

The Board of Supervisors of Maricopa County, Arizona convened in Informal Session at 9:00 a.m., April 18, 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, Fulton Brock, District 1; Andrew Kunasek, District 3, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Stefanie Pesqueira and Shirley Million, Administrative Coordinators; David Smith, County Manager; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

PRESENTATIONS BY ELECTED OFFICIALS/JUDICIAL BRANCH – ACCOMPLISHMENTS AND BUDGET ISSUES

Recorder/Elections

Helen Purcell, Recorder
Karen Osborne, Elections Director

Helen Purcell said that electronic recording has brought great changes to the way the Recorder's Office does business and currently 49% of their recordings are received in electronic format. Their goal is to increase this to 75% in the next few years. Total recordings average 115,000 to 130,000 per month. In March they did over 160,000 recordings and on March 31 they did 12,000 recordings in a single day. Ms. Purcell added that in the 16 years she has been County Recorder the number of personnel in her office has not increased even though the percentage of recordings has dramatically increased. Today's numbers would not be possible without the ability to record electronically. They are in the process of converting all records going back to 1871 to a digital image, a process that will take several years. The two million images already on the Recorder's web site are viewed by 13,000 users daily.

Ms. Purcell said that a growing concern with both the public and her office is identity theft and they are actively working to reduce the impact in the County. To remain ahead of the game, her staff is already working on a system to redact social security numbers when legislation has been finalized.

Supervisor Brock asked if the Recorder fees are sufficient to allow them to keep up with technological demands of such a fast growing county. He also asked how Maricopa compares with other major counties.

Ms. Purcell said that Maricopa is commensurate with a number of other similarly-sized counties in the country. "Our recording fees are probably lower than almost any place in the nation but we have recording fees set by statute." She said there is a separate fund, the Recorders' Surcharge, that allows them to add the electronic and technical advances. "That is what has saved us over the years with our increases in business."

Supervisor Brock asked if she felt the current surcharges would continue to be adequate to address her goals in the next three years. Ms. Purcell responded that she believed this was so.

Karen Osborne reported that the Elections' process continues to grow and there are now 1,600,000 registered voters in Maricopa County, which outpaces 22 states and is the 4th largest entity in the United States. She stated, "We are just behind Houston – Harris County." The 2004 election had 1.5 million people registered and for the 2002 election there were 1.2 million, an increase of 326,104 registrations during those two years. In 2006 the department wants to eliminate the long lines at polls and there will be approximately 50 new precincts. This move awaits legislative redistricting results. In addition to English and Spanish they will be able to serve Indians with recorded information, since they have no written language. Another new thing for 2006 is the mandate for devices for the disabled to vote and will include 1,000 new devices, which will be purchased with federal funds. A blind person will now be able to cast

their own ballot without outside help. She said that in 2004 military and overseas voters numbered more than 6,500 and the department was especially excited by this as their largest previous number was 1,200.

In response to a question from Supervisor Wilcox Ms. Osborne responded that they have no budget issues to present.

Supervisor Stapley asked, "Other than for special needs why wouldn't we go to an all mail-in ballot and eliminate most of the precincts. Is this being done anyplace in the country?"

Ms. Purcell replied that state law does not allow this except for special elections. "We have asked several times over a period of years to have an all mail-in election as Oregon has." She said that they now really have two elections, one by ground and one by mail, but costs would be reduced if there was one mail-in process.

The Board was unanimous in their praise for the Recorder's and Election's Departments, naming the speed in securing results and the few numbers of voters expressing any dissatisfaction. Sincere congratulations were extended to both Ms. Purcell and Ms. Osborne.

Sheriff

Joseph M. Arpaio, Sheriff
David A. Hendershott, Chief Deputy
Loretta Barkell, Deputy Chief, Sheriff's Office Financial Management Bureau

Sheriff Arpaio thanked OMB and the Board of Supervisors for their cooperation and help in the past. He said, "When I took office 12 years ago we had 1.3 million population in Maricopa County and we have 3.5 million people now." He felt it was important to look to the future and be proactive. He said his budget is way below that of other sheriff's departments and added that he tries to conserve monies. He stated that 10 years ago he projected that there would be 10,000 people in jail by now and he estimates this number will be reached by the end of this year. He said the new jail is completed and they would move inmates into the new facility next week.

Loretta Barkell spoke on issues that are still unresolved with OMB's budget projection, the first was with market rate adjustments with a requested budget increase totaling \$8,611,857. Other issues included radios and replacement or additional radios that have been requested. Replacement and new radios are expected to cost \$3,817,727 and she said that these purchases could be phased in.

David Hendershott addressed the Board's interest in recidivism in the fight on substance abuse and he said the increased funding for the ALPHA Program was the next budget item in dispute and these funds would come from FY2006 jail taxes in the amount of \$316,362; continuing costs of \$804,448 from jail tax and \$488,086 from other funds.. Other budget increases requested by the Sheriff's Office included sponsored programs/grants with programs totaling approximately \$625,464, plus grant monies; increased staffing needs total \$4,937,054; Radio Frequency Identification Tracking System (RFID) costs \$8.4 million for acquisition or a \$1.4 million lease cost for seven years plus annual maintenance and operation costs of \$1.6 million; technology initiatives total \$3,345,116; office equipment needs total \$5,366,948 and competency restoration costs total \$551,880.

For maximum protection of inmates and officers Mr. Hendershott said the need was for "smart jails" and that the new jail was built using these new computerized technologies, which should reduce the number of officers needed as guards. This is planned to eventually be established in all County penal systems.

Substance abuse treatment for inmates who are seriously mentally ill was discussed and Mr. Hendershott told the Board that he is very excited about the outcome of this treatment, which he believes will continue to reduce recidivism. The program is being used in Orange County, CA and will be studied to facilitate use here. Mr. Hendershott said he planned to take the treatment plan to medical clinics so it can be continued after inmates are released.

In response to a question from Supervisor Wilcox, Mr. Hendershott said that this program is coordinated with Juvenile and Adult Probation and all other applicable departments. Supervisor Kunasek asked that he also make certain that the County Attorney is briefed on the program.

Clerk of the Superior Court

Michael Jeanes, Clerk of the Superior Court
Will Tagart, Associate Clerk, Information Technology Director

Mr. Jeanes presented a PowerPoint report on services offered by the Clerk of Court's Office (COC) and their interactive website for online use by the public to gain insight on what is happening to any business they have with the courts. He said the site has 58,000 hits a day and their office receives 30,000 documents and 2,600 court files daily. The minute entry link to the community receives 1.8 million hits a year and he stated that technology provides a better way to handle legal business for both the public and the courts and the trend for its greater use continues to escalate. He reported that King County, Washington (Seattle) is eliminating their paper files and Maricopa County can also achieve this goal. Their office continually studies and interacts with other Clerk's offices to keep abreast of leading edge technologies elsewhere to incorporate here.

The Star Call Center was discussed and Mr. Jeanes said they expect to receive their ten millionth call in October of this year. So far, 1.8 million of the calls received have been directed to the Clerk of the Court's Office. All agreed that the call center has been a wonderful addition to the County's services. He said that funding for the COC and the Star Center has been adequate and thanked the Board and OMB (Office of Management and Budget) for their continued support.

Assessor

Keith Russell, Assessor

Mr. Russell spoke on how the growth experienced by the County has affected the Assessor's Office. He said that in 1999 his staff processed 175,000 deeds and in 2004 they handled 450,000 deeds. In 1994 they managed 90,000 tax parcels and this rose to 1.36 million in 2004. Full cash property values rose from \$80 billion in 1995 to \$259 billion in the next ten years, a 220% increase. In the same period the size of his staff increased only 5% and his budget by only 13%. He said he was inordinately proud of his hard-working staff's dedication but indicated concern, saying that they were past the point of being able to handle such increases. He said that the phenomenal growth is expected to escalate and his office needs funds to be able to prepare for this in both the short and long term. He explained that technology and staffing budgetary requests had been submitted with 14 RIR's (Results Initiative Requests) but OMB had cut some of their requests. He stated, "We can't keep up with the growth with our current resources." He explained that the Department of Revenue (DOR) oversees all assessors and his department must set their priorities to comply with those rules, guidelines and regulations.

Supervisor Kunasek asked for a review of assessed value trends over the past ten years because he'd learned that the full cash value of properties had increased but the assessed value had remained stagnant due to the legislature's actions regarding amending formulas. He felt the real problem is in the legislature and reported that some legislators don't want properties to be listed quickly. He asked that the County make it a priority to focus on this problem next year. He added that in fast-growing residential

areas many families with kids in school are not paying any property tax and are getting a free ride and added that Queen Creek is a good example of this.

~ Supervisor Wilcox left the meeting ~

Mr. Russell said that a ten-year study was already in process. He will send a copy to each Supervisor upon completion and added that this would become a yearly project. In response to a question from Supervisor Stapley on doing a study every two years, Mr. Russell replied that it had to be done every year to remain in compliance with DOR guidelines.

Supervisor Brock said that he'd had complaints from constituents regarding a yearly study and he asked how long it takes to get a property, especially a commercial property, on the rolls. He said he understood that the more unique the property the longer it takes to get on the roll and that it has taken up to two and a half years to get a commercial property listed. Mr. Russell said that commercial and industrial properties run slower and are losing ground but residential properties are usually listed within three months.

~ Supervisor Wilcox returned to the room ~

Chairman Wilson said that vacant property is "vague in valuation and that true value only comes with use." He commented on using comparable values of nearby homes and said that the age of the homes must be taken into consideration in estimating property values. He congratulated Mr. Russell on doing an outstanding job in his short time in office.

Mr. Russell said he hopes to move away from cost approach as he feels it is not reflective of market values.

Treasurer

David Schweikert, Treasurer

Mr. Schweikert said growth affects the Treasurer's Office also but he is basically happy with the projections submitted for that department by OMB. He plans to enhance the foreclosure process on properties where tax liens have not been sold. He said that \$145,000 had been grossed from tax deeded land sales and this amount would increase as sales become more common. He mentioned that an additional employee to manage and help the Clerk of the Board in this process could become necessary, but it would result in a large return of revenue to compensate for the cost. He reported that many personal properties are not on the rolls while others listed do not exist. There is wrong information on many of the Treasurer's self-reporting forms and he said it was essential that the rolls be cleaned up. Updates are needed on the website and he spoke of an Automated Clearing House (ACH) to facilitate citizen use. He wants to follow the lead of the Recorder and Clerk of the Court to go paperless and convert the Treasurer's Office to transacting all business via their website. When the Assessor's rolls are cleaned up the benefits will also aid the Treasurer's Office clean-up and the whole system will become faster and much more efficient. However, Mr. Schweikert reported that most of the mistakes originate in the title companies and in escrow documents rather than in the Treasurer's Office.

Supervisor Kunasek asked what the average daily intake is and Mr. Schweikert replied that it was approximately \$20 million – and \$1.1 billion in a 30-day period. He said this amount is for property taxes only but the Treasurer's Office also processes bonds, state shared revenue, etc. He felt comfortable with the projected budget but reiterated that extra funds would probably be needed for future land sale personnel.

County Attorney

Andrew Thomas, County Attorney
Phil MacDonnell, Chief Deputy

Andrew Thomas said that last year the turnover in prosecutors reached 20% and had averaged 17.2% over the past five years. Prosecutors are the backbone of his department, handling a heavy caseload of felonies and other actions. By comparison, recent turnover rates for nearby jurisdictions are as follows: Phoenix, 8.6%; U.S. Attorney, 6.5%; Pinal County, 4.3% and Scottsdale, 0%. He expressed grave concern over the increasingly high average for the County and called the County Attorney prosecutors "an endangered species." Seventy-one percent of his prosecutors have 0-5 years experience and consequently do not have enough experience to handle many of the cases for the office. The cause of the turnover is the County's pay scale. No sooner are attorneys trained then they leave to practice in the private sector or to higher paying government jobs. He explained that salaries are low and the caseload is increasing and it is discouraging to many. He stated that some of his prosecutors have gone to Pinal County, still a rural county, because they pay a new hire \$12,000 more than Maricopa County pays and, in addition, they have guaranteed pay raises. He stated that this exodus to other jurisdictions that offer higher pay and attractive benefits will continue unless the problem is addressed. Discussion ensued on the various differences compounding this problem. He estimated that it could take up to \$6.3 million to equalize the differences and lower the attrition rate

Mr. Smith said efforts have been made to duplicate market salary levels but it is a case of "always having to play catch up." He said the County offers good benefits and quality of life and suggested waiting six months to a year to see if the projected raises in this budget will solve the problem, and to make further assessments at that time.

Board members expressed concern and promised to study the situation so the problem could be addressed in a responsible manner.

Judicial Branch

Colin Campbell, Presiding Judge
Marcus Reinkensmeyer, Trial Courts Administrator

Judge Campbell said he was nearing the end of his tenure as presiding judge and thanked the Board and administration's staff for their assistance in obtaining the accomplishments he has achieved during that time. These included the following:

- Criminal direct filing in regional felony centers
- Electronic recording of court proceedings
- Regional court centers for enhanced customer service
- Enforcement of collections and user fee enhancements
- Indigent defense reimbursement unit
- New technology for case management and customer service, including e-forms
- Improvements to criminal and family case management
- New relationship with County: economics and re-engineering

He said that 100,000 people move to Maricopa County each year and there has been a comparable increase in case filings in both Superior and Justice Courts. Population projections for the County will increase from the current 3 million to approximately 5 million by 2015. Judge Campbell believes the solutions to the judicial problems lie in completion of the planned regional court sites and building out the unified downtown complex to include a new criminal court building. He also cited the following:

- Development of consolidated auto and property theft courts for expedited case disposition
- Implementation of consolidated mental health court, encompassing criminal and civil mental health cases
- E-filing and on-line forms: transformation to a "paperless" court
- Continued enhancement of workforce strength through market adjustments, continuing education and professional development, especially in probation staff

Supervisor Brock said that collection of fines has always been lax in Justice Courts and asked what the situation was now.

Judge Campbell said that currently if payment is not received in 60 days it is sent to collections. He added that a new program will tie delinquent payments to Motor Vehicle activities and people won't be able to renew car licenses without paying their outdated court fees.

The Supervisors thanked Judge Campbell for his ideas and accomplishments and wished him the best of luck in the future. (C4905034800) (ADM1828)

NATIONAL VOLUNTEER WEEK PROCLAMATION

Motion was made by Supervisor Brock, seconded by Supervisor Stapley, and unanimously carried (5-0) to approve the National Volunteer Week in Maricopa County Proclamation for April 17-23, 2005. The proclamation was from Human Resources, the Combined Charitable Campaign Co-Chairman, the Points of Light Foundation and the Volunteer Center National Network and stated the following:

"I urge my fellow citizens to join the volunteer effort in our communities by volunteering and recognizing those who serve. Volunteering promotes fellowship and unity, as well as increases community awareness. Please join us during National Volunteer Week to "Inspire by Example" and Foster these Positive Initiatives."

Al Macias, Director of Communications, presented volunteer certificates to three Maricopa County employees who recorded the most volunteer hours during the 2004 Combined Charitable Campaign. (C3105007900) (ADM654)

EXECUTIVE SESSION CALLED

Motion was made by Supervisor Stapley, seconded by Supervisor Brock, and unanimously carried (5-0) to recess and reconvene in Executive Session to consider items listed on the Executive Agenda dated, April 18, 2005, pursuant to listed statutory authority, as follows.

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

1. Compromise Cases –

Andre, Michael
Castro, Josue
Gurule, Christopher
Kennedy-Stevens, Katherine A.
Leon, Anthony
Littleman, Jason

Naltsas, Filippas
Naltsas, Fontini
Rico, Andrea
Wasielewski, Desiree
Wasielewski, Francis

Barbara Caldwell , Outside Counsel

2. Write-Off Cases –

Biar, Abraham

Eceverre-Mireles, Jorge

Barbara Caldwell, Outside Counsel

Stahle, John

Sheriff's Uncollectible Accounts

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

3. Maricopa County v. Dixon and Maricopa County v. Stoliker

Joy Rich, Assistant County Manager – Regional Development Services

Terry Eckhardt, Deputy County Attorney

Katie McCormick, Office of County Counsel

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)

4. Maricopa County v. Rose Valley Water Company

Bruce White, Deputy County Attorney

Daniel Brenden, Deputy County Attorney

Joy Rich, Assistant County Manager – Regional Development Services

John Powers, Acting Director, Environmental Services Department

John Kolman, Environmental Services Department

5. Settlement Agreement between Kathy Silva and Maricopa County

David Smith, County Manager

Gwynn Simpson, Director, Maricopa County Human Resources

Lindy Funkhouser, CHS Contract Administrator

Elizabeth Yaquinto, Deputy County Attorney

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

6. Orsett v. Maricopa County

Tom Manos, Chief Financial Officer

Dennis Lindsey, Real Estate Manager

Tom Irvine, Outside Counsel

Representatives of the Courts

Terry Eckhardt, County Counsel

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

7. AHCCCS and ALTCS Health Plans

Sandi Wilson, Deputy County Manager

Tom Manos, Chief Financial Officer

Pyllis Biedess, Maricopa Managed Care System

Mike Schaberger, Maricopa Managed Care System

Shawn Nau, Health Care Mandates

Chris Keller, Chief County Counsel

**CONTRACTS SUBJECT TO NEGOTIATION; PURCHASE, SALE OR LEASE OF REAL PROPERTY –
ARS §38-431.03(A)(4) and (A)(7)**

8. ASU Sundome

William Scalzo, Director Parks and Recreation
Dennis Lindsey, Real Estate Manager
Kevin Costello, Deputy County Attorney

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; PURCHASE, SALE OR LEASE OF
REAL PROPERTY -- ARS §38-431.03(A)(3),(A)(4) AND (A)(7)**

9. Tax Appeal of Potomac Hotel v. Maricopa County, TX2001-000531

Rick Garnett, Deputy County Attorney
Fred Kelly, Deputy Assessor

MEETING ADJOURNED

After discussion on the above matters, and 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