

The Board of Supervisors of Maricopa County, Arizona convened in Informal Session at 9:00 a.m., May 16, 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; Shirley Million, Administrative Coordinator; David Smith, County Manager; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

PRESENTATION REGARDING 2005 CAPITOL MALL STUDIOS PROJECT

Item: Presentation on the 2005 Capitol Mall Studios project. This is a teaching effort conducted by faculty and students in the College of Architecture and Environmental Design. This project consists of two simultaneous studios. The Architecture Studio is taught by Professor Claudio Vekstein and has 15 students. The Planning Studio is taught by Professor Carlos Balsas and has 31 students. The outcomes of these two studios will consist of a strategic conceptual plan with architecture and urban design ideas.

The students are addressing the following issues:

- o Vision for the Capitol Mall (from 7th Avenue to 19th Avenue)
- o Human Services Campus
- o Neighborhood revitalization
- o Circulation and connections to downtown, and
- o Collaborative governance and civic stewardship.

The goal is to promote diverse urban experiences within the Capitol Mall and examine connections to the surrounding neighborhoods. (C2005012000) (ADM105)

Arizona State University Professors Carlos Balsas and Claudio Vekstein

Chairman Wilson announced that the presentation from Professors Balsas and Vekstein would be rescheduled as they were unable to attend today's meeting.

PRESENTATION OF FY 2005-06 RECOMMENDED TENTATIVE BUDGET FOR MARICOPA COUNTY

Presentation of the FY 2005-06 Maricopa County recommended tentative budget. (C4905035800) (ADM1802)

David Smith, County Manager
Sandi Wilson, Deputy County Manager
Chris Bradley, Deputy Budget Director
Brian Hushek, Deputy Budget Director

David Smith reported that the FY 2005-06 tentative budget includes work product that started several months ago using guidelines, as set by the Board, that incorporate the same balanced, progressive but conservative outlook long espoused by Maricopa County officials. The projected budget calls for \$2.357 billion in expenditures, which is a decrease of \$246 million from last year's budget. He said that some of the uncertainties that faced the County in previous years are becoming less uncertain and he foresaw an emergence from some of the previous restrictions imposed by the State. The main problem area that remains is the Health Plans but he said that the number one challenge is to "keep ahead of the growth in this County."

Sandi Wilson explained that a tentative budget presents the maximum amount possible to spend and the reality from a practical perspective is that it will decrease from these projected amounts. The Special District budgets are different and these may fluctuate beyond the tentative.

She said that the County portion of the \$2.357 billion projection is \$2.240 billion. The budget is structurally balanced once again, in that the reoccurring revenues exceed the reoccurring expenditures. She said this structural balance is the "baseline of our budgeting philosophy and we are very diligent about this, not only in the General Fund but in every fund." She reported that the Property Tax rate will drop by about two cents and is at the lowest rate in the past 26 years. A possibility exists to lower it further before the final budget is approved. Maricopa County continues to have the lowest primary property tax rate in the State of Arizona.

Discussion ensued on the publics' confusion when the County claims to have set a lower tax rate and yet the amount of money billed to the taxpayer for his primary property tax increases and the owner asks, "If my property tax rate is the lowest in 26 years, how come I'm paying more in taxes than any time in the past 26 years?" This increase is the result of the increased value of the property as determined by the Assessor's Office. When the value of a property increases so does the amount of taxes owed on that property. Ms. Wilson continued by explaining that Maricopa County continues to be the fastest growing county in the nation and said, "This puts a lot of pressure on the expenditures and the services we deliver ... what we do with property taxes we have to be able to maintain the services we deliver to that growing population but do it more cost effectively."

She outlined the sources of funds for the County treasury and showed trend increases in the State shared sales tax over the past 15 years. She also showed expenditures of funds and explained the difference in mandated vs. non-mandated expenditures. Health, Welfare and Sanitation consume 34.81% of the budget, continuing as the single largest cost to the County. The County's budgetary picture should change dramatically next year with the Board's resolution to end County operation of Health Plans by September 30, 2005, and all residual costs are paid. The 2005 Health Plan losses add up to approximately \$59.4 million. She explained the plan transition timeline.

Supervisor Stapley clarified with Ms. Wilson that the projected amount for the health plans was for 12 months in the tentative budget report but this could be reduced to a quarterly amount in the final budget as decisions are forthcoming from meeting with the Health Care District on this matter.

Chris Bradley gave statistics and specifics on the many facets of the Criminal Justice System for adults and juveniles. The rising average daily adult jail population is now more than 9,000 inmates and he outlined adult detention initiatives. Discussion ensued on these initiatives that included Pre-Trial Services Bail/Bond Unit, ALPHA Program and Jail Educator. The Juvenile Justice Initiatives include alternatives to Juvenile Secure Care, Juvenile Competency Restoration and Youth Recovery Academy Expansion.

Supervisor Brock spoke on parents' enthusiasm for the "Teen Court Program" (the 16th court having just opened last week) with "courts" being set up around the County. He would like to see more schools participate in setting these up so Valley youths can practice orderly discipline and correction with peers. He likened this to efforts being made to stop the West Nile Virus while mosquitoes are still in the larvae stage instead of waiting to try and eliminate them at the adult stage.

Mr. Bradley addressed adult probation caseloads saying this is expected to increase by 6% to between 26 and 28 thousand cases. This is the result of the County taking over as the primary resource for these cases from the State of Arizona to help alleviate State budget shortages in 2003/04.

In both Adult and Juvenile detention, the budget continues to include allocations in special prevention programs in the 2005-06 budget as their use has shown promise of cutting recidivism by up to 70-80%.

Additional costs activated by occupying the new Northeast Superior Court, including staffing were introduced and discussed, as was the cost of opening any new regional court (approximately \$1 million).

Brian Hushek spoke on monetary needs for the County's Parks and Recreation Department and the Regional Trails system was included in the discussion. Mr. Hushek touched on the rest of the departmental cost areas in the tentative budget including capital improvement projects (CIP), special districts and detention project renovations. Supervisors asked for cost details for demolition and renovations on the Madison Street and Durango jails.

LeeAnn Bohn spoke on employee compensation and said there are budget reserves in all funds for the coming fiscal year. She spoke on salary increases based on market analysis for specific departments and employees.

Sandi Wilson introduced the topic of the FY 2005-06 Arizona State Budget (which has not yet been signed) and how their allocations affect Maricopa County's budget. Recent changes in session law and statute, as they affect the County, were also discussed. She listed several final steps OMB would need to take before finalizing the budget for FY 2005-06.

Supervisor Stapley joined with the other Supervisors who had congratulated staff for their excellent work on this year's budget. He commented that he makes it a habit to notice budgets of comparable and larger county government entities throughout the country as he travels around. He said, "We run on a very lean budget (our administrative staff) comparable to any other county in the country. I don't know how David does it but every year since I've been here we've gotten the same great results. We've dug ourselves out of a deep hole and from 1994 to now it's almost an impossible story to tell other people – they don't believe you – 'You only have that many people on staff?' And they are amazed and, frankly, so am I!" He congratulated "everybody" for their continuing, very excellent work.

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 May 16, 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** – Barbara Caldwell , Outside Counsel
Addelia, Alice Leon, Anthony
Aguilar, Cassie Phillips, Shaun
Bowyer, David E. Saucedo, Jonathan
Bryant, Alliyah Sotelo, Jesse
Genduso, Patricia Vu, Trung Quoc

2. **Write-Off Cases** – Barbara Caldwell, Outside Counsel
Boyd, Roger Cantu Eddie

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

3. **Legal advice and consultation regarding matters involving Public Health, Air Quality and Environmental Services Departments.**
Sandi Wilson, Deputy County Manager
Chris Bradley, Deputy Director, Office of Management and Budget
Joy Rich, Assistant County Manager, Regional Development Services
Elizabeth Yaquinto, Deputy County Attorney, County Counsel

Mary Cronin, Deputy County Attorney, County Counsel
Bryan Moser, Pricewaterhouse Coopers

LEGAL ADVICE – ARS §38-431.03(A)(3)

4. **Legal advice regarding forthcoming EPA report on Air Quality Title V Program**
Joy Rich, Assistant County Manager, Regional Development Services
Robert Kard, Director, Department of Air Quality
Elizabeth Yaquinto, Deputy County Attorney, 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)

5. **Settlement Agreement between Director, Public Health HIV/HCV Services and Maricopa County**
David Smith, County Manager
Sandi Wilson, Deputy County Manager
Gwynn Simpson, Director, Maricopa County Human Resources
Elizabeth Yaquinto, Deputy County Attorney, County Counsel
Mary Cronin, Deputy County Attorney, County Counsel
6. **Settlement Agreement between Director, Environmental Services Department and Maricopa County**
David Smith, County Manager
Joy Rich, Assistant County Manager, Regional Development Services
Gwynn Simpson, Director, Maricopa County Human Resources
Elizabeth Yaquinto, Deputy County Attorney, Division of County Counsel
Mary Cronin, Deputy County Attorney, Division of County Counsel

PURCHASE, SALE OR LEASE OF REAL PROPERTY – ARS §38-431.03(A)(7)

7. **Property for Justice Court Complex**
Tom Manos, Chief Financial Officer
Dennis Lindsey, Director, Real Estate Department
William Riske, Deputy County Attorney, County Counsel

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

8. **Recommendation for civil enforcement action within the Travel Reduction Program, against V.O. of Arizona, Inc., doing business as ValueOptions**
Neil Yockey, Manager, Travel Reduction Program
Brad Hartsock, Plan Review & Monitoring Supervisor, Travel Reduction Program
Bruce P. White, Deputy County Attorney, Division of County Counsel

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

9. **Chaparral Construction, Inc. v. Maricopa County; CV2004-012143**
Heidi Birch, Project Principal, Facilities Management Department
Steve Connor, Director, Facilities Management Department

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

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John Paulsen, Deputy County Attorney, Division of County Counsel

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

- 10. Aida Renta Trust, et al. v. Maricopa County, et al. CV1996-016474**
Roberta Livesay, Outside Counsel
Kevin Costello, Deputy County Attorney

MEETING ADJOURNED

Following discussion on the above items, the meeting was adjourned.

ATTEST:

Max W. Wilson, Chairman of the Board

Fran McCarroll, Clerk of the Board