

**SPECIAL SESSION
March 29, 2005**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:00 A.M., March 29, 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 (entered late), Andrew Kunasek, District 3; Fulton Brock, District 1 (entered late), and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board, Shirley Million, Administrative Coordinator, David Smith, County Manager and Paul Golab, Deputy County Attorney.

DISCUSSION CONTINUED FROM MARCH 28, 2005, AGENDA

County Mission, Vision, Values Statement & Strategic Priorities

David Smith, County Manager
Sandi Wilson, Deputy County Manager
Brian Hushek, Deputy Budget Director
Chris Bradley, Deputy Budget Director
Tom Brandt, Managing for Results Coordinator

David Smith called on Brian Hushek and Tom Brandt to explain the compilation of suggestions received at yesterday's meeting for review and further comment today and explained the color coding on the handout to differentiate between original, revised and new priorities suggested by the Supervisors yesterday. He said they would begin with the Mission and Vision Statements because those will remain essentially the same and discussion would follow on the Proposed Strategic Priorities as the revised focus for the next four years.

In reviewing the original Mission Statement, Supervisor Kunasek suggested one change in the wording that he felt more clearly defined and unified "regional" commitment by changing the word "communities" to "community" to create a "bigger picture" by tying-in the region as a community as well as all cities and towns as a community. It would read, "The mission of Maricopa County is to provide regional leadership and fiscally responsible, necessary public services to its residents so they enjoy living in a healthy and safe community." Continuing discussion focused on the idea of "enjoyment" as being up to each individual to dictate for himself and not a government responsibility. After several suggestions, Chairman Wilson asked Mr. Hushek to work on the wording and bring back a final suggestion for consideration. The Vision Statement will remain the same.

Tom Brandt explained that the objective today is not to finalize or agree upon each individual strategic goal but to get a sense that the priorities are broad enough to encompass the goals. Mr. Brandt referenced page 1 of the handout showing eight priorities as they were merged with the four priorities recommended at yesterday's meeting in an effort to have only one set of strategic priorities. Discussion ensued with several additional points noted by the Supervisors. One topic discussed at length dealt with Housing, as mentioned in the first priority, and the extent of County involvement in this area. Supervisor Wilcox suggested expanding it while other members felt the County should not have involvement in public housing in a financial way. Supervisors Stapley and Kunasek pointed out that having "housing and transportation" included in the statement made it seem that they are "our highest priorities" and more "important" than others, i.e., public health or public safety, etc., while all are equally important. The majority of Board members did not agree with inserting the term "financial" in any of the priorities.

Chairman Wilson commented on the third priority and the term "educated populace" and how the work program for teens could be expanded so they can find paying jobs more easily. He cited the changed

availability in jobs now as compared to when he was growing up and the jobs were more abundant and less restricted. He felt that today's youth have creative minds and are ambitious but are too often thwarted in putting these abilities to good use because safety issues may have prompted laws that inhibit them from working and thus encourage laziness because jobs are so difficult to find. He asked that this be considered to see if the County could provide some constructive solutions because he felt that it could help reduce the crime rate amongst teenagers.

Supervisor Stapley asked if this would be a good time to look at the County's debt financing structure, "given the market and our bond rating today." He said, "There are some Wall Street instruments today that are phenomenally innovative that are different from bond debt" and he asked what the options could be and suggested that this could be investigated and then included in the second bullet point.

David Smith said that #2 does not address the County's capital needs but they expect to present a discussion on capital within the next 30 days to discern the current estimate of unmet needs. He commented that the County has no need of a bond rating now because there is basically no debt but keeping the option is important. He said that direction to all departments remains "pay-as-you-go." However, pay-as-you-go is no longer efficacious when the delay required to accumulate the necessary cash costs more in the long run than the principle and interest payment on a loan. He said that additional advice on this matter would be given to the Board in OMB's next report.

Supervisor Stapley said that his inquiry went to whether or not an additional bullet point was needed since he could identify none where 'bond debt' could be included. He felt it would be important for the Board to learn some details on what options would be available for possible future actions. He asked that another bullet be added under the second priority on the subject of, "financial methods for future capital needs other than pay-as-you-go."

Supervisor Brock stated that he felt this would be a good time for the County to strive to obtain a AAA Bond Rating since this it is experiencing a period of excellent financial stability. He believed a AAA rating could be very beneficial in lowering interest rates in future expansion projects. Discussion ensued on whether or not to make achieving AAA status a strategic priority.

Tom Manos came forward to explain that Maricopa County does not have a bond rating. He said, "Each bond issue that we have is separately rated. We have COP (an annual appropriated issue) issues that are rated, Stadium District issues that are A- rated and when we had general obligation bonds, they were AA rated." He said that the only possibility to get a AAA rating would be for general obligation bonds, which are far less risky to the market than a COP issue (which would never be AAA rated). To get to AAA, he said the first step would be to issue some general obligation debt.

Mr. Manos' second point was that none of the major western counties discussed yesterday have an AAA rating and he believed that the only two cities in the Valley with an AAA rating, are Phoenix and Scottsdale. He added that the rating agencies look on cities much more favorably than they do counties. They feel counties are more risky because they have less control over their own financial destiny, which is usually comprised of revenue sources like State Shared Sales Taxes, Property Tax, etc. The rating agencies look at the flexibility an entity has to meet new demands or unforeseen demands and they feel uneasy that the county has so little control over their revenue sources. A rating agency rarely moves an entity up "more than one bump at a time" and it would be a long-term process to reach AAA status.

Discussion ensued on the cost differential in a one-step-bump (around 25-30 basis points) and its actual worth to an entity.

~ Supervisor Kunasek left the meeting ~

Discussion ensued between Supervisor Stapley and Sandi Wilson on tax and other benefits, and/or detriments, that are received when a special district is created.

**~ Supervisor Kunasek returned to the meeting ~
~ Supervisor Stapley left the meeting ~**

In Priority #3, former and future immunization policies for Maricopa County were discussed and Sandi Wilson summarized what is expected to transpire regarding immunization availability and costs during the coming year. She indicated that the County is working on being able to accept third party payment for immunizations, becoming more "friendly" to program participants.

**~ Supervisor Stapley returned to the meeting ~
~ Supervisor Brock left the meeting ~**

An issue arose during the past fiscal year regarding the immunization program that had some private issuers complaining that the County was competing with them in making flu (and other) immunizations available to the general public. The County also found itself embroiled in difficult discussions when the erroneous idea exploded in the media that the County was responsible for providing free immunizations for affluent as well as indigent citizens for both domestic and foreign travel situations. Supervisor Kunasek commented on the need to learn from the past and not get involved in this question in the future.

~ Supervisor Brock returned to the meeting ~

The next item under discussion was the 4th bullet under the third strategy and the Board-recommended suggestion that states "Maricopa County will withdraw from all aspects of health care business." The word "withdraw" was heavily questioned during discussion. Sandi Wilson said they would rework the wording on this to include today's expressed intentions and directions to minimize rather than withdraw, and bring the new language back to the Board for consideration.

The fourth strategy – to ensure safe communities and a streamlined, integrated justice system – was discussed next, and the focus was on support for drug rehabilitation funding in jails and communities to develop early intervention and prevention strategies for reducing drug use and drug crimes. Supervisor Stapley said, "When an addict is hooked on drugs it is a disease and should be treated like a disease." It is a major societal problem that is manifesting all around the world. He added that every individual and every circumstance is different and needs to be treated appropriately as "there is no one silver bullet."

On Strategic priority #5, additional language to preserve and strengthen our environment was enhanced to include eco-friendly buildings, noise and pollution reduction, completion of the regional trail system, county parks that generate funds for expansion, increasing fuel efficiency and reducing pollutants, developing a plan for new dam construction to meet water needs of an expanding population and continuing expansion of highway and street corridors in new developments.

Mr. Brandt said he had neglected to include protection of military installations in the County and this would require an additional bullet. Discussion ensued on these ideas with emphasis given to including the 20/20 plan, adopted by the County a number of years ago, and updating it while still keeping to its basic precepts. "Getting serious" about energy conservation and the need for increasing water conservation in Maricopa County and throughout the State" was also discussed.

Chairman Wilson called for a 10-minutes break at this time.

The meeting resumed at 11:04 a.m. with Supervisors Wilson, Wilcox and Stapley present.

Lake Pleasant enhancement and expansion was discussed, noting that there is great potential but the cost of implementing it could be prohibitive.

~ Supervisor Kunasek entered the meeting ~

Bill Scalzo said that a number of enhancements are already being discussed with five different companies who have expressed interest in building out these improvements. The fluctuation of water levels is a major complication in choosing a site and hopes are to keep additions near the County's buildings. There is major support from the populace in expanding the facility as more people become familiar with it. Mr. Scalzo plans to meet with several major marketing companies with the idea of developing a joint venture plan with the private sector and to partner with them in expanding the facility. He said, "We have everything that Lake Havasu has and we need to exploit it." He added that Lake Pleasant is currently a self-supporting facility and no tax dollars are being used but additional monies are needed for expansion as it is not bringing in enough dollars now to cover expenditures. He hopes it will become a "visitation/destination point" for people to travel to and find a wide variety of things to do. Group activity improvements were discussed and Mr. Scalzo said that for marketing purposes they are keeping fees low enough to entice participation and build a base of activity.

Supervisor Kunasek remarked that priorities #6 and #7 are very similar and suggested combining them. "If we accomplish #7 then #6 will be taken care of." Supervisor Stapley disagreed, saying that the nature of County services that are publicized deal with indigents and inmates and it is important for the public to realize everything else the County does to improve their lifestyles. He said that the County's public image has steadily improved over the past 10 years and it still has a long way to go to be optimum. Supervisor Brock agreed saying he often has people ask him "What do you do at the County besides lock people up?" He added that this is because "we have the most mundane, basic, responsibilities" that the cities or the State have given us. "We're there day-to-day, constantly providing those services. People just expect that it's going to happen and it will be done efficiently by the Board without thinking about all that we do." Chairman Wilson asked that #6 and #7 be combined and to include building a better base of communication with the media.

Mr. Smith discussed the County's annual evaluations to measure programs, workforce and management and to review the work ethic and product and find ways to improve service.

The strategic measures will be rewritten to incorporate ideas discussed at this meeting and brought back before the Board for approval.

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

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MEETING ADJOURNED

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

Max W. Wilson, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board