek, and interjected that he is pleased that the jail tax approved by voters benefits this prevention program and not used only to build jails.

Ms. Townsend responded that the partnership among the leadership of Maricopa County, cities and communities has made the success possible.

Supervisor Wilcox expressed her pleasure that the 1997 report was implemented and congratulated the Juvenile Prevention Program on their success. Supervisor Wilcox also requested a list of targeted zip codes.

Chairman Stapley acknowledged the presence of Tom Irvine, who donated his time and chaired the Citizens Committee overseeing the jail construction and prevention programs.

**MEETING ADJOURNED**

There being no further business to come before the Board, the meeting was adjourned.

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Don Stapley, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board