

COUNTY SUPERVISORS ASSOCIATION  
April 20, 2006

The Board of Directors convened with the County Supervisors Association and Legislative Policy Committee Board of Directors at 10:40 a.m., April 20, 2006, at 1905 W. Washington St, Boardrooms A & B, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2, Fulton Brock, Vice Chairman, District 1, Andrew Kunasek, District 3, and Max W. Wilson, District 4. Absent: Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board.

**Andy Kunasek, 2006 President of the County Supervisors Association, welcomed John Driggs and Herb Guenther to the meeting.**

**APPROVAL OF MINUTES**

Penny Adams acknowledged a quorum was present. Supervisor Jim Palmer moved to approve the minutes from the following meetings: the March 16, 2006 CSA Board of Directors and Legislative Policy Committee meeting, the March 24, 2006 Legislative Policy Committee meeting, and the March 31, 2006 Legislative Policy Committee meeting. Supervisor Lenore Stuart seconded the motion and the motion passed. (ADM604)

**LEGISLATIVE POLICY COMMITTEE**

Craig Sullivan advised the legislature is moving into the final stretch with all committees completed, bills moving to the floor and being sent to the Governor. The nonfiscal CSA bills made it through the process to the Governor. He thanked the CSA staff. The parks district bill by Coconino County died on the Senate floor, but thanks to the help by Todd Madeksza it passed by a one vote margin after a motion for reconsideration.

Craig stated the House and Senate leadership have come to terms on a budget proposal. Negotiations with the Governor's office were begun on Monday. As of yesterday, the Governor's office and the legislature came to terms on revenue language. The budget proposal contains significant tax cuts, both property tax cuts and income tax cuts. Some known items in the budget are transportation, HURF, and border enforcement. There has been a signal to the majority party members that there will be \$400 million competing for a \$45 million box. CSA has been working with our legislative members that are close on county issues regarding ALTCS, the RTC cost shift, and the DUC pool cost shift. He thanked the counties for meeting with their legislators, particularly on ALTCS. As soon as additional information is available on the budget, it will be provided to the counties.

Craig stated the proposal on truth in taxation (TNT) would be to freeze the levy forward. There were two additional proposals; one was by Senator Martin (to freeze the levy with any spending in excess of TNT going forward to require a public vote) and the other by Representative Huffman (would allow levies to grow by 2 percent a year, and if exceed that to require it to go to a public vote). There is talk of a mandate to freeze county levies for one to two years, with the idea to have local control reinstated going forward; it is unknown if it would include an inflation factor. Craig noted concern that one year could turn into two years and so on. There is concern among legislators on property taxes and the impact at the ballot on the consequences of their perceived action. He said counties need to stay engaged on the TNT negotiations. A targeted briefing list on specific legislators CSA believes to have the ability to educate was provided in the agenda packet. Those legislators are listed in boldface. CSA is requesting counties contact these legislators.

CSA held a very productive meeting with President Bennett and Supervisors Kunasek, Springer and Stapley. A similar meeting occurred with Representatives Pearce and Tully. CSA urged counties to help

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legislators understand what it all means to jail budgets, retirement, ALTCS, health insurance, *etc.* President Kunasek urged counties to contact those legislators on the list and to bring Craig into their conversations for additional assistance. He said the meeting by Maricopa County and Craig with House and Senate leadership was very effective. He said legislators need to understand that TNT will punish certain counties that are under their levy limits. He stated this shouldn't punish good behavior and encourage bad behavior going forward. He noted that Supervisor Carol Springer was great in the meeting held with President Bennett in helping him understand.

Supervisor Gene Fisher commented it spoke well of President Kunasek, Craig and CSA staff in getting legislators to look at the other side of TNT. He said he has been speaking with Representative Jones. President Kunasek suggested speaking with Senator Martin. Supervisor J. R. DeSpain requested Nicole Stickler present AACo's take on TNT. Nicole said AACo joined with CSA in opposing levy freezes proposed in TNT packages. She said many school superintendents and assessors are engaged. She said the school superintendents are nervous about the proposal to completely eliminate county equalization dollars, which is in the draft budget proposal. She said that money funds jail education programs mandated by federal law and pays for juvenile detention facilities. AACo would appreciate any support for those issues. She said AACo and CSA are on the same page.

Supervisor Liz Archuleta asked if conversations have been held with Gretchen Kitchel of ATRA on TNT and whether they would be willing to use their influence to pull counties out of the conversation and direct it at what legislators are concerned about. She said she had spoken with her and she had mentioned ATRA might be willing to do that. Craig said that as of today discussions with Kevin McCarthy show they are engaged in a full court press on TNT. They didn't appear to be inclined to migrate toward a county-favorable position. Supervisor Fisher stated a news article by ATRA targets counties at full court press. Supervisor Springer said that ATRA has locked themselves into wanting a property tax cut and since there is no state property tax *per se*, they have to look some place else to get it. She asked if there were any other suggestions on how to arrive at a property tax cut other than by this method. Craig mentioned we had brought early in the process the proposal of the state taking over mandated health costs with counties taking that directly out of the tax base, with the help of Senator Flake in getting it before some legislators. The coalition pushing for the county ed rate attacked that early on.

Supervisor Springer said the secondary taxes for schools are over and above the regular school funding. She asked what supervisors thought of not allowing government bonds on secondary taxes for schools, but instead asking voters to approve sales tax increases to pay for bonding for schools, as opposed to property taxes. She said that proposal would allow them to freeze the secondary, but it would give schools the option to generate revenue for school bonding. Supervisor Springer stated she is just looking for an alternative to what's on the table. Supervisor Palmer commented that if we couldn't get traction on dollar tradeoffs on healthcare, we couldn't get anywhere taking on the schools. Supervisor Don Stapley agreed with Supervisor Palmer and commented that we need to pick our battles. Craig noted that talking points were provided with the agenda. He requested counties notify him after contacting legislators. Supervisor Liz Archuleta thanked Todd Madeksza and CSA on being so effective on the parks district bill.

**METH AWARENESS PRESENTATION BY MARICOPA COUNTY**

Supervisor Stapley provided a PowerPoint presentation on creating the Arizona Meth Project based on the Montana Meth Project, which was created and funded by the Siebel Foundation. On the handout provided to go along with the presentation, he noted some typographical errors. On page three in the third slide, it should be August 2005; and on page four in the first slide, 2005 should be 2006. Supervisor Stapley recently returned from Montana from meeting with billionaire Tom Siebel about establishing the

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Arizona Meth Project. The project is a prevention program and was funded solely by the Siebel Foundation. There is no other public or private funding for it. The Maricopa County board has voted to support the project. Jessica Berg, from the Maricopa County Manager's Office, was in attendance for the presentation.

Supervisor Stapley noted that the meth issue was embraced at CSA's 2005 Legislative Summit and the county's role in it was touched upon. Three areas of the project will be prevention, treatment and law enforcement. It affects healthcare and the criminal justice system, particularly jails. The project will focus on prevention to youth between 12 and 17 years of age. The objective will be to raise the level of dialogue significantly in order to reduce first-time meth use. Arizona will be the first prototype for Siebel for other states to create similar projects to the Montana Meth Project. The "Not Even Once" campaign has been very effective and is similar to the anti-smoking campaign by the American Cancer Society. A benchmarking survey was done in August before the ads hit in September. A summary of the survey was released yesterday and Supervisor Stapley will get copies of it. Supervisor Stapley stated the benchmark survey showed the project resulted in a dramatic increase of kids and parents talking about the meth issue.

Maricopa County played a DVD regarding the Montana Meth Project. A proposal is being drafted by the Siebel Foundation for the Arizona Meth Project in order to preserve the integrity of the project. The Meth Project will be the parent entity, holding all the property rights of the ads and copyrights. The Arizona project will be an affiliate of the Montana Meth Project, will have two full-time employees, and no politicians or government agencies will receive credit. Counties are encouraged to go to their communities and schools to talk about it. CSA has copies of the DVD and PowerPoint presentation available.

Supervisor Stapley commented that Mr. Siebel is very sharp and knows what it will take to do this project statewide in Arizona. Some television ads have already been produced for Arizona. The Governor's office and the Arizona Attorney General are interested in partnering with the counties on the Arizona Meth Project. It has been proposed to the Governor and Attorney General to fund the project 50/50 with the state and those counties that are willing to participate, and they seemed willing to do that. Maricopa County will communicate progress made with the state. The project is moving in a bipartisan way. The radio spots were measured as the most effective component with kids. The spots will be adapted to Arizona, including to be aired in Spanish, and Siebel will pay for it.

Supervisor David Tenney asked about the budget for the project. Supervisor Stapley said that Montana has spent \$5 million. It is estimated it will take \$5.7 million for Arizona to do the project; half to be paid at the county level and half at the state level. Supervisor Buster Johnson stated the Mohave County board approved the meth project. They have sent a unanimous letter from their board to the Governor and the legislature asking for funding. They showed the Montana Meth Project video received through CSA countywide and the local city supports it.

Supervisor Shirley Dawson said an essay contest was conducted in schools, mainly at the eighth grade level, and 92 percent said meth was a problem. Gila County has put the Montana Meth Project video on their website and several schools are using it. Supervisor Dawson is concerned with the affects of meth on the reservations. Supervisor Palmer questioned if this is the time to present this project to city councils and school boards to seek financing for it. Supervisor Stapley encouraged counties to use the Montana Meth Project information to raise awareness in the community, since the Arizona Meth Project is just beginning. He said it is believed the quickest solution is to publicly fund it by the counties and the state.

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Jail tax can be used to fund it. President Kunasek thanked Supervisor Stapley for his leadership on this issue and encouraged counties to follow-up.

**ARIZONA CENTENNIAL CELEBRATION**

John Driggs, of the Phoenix Heritage Commission, stated S.B. 1065, passed in 2005, created the Arizona Historical Advisory Commission to develop and coordinate a statewide plan for the state's centennial in 2012. The legislature didn't appropriate any funding or staff for the Arizona Centennial Celebration. This year H.B. 2371 was introduced requesting an appropriation of \$5 million for centennial projects over the next six years. He requested county supervisors call President Bennett regarding the bill. It requires a match from nonstate sources and the match must be fully deposited in the State Treasury before the appropriation takes affect. He provided a folder giving examples of centennial projects. He noted that on today's front page of the newspaper it discusses Maricopa County's centennial project of the restoration of the Tovrea Castle and now the adjacent Papago Park. Mr. Driggs stated Arizona has six years to make our centennial the most unique, economic showcase and in order to do so, we need this bill in the budget. He said Arizona is the last of the 48 states to have a centennial.

**STATEWIDE WATER ADVISORY GROUP OVERVIEW**

Herb Guenther, Director of the Arizona Department of Water Resources (ADWR), provided a PowerPoint presentation on groundwater management. Arizona has three primary sources of water: the three rivers (Colorado, Salt and Gila), groundwater, and reclaimed water. The annual water budget consists of 35 percent from the Colorado, 18 percent from in-state rivers, 37 percent from groundwater, and 10 percent from reclaimed water. In the 1980 Groundwater Act active management areas (AMAs) were established. Phoenix, Tucson, Pinal, Santa Cruz and Prescott have AMAs. Pinal County will be short in its goal.

Mr. Guenther explained the assured water supply is within AMAs and a developer must show 100 year supply before recording plats or selling parcels. The supply must be physically, legally, and continuously available for that 100 year period. The adequate water supply program began in 1973 as a consumer advisory program and is outside AMAs. Before the Department of Real Estate authorizes any lot sales, they require the developer to have a report determining whether there is an adequate or inadequate water supply. It also must be physically, legally, and continuously available for 100 years. The legislature would assist rural water management areas by allowing them to establish a special district to be locally created and administered.

Critical water areas of concern around the state are in Mohave County, Verde Valley, Upper San Pedro, Mogollon Rim and Coconino Plateau. The ADWR is trying to establish a statewide groundwater monitoring program that would have automated monitoring sites to provide feedback over the Internet via satellite to the office. They plan to have 350 new monitoring sites over the next 13 years at about 25 sites per year. Two programs newly instituted by ADWR are the Arizona Rural Water Atlas and the Arizona Water Institute.

Supervisor Pete Byers questioned who would be on the state border. Mr. Guenther replied all levels of government in the state will be represented. Supervisor Springer expressed concern with a management partnership and another level of government that would be able to tell current water providers how to manage their water. Mr. Guenther said it would most likely be a special district that would have an elected board of directors from that constituency. Ron Walker asked what would be the role of stakeholders for the county and the role between the board of supervisors and the district. Mr. Guenther replied that more than one board of supervisors can be involved in more than one watershed area, so that

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multiple boards can participate together. He said he is available to provide a progress report for any meeting a county may have. Supervisor Fulton Brock asked Mr. Guenther to comment on fissure problems the state is experiencing and on what collaboration and funding may be available. Mr. Guenther stated that stress fractures are present; it's just not known where they are located. They can appear after rainfall. His office is trying to put together all information from various resources onto one map and will try to keep it updated and available to everyone.

**EXECUTIVE DIRECTOR REPORT**

Craig Sullivan advised NACo is holding nominations for leadership positions, Rural Action Caucus, Large Urban County Caucus, and steering committee positions. Penny Adams had sent an e-mail to the counties advising of the procedures. He encouraged supervisors to participate. The May CSA board meeting will be held in Mohave County; hotel and meeting information was provided in the agenda packet. Supervisor Byers encouraged supervisors to come to Mohave County and suggested taking advantage of things to do there, such as golf. Craig recognized Andrew Moore, CSA's legislative intern, who will be finishing his internship shortly. President Kunasek presented Andrew with a certificate of recognition and a photograph was taken with Craig and him to be framed for Andrew. Andrew will graduate from NAU.

**COUNTY CAUCUS REPORTS**

Supervisor Byers stated the Medium County Caucus held a good breakfast meeting this morning. Transportation was discussed as a big issue for next year. Supervisor Herrington reported the Small County Caucus met last evening. A legislative report had been provided from Representative Brown, who said he is trying to interject wit and common sense into the budget. Craig had also provided a legislative update.

**OTHER BUSINESS**

Supervisor Jim Palmer gave an update on Supervisor David Brown. Supervisor Brown is recuperating at Brent Brown's home and had gone on a three-mile walk the day before. He will submit to a 3D cat scan next Tuesday, which is the final step before the last surgical procedure to be done shortly. It is expected he will return to St. Johns after his recovery.

President Kunasek welcomed Senator Flake and Alan Stephens of the Governor's office. Alan noted that discussions are going well. He said it is a good sign that leadership is talking, and they have made some initial agreements on some things. He said they haven't discussed the tax investment side yet. Transportation is a big concern with the Governor. He said they expect to hear more on terms of agreements within the next few weeks. Supervisor Stapley gave thanks to Alan and the Governor for signing S.B. 1551, the school superintendent accommodation district bill. He noted it will be very useful to Maricopa County and all other counties shortly. President Kunasek thanked everyone for attending.

**ADJOURN**

There being no further business, President Kunasek adjourned the CSA board/LPC meeting at 12:20 p.m. There being no further business to come before the Maricopa County Board of Supervisors, the meeting was adjourned at 12:20 p.m. by Chairman Stapley.

*MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK*

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Don Stapley, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board