

The Board of Supervisors of Maricopa County, Arizona convened in Informal Session at 9:00 a.m., December 13, 2004 in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3; Fulton Brock, District 1; Don Stapley, District 2, and Max W. Wilson, District 4, and Mary Rose Wilcox, District 5 (entered late). Also present: Fran McCarroll, Clerk of the Board; Monica Farine, Minutes Coordinator; David Smith, County Administrator; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-nay-absent-abstain).

Chairman Kunasek called the meeting to order.

**PRIORITIES FOR 2005- 06 AND BUDGETING GUIDELINES FOR RESULTS**

Item: Approve the Budgeting for Results Guidelines and Priorities for FY 2005-06 that provide direction from the Board of Supervisors to the Office of Management and Budget (OMB) and all departments so that a structurally balanced budget is developed for the upcoming fiscal year. (C4905020800) (ADM1826)

Sandi Wilson, Deputy County Administrator  
Christopher Bradley, Deputy Budget Director  
Brian Hushek, Deputy Budget Director

Sandi Wilson, Deputy County Administrator, spoke regarding the budget for next fiscal year stating revenue is strong. Sales and property taxes continue to come in better than projections. She said services have increased in the criminal justice areas with new detention facilities coming on-line. Quarterly forecasts are received from Elliott Pollack, who briefs the Office of Management and Budget (OMB) regarding outside economic impacts to the County. Supervisor Stapley mentioned the National Association of Counties may have seen his work and hired him. He also asked to have Mr. Pollack present to the Board at least two times per year.

Additional tradeoffs will be sought for the continued funding of Adult Probation. Issues regarding the Health Plans impact next year's budget. Under the OAO System at the hospital, there were 800,000 claims in May. There are 200,000 left to be adjudicated. These are the more difficult ones. It is hopeful they will be paid in December. Supervisor Brock inquired if additional work is needed on the budget for the Special Health Care District and requested briefing of the tail of claims, Health Plans, and efforts to arrange for billing. He inquired if the Board of Supervisors should set up reserves for any environmental concerns. Mr. Wilson answered the IGA is designated to deal with environmental issues based on the results of the Phase Two Survey. However, Ms. Wilson reiterated that the buildings were to be conveyed, "as is." The District may borrow cash from the County but the County gives the building free and clear. The County will disclose all that is known.

Chris Bradley, Deputy Budget Director, said that the base budgets for Departments will be the same as last year with Board approval adjustments. He stated that funding has been allocated for correctional health; but Maricopa County Sheriff's Office (MCSO) has the huge task of hiring staff for the two new jails opening in the spring. The jail population is growing. After completion in 2005-06, full operation will include between 9300 and 9440 inmate beds. The jail population is close to that now, so it is anticipated there will be a long-term jail capacity issue coming as a result. An option will be to close Durango Jail and reopen Madison Street Jail. The jail population surge may require a focus toward prevention programs at the criminal justice level so the jails will not remain at overcapacity. Consultants initially recommended building in three phases. Two phases were built but the third was never built as technology had been added to the two phases and resources were utilized in the best way possible.

Brian Hushek, Deputy Budget Director, said it is necessary to approve the Guidelines now in order to meet other calendar benchmarks. By February 10, values will have been assessed through the

Assessor's Office, and then departmental meetings will be held. Elected officials may schedule time with the Chairman for Board of Supervisors presentations. Supervisor Stapley indicated his preference to be briefed collectively regarding any items to be brought before the Board.

Mr. Hushek continued by highlighting other calendar events including a study session scheduled for April with Board of Supervisors' recommendations. In May, a tentative budget will be adopted. In August, the Board of Supervisors will set the tax rates.

The County intends to take the HURF funding issue to the legislature because others often try to redirect the County's HURF revenue to fund other budgets. Supervisor Stapley said California passed a referendum and Governor Schwarzenegger sat down to mediate this issue. The public was supportive of the referendum, which prohibits these types of cost shifts. Supervisor Stapley said discussion should be held at the County level to do something similar here.

Motion was made by Supervisor Stapley, seconded by Supervisor Brock, and unanimously carried (4-0-1) to approve the Budgeting for Results Guidelines and Priorities for FY 2005-06.

~ Supervisor Wilcox entered the meeting ~

#### **EXPENDITURE APPROPRIATION ADJUSTMENTS FOR EMPLOYEE BENEFITS**

Item: In accordance with A.R.S. Section 42-17106(b), approve the following expenditure appropriation adjustments totaling \$2,404,812 (\$1,578,024 for the General Fund and \$826,788 for the Detention Fund):

- reduce General Government General Fund Reserved Contingency-Health/Dental Premium Increase (100-470-4711) in the amount of \$1,578,024,
- reduce General Government Detention Fund Reserved Items - New Facility Operating Costs (255-470-4711) in the amount of \$826,788 and,
- increase departmental General and Detention fund budgets by the amounts referenced on the attached schedule.

This action is required to fund the employer portion of the Health and Dental premium changes as indicated on Agenda Item C3505003000, approved by the Board of Supervisors on September 22, 2004. The Countywide net impact of these adjustments is zero. (C4905024800) (ADM3324)

Sandi Wilson, Deputy County Administrator, said costs would increase for personnel. Premiums for high benefit medical and dental are increasing at the rate of 2.55 percent from the employer and employee side. Arizona State Retirement System (ASRS) contributions are also increasing. Both the employer and employee costs will increase.

Motion was made by Supervisor Brock, seconded by Supervisor Wilson, and unanimously carried (5-0) to approve the expenditure appropriation adjustments as outlined above.

#### **EXECUTIVE SESSION CALLED**

Pursuant to A.R.S. 38-431.03, motion was made by Supervisor Stapley, seconded by Supervisor Wilson, and unanimously carried (5-0) to recess and reconvene in Executive Session to consider items listed on the Executive Agenda dated December 13, 2004, as follows.

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

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

Heidi Hubner	Anthony Winn
Jose Ramierz Ibarra	Crystal Winn
Albina Llanas (Con't from 12/15/04)	Nathan Winn

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

Swann Mclemore  
Lyle Patrick  
Write off of Sheriff's uncollectible accounts

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) and (A)(4)**

3. **OAQ-MIHS Health Claims Processing Contract**

Christopher Keller, Chief Counsel, Division of County Counsel  
Phyllis Biedess, MIHS  
David Tierney, Outside Counsel

**LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION; – ARS §38-431.03(A)(3) and (A)(4)**

4. **IGA between Maricopa County and Maricopa County Special Health Care District**

Christopher, C. Keller, Chief Counsel  
Tom Manos, Chief Financial Officer

**LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION; – ARS §38-431.03(A)(3) and (A)(4)**

5. **Fund Transfer Agreement between Maricopa County and the Maricopa County Special Health Care District.**

Christopher, C. Keller, Chief Counsel  
Tom Manos, Chief Financial Officer  
John Paulsen, Deputy County Attorney  
William Knopf, Bureau Chief

**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)**

6. **Settlement Agreements between former Director and Deputy Director, Correctional Health Services and Maricopa County**

David Smith, County Administrative Officer  
Gwynn Simpson, Director, Human Resources  
Elizabeth Yaquinto, Deputy County Attorney

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

**7. Legal Advice regarding CHS matters including organizational issues, contracts for services, and scope of licensure issues.**

David Smith, County Administrative Officer  
Lindy Funkhauser, Contract Administrator  
Todd Wilcox, Medical Director, CHS  
Elizabeth Yaquinto, Deputy County Attorney  
Mary Cronin, Deputy County Attorney

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

**8. St. Luke's Medical Center, L.P. v. Maricopa County CV2003-017379**

Brendan Murphy, Meyer, Hendricks & Bivens  
Bruce P. White, Deputy County Attorney  
Shawn Nau, Director, Health Care Mandates  
Jan Ringgenberg, Health Care Mandates

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

**9. Luke AFB Aux. Field #1**

Joy Rich, Director of Planning and Development  
Terry E. Eckhardt, County Counsel

**LEGAL ADVICE -- ARS §38-431.03(A)(3)**

**10. Claim to the United States Department of Energy (DOE) Office of Hearings and Appeals (OHA) a claim for a Subpart V Crude Oil Supplemental Refund**

Bruce P. White, Deputy County Attorney, division of County Counsel

**MEETING ADJOURNED**

After further discussion on the above matters and there being no further business to come before the Board, the meeting was adjourned.

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Andrew Kunasek, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board