

**SPECIAL SESSION
August 15, 2005**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:00 A.M., August 15, 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, Andrew Kunasek, District 3; Fulton Brock, District 1, and Mary Rose Wilcox, District 5. Also present: Lori Pacini, Deputy Clerk of the Board, Juanita Garza, Minutes Coordinator, David Smith, County Manager and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

IMPROVEMENT DISTRICTS

FIX AND DETERMINE STREET LIGHTING IMPROVEMENT AND DIRECT ASSESSMENT DISTRICT TAX RATES

The Board of Directors for each Maricopa County Street Lighting Improvement District and each Direct Assessment Special District resolves that, based on the budget it has adopted for each of those districts, it fixes and determines the following Tax Year 2005 tax rate for Maricopa County Street Lighting Improvement and Direct Assessment Special District:

FY 2005-06 Street Lighting Improvement District and Direct Assessment Special District Secondary Roll Tax Rates and corresponding levies. (C4906006800) (ADM1815)

Motion was made Supervisor Stapley, seconded by Supervisor Brock, and unanimously carried (5-0) to fix and determine street lighting improvement and direct assessment district tax rates. [**Clerk's Note:** Not an official part of the minutes. This item was amended on August 22, 2005, August 29, 2005 and September 6, 2005.]

FIX AND DETERMINE TAX RATE

Item: The Maricopa County Board of Supervisors resolves that:

- o Based on the budget it has duly adopted for Maricopa County and the budget adopted by the Maricopa County Flood Control District Board of Directors, it fixes and determines the following Tax Year 2005 tax rate for Maricopa County and the Maricopa County Flood Control District:
 - FY 2005-06 Primary Tax Rate at \$1.1871/\$100 of assessed valuation with a levy of \$368,123,090;
 - FY 2005-06 Flood Control District Secondary Tax Rate at \$0.2119/\$100 assessed valuation with a levy of \$62,733,411, and
- o Based on the amount of taxes to be raised by property taxation determined by each governmental entity set forth in the "Maricopa County 2005 Tax Levy Packet", the Maricopa County Board of Supervisors has calculated the numerical tax rates necessary to raise the requested revenues, and pursuant to the direction of each such government entity, levies and the amount of taxes and sets the resulting tax rate, all as set forth in the "Maricopa County 2005 Tax Levy Packet", and
- o As required by statute, the Maricopa County Board of Supervisors has calculated, and therefore levies the amount of taxes and sets the resulting tax rates for specific statutory purposes as set forth in the "Maricopa County 2005 Tax Levy Packet".

- o Pursuant to A.R.S. 42-17106(B), authorize the transfer of \$3,101,028 in revenue and expenditure appropriation authority from General Government (Dept 470) General Fund (100)(expenditure authority to come from General Contingency Org 4711) to the General Government (Dept 470) General Government Grants Fund (249). This action will result in countywide net impact of zero.
- o Pursuant to A.R.S. §42-18003, the Maricopa County Treasurer is directed to collect taxes as required by law from the persons listed on the tax roll. (C4906004800) (ADM 1900) (ADM1815) (ADM4009)

David Smith said, "This is the second year the debt service rate stands a 0.00." Mr. Smith stated that as the County continues to grow so will the capital needs and added that a general obligation debt of zero would allow the county to continue making any necessary capital investments. Mr. Smith also indicated that this situation allowed the opportunity to either lower the rate from 1.1971 to 1.1871 or keep it at 1.1971, which would leave an additional levy of three million dollars to reallocate in Parks, Animal Care and Control or other County needs.

Supervisor Kunasek credited the accomplishments of the county in reducing debt. Mr. Kunasek stated that Maricopa County is probably the only county of this size in the nation that has no General Obligation Debt and attributed this accomplishment to our productive County employees. He said that everyone should be proud of their ability to deliver a good service product to the citizens and proposed that the one cent be added back into the levy and fix the primary tax rate at 1.1971 to meet any other capital improvement needs

Supervisor Brock requested that the Office of Management and Budget (OMB) update the Board with last year's primary tax rate and Flood Control levy. Chris Bradley, Deputy Budget Director, addressed the Board and reported that the primary rate for fiscal year 2004-2005 was \$1.2108/\$100 of assessed value and the identified rate in the adopted budget was to take the rate back to 1.1971. The fiscal year 2004-2005 Flood Control rate remained as adopted at \$0.2119/\$100 of assessed value. Mr. Brock clarified that the proposed rate "on the table" was to consider a tax rate for FY05-06 of 1.1971 vs. the FY 04-05 rate of 1.2108 for Maricopa County.

Discussion ensued as to the need to delete the language on the document that referenced "authority to transfer monies into the general government funds", if the one cent was added back into the proposed tax rate. Mr. Bradley indicated that there would be no need for this language and the line would be deleted. He also explained that this minor modification would not affect the expenditure limitation.

Supervisor Brock asked that OMB elaborate further on the tax limitation with respect to the proposed 1.1971 tax rate. Mr. Bradley explained that the proposed budget would fix the rate back to the maximum levy, allows for 2% increase. He indicated that regardless of how the rate is set it does not change the levy limit, "we are still reducing the rate of 1.37 cents, from last year which was higher."

Supervisor Kunasek read the exact amount of the levy for the Record, provided by Brian Hushek, Deputy Budget Director as follows: "FY05-06 primary tax rate would be fixed at 1.1971/\$100 of assessed value with the levy of \$371,224,118.00."

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

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Supervisor Wilcox commented that using the pay-as-you-go philosophy has allowed Maricopa County to eliminate major debt and plan for the future. She acknowledged all the hard work of management that attributed to the debt service rate at zero and said she was in support of the proposed tax levy.

Chairman Wilson commented that as the years go by the County will be in a much better position financially. In response to a question from Supervisor Kunasek, Mr. Bradley referenced to a chart that listed all of the Arizona counties and the primary rates for major counties in the state. He explained that levy limits were established by public vote back in 1980 and that the tax rate was based on property values in that year. Maricopa County had a lower rate, relative to other counties in the state, at the time.

Supervisor Kunasek commented that Maricopa County has been more "fiscally responsible" and more "conservative" with taxpayers' money.

Chairman Wilson commented that the ability to pay-off debt and remove bonds has put Maricopa County in a better position, compared to other counties.

Motion was made by Supervisor Kunasek and seconded by Supervisor Stapley to adopt the foregoing resolution as follows:

- FY 2005-06 Primary Tax Rate at ~~\$1.1871/\$100~~ \$1.1971/\$100 of assessed valuation with a levy of ~~\$368,123,090~~ \$371,224,118;
- Pursuant to A.R.S. 42-17106(B), authorize the transfer of ~~\$3,101,028~~ in revenue and expenditure appropriation authority from General Government (Dept 470) General Fund (100)(expenditure authority to come from General Contingency Org 4711) to the General Government (Dept 470) General Government Grants Fund (249). This action will result in countywide net impact of zero.

Supervisor Kunasek's motion was carried unanimously (5-0).

MEETING ADJOURNED

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

Max W. Wilson, Chairman of the Board

ATTEST:

Lori Pacini, Deputy Clerk of the Board