

FLOOD CONTROL DISTRICT BOARD MINUTES

The Pima County Flood Control District Board met in regular session at their regular meeting place in the Pima County Administration Building (Hearing Room), 130 West Congress Street, Tucson, Arizona, at 9:00 a.m. on Tuesday, August 5, 2025. Upon roll call, those present and absent were as follows:

Present: Rex Scott, Chair
Jennifer Allen, Vice Chair
*Dr. Matt Heinz, Member
**Steve Christy, Member
***Andrés Cano, Member

Also Present: Jan Leshar, County Administrator
Daniel Jurkowitz, Assistant Chief Civil Deputy County Attorney
Melissa Manriquez, Clerk of the Board
John Stuckey, Sergeant at Arms

*Supervisor Heinz joined the meeting at 9:13 a.m. He participated remotely. He left the meeting at 9:58 a.m.

**Supervisor Christy participated remotely.

***Supervisor Cano left the meeting at 2:39 p.m.

1. RESCINDING STAGE II FIRE RESTRICTIONS AND DECLARATION OF FIRE EMERGENCY

RESOLUTION NO. 2025 - FC5, of the Pima County Board of Supervisors and the Pima County Regional Flood Control District Board of Directors, rescinding Stage II Fire Restrictions on land owned by Pima County and the Regional Flood Control District in unincorporated areas of Pima County.

It was moved by Chair Scott and seconded by Supervisor Christy to adopt the Resolution. No vote was taken at this time.

Supervisor Allen expressed her concern about scaling back given that her understanding was that the forester made the determination or recommendation based on rainfall, humidity and decreased fire activity, and that it was a statewide effort and determination. She stated that she was unsure if this was pinpointed to the County to the degree that warranted a drop from stage II to stage I, given that two good rainstorms had not gotten them out of drought conditions. She stated that they were still in a drought and in extreme heat, which exacerbated those conditions. She stated that the humidity level was at 17%, and was concerned that while it might be true in some statewide level, she was unsure it was true for Pima County. She questioned if there was any lose to fire protection and fire insurance by dropping down and what was gained by keeping it at stage II.

Chair Scott added that there was also a recommendation from the Southeast Zone Fire Board. He asked the County Administrator if she could address how those recommendations came to the County and who were the members on that Board.

Jan Leshar, County Administrator, stated that she would provide that information to the Board. She stated that when the Board adopted this item it was based on the recommendations of those organizations, and when those organizations removed the higher designation, it was brought back simply because they were aligned with going into it and coming out of it, which had been done historically. She offered that if the Board wished to keep the restrictions in place while she came back with the additional evaluation, they could do that. She stated that it was the same standard that was used at the state level which the County used to make the recommendation and therefore they had always done that.

Chair Scott stated that he was comfortable with his motion but believed the Board would benefit from receiving additional information about how the whole process worked, as well as who the members were of the Southeast Zone Fire Board.

Supervisor Christy asked if County fire restrictions exceeded the State's fire restrictions.

Ms. Leshar stated that she was unsure.

Chair Scott stated that the Board would need to receive additional information since the County Administrator was unsure and so was Legal Counsel, as a matter of law.

Supervisor Christy noted that both federal and state lands had ended Stage II, which he believed promulgated the County to follow suit, but he was curious about the restrictions exceeding the State's restrictions.

Supervisor Allen stated that while Mr. Racy talked about some wildfire risk indexes, she pulled up the FEMA risk index that showed Pima County at 99.7% wildfire risk, which was pretty high. She stated that there was a variety of risk factors which seemed to indicate that there was still a high risk in the County, based on those factors.

Ms. Leshar stated that staff would provide an analysis to the Board. She stated that historically the County followed the direction of the federal and state levels.

Upon the vote, the motion carried 4-0, Supervisor Heinz was not present for the vote.

2. **PROPOSED SETTLEMENT IN PIMA COUNTY FLOOD CONTROL DISTRICT V. L&W SUPPLY CORPORATION**

Discussion/Direction/Action regarding a proposed settlement in Pima County Flood Control District v. L&W Supply Corporation, C20235294.

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

3. **NAMING A LOOP PEDESTRIAN BRIDGE IN HONOR OF SUZANNE J. SHIELDS**

RESOLUTION NO. 2025 - FC6, of the Board of Directors of the Pima County Regional Flood Control District, naming a loop pedestrian bridge in honor of former Director Suzanne J. Shields, P.E. (District 3)

Supervisor Allen stated that it was an honor to recognize the commitment and achievements of former Flood Control Director Suzanne Shields by naming a newly constructed bridge after her on the Loop. She stated that Ms. Shields had served as a Pima County employee for 37 years, and as the Director of the Pima County Regional Flood Control District for 17 of those years, becoming the first hydrologist to work for the newly formed Flood Control District, and had established one of the highest-rated Flood Control Districts in the country.

It was moved by Supervisor Allen and seconded by Chair Scott to adopt the Resolution. No vote was taken at this time.

Supervisor Allen read a statement from Curtis Lake, a retired Transportation Planner who had worked for and around Ms. Shields for 50 years, *"Congratulations to Suzanne Shields for the Board of Supervisors' recognition of her accomplishments with the Flood Control District over her stellar 37-year career. Naming a bridge on the Chuck Huckleberry Loop in her honor is appropriate on several levels. First, to the bridge will forever help the Flood Control District and Parks Department staff maintain crucial bank protection and the Loop pathway by improving their access to infrastructure. Second, the bridge provides greatly needed accessibility across the Santa Cruz River for pedestrians and cyclists, and then finally, the new crossing represents the bridge that Suzanne provided between Chuck's visions for the Loop and the engineering projects that made his visions a reality."*

Carmine DeBonis, Jr., Deputy County Administrator, thanked the Board for the opportunity to speak and Supervisor Allen for naming a pedestrian bridge across the Santa Cruz in honor of Ms. Shields. He stated that Ms. Shields was a dear friend, colleague, mentor, and asset to Pima County throughout her 37 years of service, which he had the fortune of working with her for over those three decades, and he cherished every moment of interaction that he had with her. He stated that Ms. Shields was a leader in the field of engineering and typically engineering had been a male dominated field and Ms. Shields had repeatedly broken through those barriers and was instrumental in the County's formation of the Regional Flood Control District. He explained that she was present following the 1983 floods and pioneered the method of soil cement bank protection that was in place. He stated that she had a long career in environmental conservation in the community and put requirements in place to protect the riparian areas, and she was the force behind

many of the County's conservation projects and requirements. He stated that she led the County in terms of being at the forefront in the nation with the community rating system that was operated by the Federal Emergency Management Agency. He stated that she was a tremendous person that was attending to some health issues, and he had the opportunity to visit with her a few weeks ago and she was in great spirits and looked fondly on her time in Pima County. He stated that this was a tremendous honor for her and she was thrilled that the Board was naming a bridge after her.

Jan Leshner, County Administrator, stated that Ms. Shields was a trailblazer and as Mr. DeBonis, Jr., pointed out, she was a female engineer in the days where not many were in that profession. She stated that Ms. Shields had shared stories with her where she attended a variety of meetings and had been the only female in the room, where she held her own and made the County proud. She expressed gratitude and acknowledged all that Ms. Shields had done for Pima County and the community.

Chair Scott read the following comment from Mr. Huckelberry, *"I fully support the Flood Control District Board's recognition of Suzanne's long career and extensive accomplishments by naming the new pedestrian bridge in her honor. As you know, I relied on her extensively to manage the district and to complete hundreds of complex public works projects. She was instrumental in getting so many projects completed that it is appropriate to name one of them after her, and thereby memorialize her legacy. My only suggestion is to consider making this a toll bridge, because Lord knows the County could use the money."*

Upon the vote, the motion carried 4-0, Supervisor Heinz was not present for the vote.

4. **ADJOURNMENT**

As there was no further business to come before the Board, the meeting was adjourned at 2:56 p.m.

CHAIR

ATTEST:

CLERK

BOARD OF SUPERVISORS' MEETING MINUTES

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Present: Rex Scott, Chair
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**Steve Christy, Member
***Andrés Cano, Member

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1. PLEDGE OF ALLEGIANCE

All present joined in the Pledge of Allegiance.

2. LAND ACKNOWLEDGEMENT STATEMENT

The Land Acknowledgement Statement was delivered by Ericka Davila, United Community Health Center, HR.

3. PAUSE 4 PAWS

The Pima Animal Care Center showcased an animal available for adoption.

PRESENTATION/PROCLAMATION

4. Presentation of a proclamation to Jon Reardon, CEO, National Health Center, proclaiming the week of August 4 through August 10, 2025 to be: "NATIONAL HEALTH CENTER WEEK 2025"

It was moved by Chair Scott, seconded by Supervisor Allen and unanimously carried by a 5-0 vote, to approve the item. Chair Scott made the presentation.

5. Presentation of a proclamation to Jahmar Francis, proclaiming the day of Tuesday, August 5, 2025 to be: "DJ JAHMAR DAY"

It was moved by Chair Scott, seconded by Supervisor Allen and unanimously carried by a 5-0 vote, to approve the item. Supervisor Cano made the presentation.

6. **CALL TO THE PUBLIC**

Robert Royce addressed the Board regarding a meeting held at the Tucson Convention Center by the City of Tucson regarding Project Blue. He stated that it was out of control and that the City Manager was overstepping his bounds for promoting the project.

Dave Smith noted the lack of attendees at the meeting and hoped everyone understood how important the Board of Supervisors and the County were to the community's well-being. He also spoke about his experience in law enforcement and discussed homelessness, violence, mental illness and drug use, and urged the Board to evaluate modern care and address crime.

Trista Tramosch di Genova spoke about her service dog and that she used art as a form of grief. She stated that she was swatted by the Pima County Sheriff's Department that was based on false information which led to the seizure of her animals. She stated that she had filed a \$200 million Notice of Claim against the County and called on the Board to take action, including the removal of Sheriff Nanos.

* * *

Chair Scott closed Call to the Public.

7. **CONVENE TO EXECUTIVE SESSION**

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to convene to Executive Session at 12:03 p.m.

8. **RECONVENE**

The meeting reconvened at 1:21 p.m. Supervisor Cano and Supervisor Heinz were not present. All other members were present. Supervisor Cano rejoined the meeting at 1:22 p.m.

EXECUTIVE SESSION

9. Pursuant to A.R.S. §38-431.03(A)(3) and (4), for legal advice and direction regarding homeless encampments in Pima County washes and waterways, and on Pima County property.

This item was for discussion and staff will return to the Board when appropriate. No Board action was taken.

10. Pursuant to A.R.S. §38-431.03(A)(3) and (4), for legal advice and direction regarding the County's participation in the Purdue/Sackler and new opioid manufacturer settlements.

This item was informational only. No Board action was taken.

BOARD OF SUPERVISORS

11. Release of Attorney-Client Privileged Memorandum

Discussion/Direction/Action: Requesting that attorney-client privilege be removed from the memo sent to the Board on June 16, 2025. The memo is titled, "Non-Disclosure Agreements" and was authored by Sam Brown, Chief Civil Deputy County Attorney, and Janis Gallego, Deputy County Attorney. It is dated June 16, 2025. (District 1)

Chair Scott stated that he placed this item on the agenda after a discussion based on an item that Supervisor Allen had put on the agenda that called on the Board to direct staff to explore how Non-Disclosure Agreements (NDAs) were handled specific to economic development projects. He stated that item was approved, and the Board would hear back from staff next month. He explained that this memorandum was sent to the Board the day before they voted on the two Project Blue items and he had received a phone call that night letting him know it was coming. He stated that it was requested that he read it before the Board voted on the two items the next day. He stated that it would be in the interest of the public to know how NDAs had been handled by the County, not just by County staff, but by the County Attorney's Office. He stated that Mr. Jurkowitz pointed out to him prior to this meeting that there was no previous NDAs attached to this memorandum. He added that the purpose for his request to release the memorandum was to provide some indication of how NDAs were handled.

It was moved by Chair Scott to remove the attorney-client privilege, release the memorandum and direct staff to redact the names of the companies and exhibits in the attached NDAs, because that could pose some legal problems. He asked Counsel if what he stated in his motion was correct.

Daniel Jurkowitz, Assistant Chief Civil Deputy County Attorney, concurred and stated they were not only past NDAs, but included current NDAs, which could be problematic.

Chair Scott asked if the memorandum could be released as well as the NDAs, but the names of the companies and exhibits needed to be redacted.

Mr. Jurkowitz stated that would be fine.

Chair Scott stated that would satisfy his intent in putting that language out there and reaffirmed his motion.

Supervisor Christy seconded the motion.

Supervisor Allen requested a slight amendment, that the names be redacted for the current NDAs that were still in effect, but that the closed NDAs be left unredacted.

Chair Scott stated that he was not opposed to that in principle, but asked Mr. Jurkowitz if there would be any legal ramifications for that.

Mr. Jurkowitz stated that there was no problem with releasing the NDAs in total, once the transaction was completed and the NDA term was up. He stated that there may be some problem with releasing current NDAs and even including some of the actual language if it would identify the project and who was going to be potentially involved in that project. He stated that it might be better for the Board not to release any current NDAs in total, but that was at the discretion of the Board.

Chair Scott asked Mr. Jurkowitz if it was his recommendation from a legal perspective that the Board not release any of the current NDAs that were attached to the memorandum and that if they released any of the expired NDAs, that the names of companies and exhibits be redacted.

Mr. Jurkowitz responded that he did not think there was any legal problem with releasing the names of any companies where the NDAs had expired.

Chair Scott asked for clarification if releasing the memorandum and releasing expired NDAs was what Mr. Jurkowitz would advise the Board, but not to release any current NDAs.

Mr. Jurkowitz concurred and to also redact the names of companies listed in the memorandum.

Chair Scott clarified that this would be his motion. He asked Supervisor Christy if that was acceptable to him as the seconder.

Supervisor Christy responded yes.

Supervisor Allen stated that she supported releasing the memorandum and the modification to the attachments, but that she had some initial hesitancy around it because the memorandum was opinion, not policy. She stated that some of the things that were in there around the language that the elected were included within an NDA that was signed by staff. She stated that she heard that other jurisdictions came to other conclusions and she was fine with it being released, but there were pieces of it that had other interpretations of how and who they applied to.

Chair Scott asked Mr. Jurkowitz if he had any response from a legal perspective to Supervisor Allen's comments.

Mr. Jurkowitz responded that he did not know which specific jurisdictions Supervisor Allen was referring to and what their rules and policies were. He stated that it was pretty clear under Pima County's current policies, which were under review, that the Board had previously delegated authority to individuals in the County to authorize those NDAs on behalf of the County as a whole.

Supervisor Cano stated for the record he would be opposing all requests to release the County Attorney's opinion, and he firmly believed that he was generally uncomfortable with Pima County, as a government, entering into NDAs without the Board's full knowledge. He stated that he believed that this was a conversation to be had with County Administration and the Economic Development teams, and the contents of this communication had to really be respected. He stated that it was very rare for lawyers to write opinions to their clients, in this case to the Board, with the expectation that all of that information became proprietary and releasable to the public. He stated that he thought the Board was having this conversation in reverse order and that the more they had Economic Development entities in the region forcing local jurisdictions like Pima County and the City of Tucson to consider very controversial projects that were not in alignment with the region's efforts. He stated that they needed to hold those folks accountable, as well in these discussions and he was generally uncomfortable with releasing the information that had been provided to the Board until it was assured that the guardrails were in place. He stated this was his opinion on the release of all County attorney-client privilege memorandums.

Chair Scott stated Supervisor Cano's stance was certainly consistent with his vote on Supervisor Heinz's earlier item.

Upon the vote, the motion, as described carried 3-1, Supervisor Cano voted "Nay," and Supervisor Heinz was not present for the vote.

12. Release of Attorney-Client Privileged Memorandum

Discussion/Direction/Action: Requesting that attorney-client privilege be removed from the memo sent to the Board on July 14, 2025. The memo is titled, "Firearm Preemption" and was authored by Sam Brown, Chief Civil Deputy County Attorney, and Jonathan Pinkney, Deputy County Attorney and Health Law Unit Supervisor. It is dated July 14, 2025. (District 1)

It was moved by Chair Scott and seconded by Supervisor Allen to remove the attorney-client privilege and release the memorandum. No vote was taken at this time.

Chair Scott stated that he had requested the memorandum and believed that it should be released. He stated that several years ago the Board called for the repeal

of A.R.S. §13-3108, which prohibited local governments from enacting any firearms restrictions or regulations that differed from those in state law. He stated that the National Rifle Association and its allies pushed for preemption statutes across the country to stop local governments from doing more to regulate firearms. He explained that when the Board called for the repeal of the statute, they first asked the Arizona Legislature to repeal it voluntarily, and local State Representative Nancy Gutierrez introduced such legislation, but it could not get a hearing and was blocked from being heard by legislative leadership. He stated that the second route was the Board's resolution that called for consideration of a lawsuit to force the repeal of the preemption statute. He stated that this memorandum detailed the Pima County Attorney's Office analysis of the prospects of any such lawsuit. He believed that releasing the memorandum would allow their constituents to see that analysis and they would be made acutely aware of the dominant position that the Arizona Legislature had in the State in terms of blocking any regulations or restrictions on firearms even when public safety would be enhanced by doing so.

Supervisor Allen explained that she had mixed feelings about the release of some of the attorney-client privilege documents. She expressed her support for the release of this memorandum, but her hesitation was that it showed a path of hitting wall after wall and she did not want to diminish the ongoing creativity. She stated that the leadership of groups such as Moms Demand Action, leadership of survivors of gun violence in the community, to keep turning over every stone that was possible because there were things that they could still do and that they had not figured them out yet. She stated that they had the commitment and leadership in their community to keep pushing away. She stated that they had legal barriers, however they had persistence and she believed that they would eventually make some progress in diminishing and stopping gun violence and its impact on the lives of those they knew and loved.

Upon the vote, the motion carried 3-1, Supervisor Cano voted "Nay," and Supervisor Heinz was not present for the vote.

13. **Board of Supervisors Meeting Schedule for January 2026 through June 2026**

Approval of the Board of Supervisors' Meeting Schedule for the period January 2026 through June 2026.

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

14. **Amended Board of Supervisors Meeting Schedule for August 2025**

Approval of the Board of Supervisors' Amended Meeting Schedule for the month of August 2025, to add a meeting on Wednesday, August 27, 2025, at 9:00 a.m., for a Board Retreat. This meeting will be livestreamed only.

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 3-1 vote, Supervisor Christy voted "Nay," and Supervisor Heinz was not present for the vote, to approve the item.

15. **Amendment to the 2026 Legislative Agenda**

Discussion/Direction/Action: Amending the 2026 Legislative Agenda to include a provision instructing Pima County's lobbyist to advocate for the elimination of state and local sales tax exemptions on equipment purchases by computer data centers. (District 3)

Supervisor Allen stated that this was discussed at the Board's previous meeting and she wanted to clarify what the exact language was and what they wanted to propose for the legislative agenda to make it explicit and demonstrate that this was a real priority for the County. She stated the amendment would be to the current legislative agenda under the section entitled, "Protect the Taxpayer" and direct their lobbyists to, "Investigate the elimination of data centers state and local sales tax exemptions." She stated that this continued to be incredibly relevant as Project Blue continued to make its way through an authorization process. She stated that equipment costs for Project Blue were estimated at \$2.4 billion, which would mean that the City, County and State were collectively losing out on roughly \$200 million in sales tax revenue as a result of this exemption that was put in place in 2013 when the State was attempting to bring this industry to the State. She stated that this was currently a different landscape and this exemption seemed like it was ripe for sunset.

Supervisor Cano thanked Supervisor Allen for bringing this item for a possible amendment in the legislative agenda. He stated that the more they learned about data centers and Project Blue, specifically, the more public trust eroded. He stated that what was initially shielded in secrecy was now clearly a deal that prioritized a powerful corporation, Amazon, over transparency and public good. He stated that Amazon was a \$1 trillion company that sued Pima County every year to reduce its property tax obligations, and they had to ensure that from the legislative level, as data centers continued to infiltrate communities across the region, that Pima County was asking corporations to pay their fair share. He stated that he proudly supported this inclusion into the legislative agenda.

Supervisor Christy asked who imposed the sales tax and if it was the State, Federal or local government, Pima County or the City.

Chair Scott stated that his understanding was that this was a State program called the Data Center Incentive Program. He stated that, as pointed out by Supervisor Allen, it was put in place in 2013, and it was designed to get more data centers into the State by providing them with exemptions on state sales on some of their equipment. He stated that his further understanding was that the program was supposed to sunset. He stated that since the Board's contracted lobbyist, Mr. Racy,

was present, asked if there was anything that he had not mentioned that he wanted to add about the program so that the Board had a better understanding of it.

Supervisor Christy asked who received the tax.

Chair Scott stated that it was a state tax exempting the data centers from state sales taxes on certain items of equipment and that Mr. Racy could expand on that.

Supervisor Christy asked if this was not a typical economic development procedure that not only considered data centers, but many other industries as well in order to attract businesses into the State, County, and City.

Chair Scott stated that he thought this particular program was specific to data centers.

Michael Racy, Pima County Lobbyist, Racy Associates, Inc., explained that Arizona had a mix of tax exemptions for different industries, fewer than most states and they were all pretty controversial in the State of Arizona. He stated that Republican leadership was moving to try to eliminate the film tax credit, an industry that was incredibly competitive, and that they had a lot of trouble attracting that industry and most of that industry was lost to New Mexico and Georgia. He explained that in 2013, they did not have many data centers in Arizona, and this was put in place to try to attract that industry. He stated that it was a sales tax exemption and revenue went into the sales tax base, and a portion of that base affected was shared with cities and counties. He stated that it reduced the base that was shared in state sales tax and that shared sales tax from the State reevaluated these credits and had many bipartisan commissions to work on sunseting and eliminating these tax credits, especially when they no longer appeared to be necessary to attract the industries that they were originally designed to attract. He stated that was a good argument that since they had the fastest rate of data center growth in the United States, this might not be needed any longer. He stated this did not mean he was optimistic that they would be successful in getting it repealed, but at least examining it and getting the legislature to look at it was pretty common within both parties, not simply one side of the aisle or the other.

Chair Scott asked when the program would sunset.

Mr. Racy responded that he was not sure.

Supervisor Cano stated that it was obvious when there were exemptions like this at the State level that hurt the ability for local jurisdictions to be able to have a full piece of the State shared revenues. He stated that as they explored all of the different carve outs that had been adopted by the legislature and signed by the Governor, it was a healthy time to empower their lobbyists at the County to work with State legislators, to figure out how they would bring more revenue down to counties like Pima where they could use these additional resources to support first responders, parks, libraries, affordable housing and public health programs. He

stated that the more they carved away, the less they had the ability to be able to make those essential, vital services a reality and that was part of the reason why he supported this.

Supervisor Allen stated that it was her understanding that this was an exemption from state and local sales tax and asked if that was correct.

Mr. Racy responded yes and that it would not have any effect on Pima County, but it would on the City of Tucson. He stated he had not looked at the tax credit yet and believed that they would have to have preempted cities to do that. He stated it was different than preempting the County, but he would get that information in the sunset date for everyone as they started doing the research on this item.

Supervisor Allen stated that she had that information and in Arizona, new applications for certification under the Computer Data Center Program, which provided the tax exemptions, would no longer be accepted after December 31, 2033, however, they could apply that exemption and extend for ten years beyond that date and people could still continue to get an exemption until 2043.

Chair Scott stated that he generally had an issue with carve outs overall because of the fact that they affected State shared revenue for local governments and the overall revenue for state government. He asked if Supervisor Allen would be willing to consider amending this to call for the lobbyists to advocate for the elimination of all state and local sales tax exemptions.

Supervisor Allen stated that as long as it could be explicit, because this was a specific sales tax exemption and she wanted to ensure that the lobbying effort went towards that specific end and it could extend to other sales tax exemptions. She stated she would be happy to do that, but wanted to ensure that they were being explicit and provided clear direction that they wanted work done to try to eliminate this specific sales tax exemption.

Mr. Racy stated the he would caution the Board on making it that broad and without specificity, there might be a general principle, as they had done previously. He stated that he would touch on them and they opposed things that limit County revenues. He stated they supported things that enhanced them, but there were certain tax credits out there that this Board might support. He stated that the Board might want to, for the time being, keep it narrower and come back and look at a broader list they might want to explore, but there were some of those that were specifically helpful to this region.

Chair Scott asked to that point, how this particular credit affected County revenues.

Mr. Racy replied that in the State shared revenue that went back to the County, and this was a project that was going to be in the City of Tucson, assuming it went forward, and that affected the health of the entire region.

Chair Scott asked for this to be repealed, and for any enacted tax credit to be repealed, if it would require a two-thirds vote of both houses of the legislature.

Mr. Racy responded yes and it would invoke Proposition 108. He stated that they would want to ask the legislature to look at this in general, as policy for the State of Arizona, and in no way specific to any single project. He stated that it was not about any single project, it was about the general policy of the State that was the worthwhile, legitimate, public purpose at this point in time of this exemption. He stated it might have been great in 2013 it was enacted for 20 years, maybe not so much any longer.

Chair Scott stated that earlier Mr. Racy also made reference to the fact that there had been discussions about Project Blue, that Arizona was a highly targeted area by the data center industry for reasons other than this tax credit program.

Mr. Racy stated that it would be hard to argue that this incentive was necessary to attract this industry to the State of Arizona at this point, and that was why he thought for the time being, to focus on this one, probably made the most sense.

Supervisor Allen stated that one of the things that was important about this was that they were seeing municipalities across the State that were led by both parties that were looking at regulations, at community benefits and were trying to reassess an industry that had proliferated over just the last few years. She stated that this was consistent with what they had seen happening in communities across the State and further those efforts from folks in Phoenix to Glendale to Tempe and Marana and other places.

Supervisor Christy stated that he worried about the optics, about Pima County and being business friendly and what this might have an effect on. He stated that if this was not taken in a very meticulous manner, the County could be dealing with some unintended consequences. He asked if anyone from the Economic Development Department might be able to address this or speak to it.

Jan Leshner, County Administrator, explained that what they saw at the legislature every year was a variety of these, and that the one with the most controversy was the OPEC motion picture credit. She stated that the Goldwater Institute was currently challenging it and she had not seen a concern specific to not wanting to be taxed that had impacted the economic development efforts in other parts. She stated that she did not think the Board would see this as a specific concern regarding the business-friendly perspective and were seeing lots of groups across the State challenge the ability for the State to limit their taxing authority.

It was moved by Supervisor Allen and seconded by Supervisor Cano to amend the "Protect the Taxpayer" section of the legislative agenda, to direct the County's lobbyists to "Investigate the elimination of data centers state and local sales tax exemptions." No vote was taken at this time.

Supervisor Cano appreciated the robust conversation the Board had and felt that this was a local revenue discussion that was separate from any of the local considerations. He reminded the Board that a Board majority had supported Project Blue, and to his knowledge, that item was not coming back to the Board. He stated that there was a way for them to be able to advocate for enhanced revenue at the State level so that they could support these efforts at the local level. He stated that, to the sponsor's point, there was a statewide conversation happening and he had talked to members across the aisle that were proud members of the Arizona Tax Research Association, looking for ways to be able to figure out how they would put some more guardrails into data center recruitment and retention. He stated that it was important to also recognize that they had a robust legislative agenda that covered many different issues, and by no means was the addition of this particular item being proposed by District 3 going to be the sole focus of their lobbying efforts at the State Capitol in the year ahead. He stated they had a whole list of other opportunities working with the executive and the legislative. He stated that this was one small but very important addition to that conversation and he thanked Supervisor Allen for bringing this forward and looked forward to them coming together on this issue.

Chair Scott stated that he had been told that the third-party vendor that did the economic benefits analysis for Project Blue took into account the local revenue lost from this exemption so that the \$250 million figure over ten years took into account that lost revenue. He asked if this could be confirmed.

Carmine Debonis, Jr., Deputy County Administrator, confirmed that this was his understanding and they were having continued discussions with Applied Economics, and the day prior, had a meeting with the County Assessor and the Economic Development Director. He stated that he would provide additional information to continue this conversation about those economic benefits.

Chair Scott stated that he had received the information from staff with the Chamber of Southern Arizona, and so for that reason, and also because of some of the comments heard on this day, that had also been highlighted in local media about the data center industry, focusing on Arizona, he thought was separate from this 12 year old tax credit program. He stated that he was willing to support the item.

Upon the vote, the motion carried 4-1, Supervisory Christy voted, "Nay."

COUNTY ADMINISTRATOR

16. Update on County Initiatives to Address Homelessness and Public Safety

(Clerk's Note: See the attached verbatim related to this item.)

This item was for discussion only. No Board action was taken.

17. **Arizona Legislative Session and Budget Adoption Process Presentation**

Discussion/Direction/Action: Presentation from Michael Racy, contracted lobbyist for Pima County, regarding a brief summary of the Arizona Legislative session and the unique aspects of the budget adoption process.

(Clerk's Note: See the attached verbatim related to this item.)

This item was for discussion only. No Board action was taken.

CONSERVATION LANDS AND RESOURCES

18. **Establishment of the Conservation Lands and Resources Advisory Board**

RESOLUTION NO. 2025 - 25, of the Board of Supervisors, approving the establishment of the Conservation Lands and Resources Advisory Board.

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve adopt the Resolution.

19. **Pima County Cooperative Extension (PCCE) Appropriation of Funds for FY 2025/26 Amendment**

Staff recommends approval of the appropriation of funds in the amount of \$75,000.00, to allow PCCE to provide Wildfire Fuel Reduction and Risk Awareness services to the public.

It was moved by Chair Scott and seconded by Supervisor Allen to approve the item. No vote was taken at this time.

Supervisor Christy stated that the background materials did not include any guidelines to report back to the Board and he requested that the County Administrator provide the Board with the metrics as to what was accomplished with the money being allocated, how effective it was, if there was more needed or if it was adequate, or some type of determination to its success or failure.

Jan Leshar, County Administrator, responded in the affirmative.

Upon the vote, the motion carried 4-0, Supervisor Heinz was not present for the vote.

COUNTY ATTORNEY

20. Purdue/Sackler and New Opioid Manufacturer Settlements

Discussion/Direction/Action regarding the County's participation in the Purdue/Sackler and new opioid manufacturer settlements.

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to participate in the settlements, as discussed in Executive Session.

DEVELOPMENT SERVICES

21. Final Plat With Assurances

P25FP00005, Hillcrest, Lots 1-64 and Common Area "A", "B" and "C". (District 1)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

ELECTIONS

22. Vote Centers

Pursuant to A.R.S. §16-411(B)(4), designation of vote centers for the 2025 Congressional District 7 - Special General Election on September 23, 2025.

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

FINANCE AND RISK MANAGEMENT

23. Fiscal Year 2023/24 Audit Results

Presentation of Fiscal Year (FY) 2023/24 Audit Results by the Office of the Auditor General for compliance with Arizona Revised Statutes (A.R.S.) §11-661 and §41-1494. Staff recommends acceptance of the FY2023/24 audit results submitted by the Office of the Auditor General and approval of the Human Resources memorandum proposed in the separate agenda item demonstrating compliance with A.R.S. §41-1494.

(Clerk's Note: See the attached verbatim related to this item.)

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to accept the audit results.

HUMAN RESOURCES

24. Certification of Compliance with Arizona Revised Statutes

Staff recommends approval of the memorandum certifying Pima County's compliance with A.R.S §11-661(D) and §41-1494.

It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

25. Classification/Compensation

The Human Resources Department requests approval to create the following new classifications, associated costs will be borne by the user department from within its current budget:

Class Code/Class Title/ Grade Code (Range)/ EEO Code/ FLSA Code

2104/ Division Manager Environmental Quality/ 18 (\$92,081.60-\$138,112.00)/ 1/ E**

2105/ Division Manager Conservation Lands and Resources/ 18 (\$92,081.60-\$138,112.00)/ 1/ E**

**E = Exempt (not paid overtime)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

OFFICE OF EMERGENCY MANAGEMENT AND HOMELAND SECURITY

26. Rescinding Stage II Fire Restrictions and Declaration of Fire Emergency

RESOLUTION NO. 2025 - 26, of the Pima County Board of Supervisors and the Pima County Regional Flood Control District Board of Directors, rescinding Stage II Fire Restrictions on land owned by Pima County and the Regional Flood Control District in unincorporated areas of Pima County.

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

TREASURER

27. Presentation of the Pima County Treasurer's Annual Report

Presentation of the Pima County Treasurer's Annual Report on specific information regarding property taxes, pursuant to A.R.S. §42-18002.

(Clerk's Note: See the attached verbatim related to this item.)

This item was for discussion only. No Board action was taken.

CONTRACT AND AWARD

Conservation Lands and Resources

28. Arizona Game and Fish Department, to provide a collection agreement for bat monitoring in support of Pima County's Multi-Species Conservation Plan and Section 10 Permit, CLR General Fund, contract amount \$27,117.20/1 year, 7 months term (PO2500021416)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

County Attorney

29. CBS Consulting Group, to provide for professional grant writing services, PCAO General Fund, contract amount \$85,000.00 (PO2500017504)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

30. The Human Communications Studio, L.L.C., Amendment No. 2, to provide for advocacy, trial strategy and communication training, extend contract term to 7/31/26 and amend contractual language, PCAO General Fund, contract amount \$45,000.00 (PO2400001702)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

31. Community Bridges, Inc., Amendment No. 1, to provide for implementation of the Felony Drug Diversion Program by ensuring access to needs-based drug treatment and wraparound recovery support services, extend contract term to 12/31/25, amend contractual language and scope of services, no cost (CT_24-233)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 3-1 vote, Supervisor Christy voted "Nay," and Supervisor Heinz was not present for the vote, to approve the item.

32. Struck Love Bojanowski & Acedo, P.L.C., Amendment No. 9, to provide for legal representation of Pima County in Taylor v. Pima County, et al., extend contract term to 8/23/26 and amend contractual language, no cost (PO2400001429)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

Information Technology

33. City of Tucson, to provide an intergovernmental agreement for data center racks, total contract amount \$180,000.00/5 year term revenue (\$36,000.00 annually) (CT2500000043)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

Pima Animal Care Center

34. City of South Tucson, to provide an intergovernmental agreement for animal care and enforcement services, no cost/3 year term (SC2500000096)

It was moved by Chair Scott, seconded by Supervisor Cano and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

Procurement

35. **Award**

Amendment of Award: Multiple Supplier Contracts, Amendment No. 2, to provide janitorial services. This amendment exercises the annual renewal option commencing on 8/13/25 and terminating on 8/12/26, adds the annual award amount of \$4,000,000.00 for a cumulative not-to-exceed amount of \$8,000,000.00, revises the scope of work to add Group 2 Outlying Ajo Corridor to SC2400001891 and Group 3 Outlying West to SC2500000025, reallocates the annual awards as detailed below, and incorporates the Heat Injury and Illness Prevention and Safety Plan language to the contracts, pursuant to Pima County Procurement Code 11.40.030. Three (3) renewal options remain. The scope revisions and annual award reallocations are required as Office Keepers, L.L.C., d.b.a. Keepers Commercial Cleaning has been unable to provide sufficient service coverage for Contract No. SC2400001892 (Group 2) and Contract No. SC2400001893 (Group 3). Accordingly, County is declining to exercise its option to renew both contracts and, per Exhibit A, Section 1.1 of the Offer Agreement, County is exercising its right to assign additional Contractors to Group 2 and Group 3. The contractual obligations of Office Keepers, L.L.C., d.b.a. Keepers Commercial Cleaning will conclude at the end of initial award term on 8/12/25. Funding Source: General Fund. Administering Department: Facilities Management.

Supplier Contract/Contractor/Original Award/Current NTE/Annual Award/Cumulative NTE:

SC2400001891/Elite Building Services; L.L.C.

Group 1: Downtown "D"

Group 2: Outlying Ajo Corridor "OA"/\$1,700,000.00/\$1,700,000.00/\$2,450,000.00/\$4,150,000.00

SC2400001892/Office Keepers, L.L.C., d.b.a. Keepers Commercial Cleaning

Group 2: Outlying Ajo Corridor "OA"/\$750,000.00/\$750,000.00/Terminated/\$750,000.000

SC2400001893/"Office Keepers, L.L.C., d.b.a. Keepers Commercial Cleaning
Group 3: Outlying West "OW"/\$500,000.00/\$500,000.00/Terminated/\$500,000.00

SC2400001894/Robbins Equipment Company, Inc.
Group 4: Outlying East "OE"/\$500,000.00/\$200,000.00/Terminated/\$200,000.00

SC2400001895/Robbins Equipment Company, Inc.
Group 5: Outlying South "OS"/\$550,000.00/\$300,000.00/Terminated/\$300,000.00

SC2500000025/JANCO F5 2, L.L.C., d.b.a. Velociti
Group 3: Outlying West "OW"
Group 4: Outlying East "OE"/ - /\$300,000.00/\$1,000,000.00/\$1,300,000.00

SC2500000026/JANCO FS 2, L.L.C., d.b.a. Velociti
Group 4: Outlying South "OS"/ - /\$250,000.00 /\$550,000.00/\$800,000.00

Total:\$4,000,000.00/\$4,000,000.00/\$8,000,000.00

It was moved by Supervisor Christy, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

36. Award

Amendment of Award: Supplier Contract No. SC2400001254, Amendment No. 6, Polydyne Inc., to provide for Polymer. This amendment is for a one-time increase in the amount of \$400,000.00 for a cumulative not-to-exceed contract amount of \$8,262,000.00, requests approval effective 12/13/25 to increase the annual award amount by \$1,000,000.00 for an annual award amount of \$2,698,000.00 and pursuant to Pima County Procurement Code 11.40.030 appends the Heat Injury and Illness Prevention Plan provisions to the contract. This amendment is needed to address additional polymer requirements due to higher sludge density and the continuing integration of new polymer units at Building 23. Funding Source: Wastewater Ops Fund. Administering Department: Regional Wastewater Reclamation.

It was moved by Supervisor Christy, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

37. ADW Communications Services, Inc., Arizona West Builders and Communications, Inc., and International Towers, L.L.C., to provide a job order contract: Communications Tower site maintenance services, Various Funds, contract amount \$750,000.00 (SC2500000481) Administering Department: Pima County Wireless Integrated Network

It was moved by Supervisor Christy, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

38. AssetWorks, Inc., Amendment No. 1, to provide for AssetWorks fleet, fuel and GPS Management System, amend contractual language and scope of services, Fleet

Services Operations and Fleet Services Capital Projects Funds, contract amount \$20,000.00 (SC2400002328) Administering Department: Fleet Services

It was moved by Supervisor Christy, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

Real Property

39. United States, Bureau of Land Management, to provide a Recreation or Public Purposes Lease for the continued operation of Helmet Peak Volunteer Fire Department, PR-Directors General Fund, total contract amount \$500.00/20 year term (\$25.00 per year) (PO2500021709)

It was moved by Supervisor Christy, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

GRANT APPLICATION/ACCEPTANCE

40. **Acceptance - Community and Workforce Development**

State of Arizona Department of Housing, Amendment No. 2, to provide for the U.S. Department of Energy, Weatherization Assistance Program, Infrastructure Investment and Jobs Act formerly Bipartisan Infrastructure Law, extend grant term to 6/30/29, amend grant language and scope of work, \$1,416,994.00 (GA-CWD-69932)

It was moved by Supervisor Cano and seconded by Chair Scott to approve the item. No vote was taken at this time.

Supervisor Allen requested a report on the outcomes of this item. She stated that the existing grant was being extended and amended and wondered how that had proceeded to date.

Jan Leshner, County Administrator, stated that the information would be provided to the Board.

Upon the vote, the motion carried 4-0, Supervisor Heinz was not present for the vote.

41. **Acceptance - Community and Workforce Development**

Arizona Department of Economic Security, to provide for the Community Action Services Program, \$126,909.84/5 year term (G-CWD-82532)

It was moved by Supervisor Cano and seconded by Chair Scott to approve the item. No vote was taken at this time.

Supervisor Christy pointed out for full disclosure and transparency, that for this item and Minute Item Nos. 42, 43, and 44, the grant monies that were being allocated were different amounts, but the recipient was the same and they were all listed under the same program, whereas Minute Item Nos. 50 through 54, specifically identified the recipient of the grant monies. He suggested that in the future when there were these types of redundancies that it specifically identify where the money was going rather than having them lumped in all the same program.

Jan Leshar, County Administrator, stated that moving forward staff would specifically identify the recipient or program of the allocated monies.

Supervisor Christy stated that as long as the Board knew where the money went.

Upon the vote, the motion carried 4-0, Supervisor Heinz was not present for the vote.

42. Acceptance - Community and Workforce Development

Arizona Department of Economic Security, to provide for the Community Action Services Program, \$135,140.75/5 year term (G-CWD-82533)

(Clerk's Note: See Minute Item No. 41, for discussion related to this item.)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

43. Acceptance - Community and Workforce Development

Arizona Department of Economic Security, to provide for the Community Action Services Program, \$286,297.50/5 year term (G-CWD-82534)

(Clerk's Note: See Minute Item No. 41, for discussion related to this item.)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

44. Acceptance - Community and Workforce Development

Arizona Department of Economic Security, to provide for the Community Action Services Program, \$1,552.50/5 year term (G-CWD-93453)

(Clerk's Note: See Minute Item No. 41, for discussion related to this item.)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

45. **Acceptance - Conservation Lands and Resources**

The Department of the Army/United States Army Corps of Engineers, to provide for the design and construction assistance for Tucson Mountain Park Water System Improvements Project, \$1,955,578.00/\$741,772.00 General Fund/PAYGO Match (G-CLR-81956)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

46. **Acceptance - County Attorney**

City of Tucson, to provide for the Pima County Attorney's Victim Services Division for the Victim Services Program for Fiscal Year 2026, \$24,900.00 (G-PCA-93595)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

47. **Acceptance – Health**

Arizona Department of Health Services, to provide for the Healthy People Healthy Communities - Tobacco Prevention and Cessation Program, \$1,138,811.00 (G-HD-93063)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

48. **Acceptance – Health**

Arizona Department of Health Services, to provide for the Healthy People Healthy Communities - Health in Arizona Policy Initiative Program, \$177,008.00 (G-HD-93064)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

49. **Acceptance – Health**

Arizona Department of Health Services, to provide for the Healthy People Healthy Communities - Suicide Mortality Review Program, \$100,000.00 (G-HD-93065)

It was moved by Supervisor Cano and seconded by Chair Scott to approve the item. No vote was taken at this time.

Supervisor Allen inquired whether any recommendations had come forward from past suicide mortality reviews, because she had received an alert that suicides had hit and exceeded a state threshold. She stated that she wanted to know more about

why and if it was triggering any policy changes, approaches and any implications of this grant.

Chair Scott indicated that the Suicide Prevention Task Force within the Health Department had finished its work prior to the seating of the new Board with Supervisors Allen and Cano. He requested that the Board be provided with an update on the recommendations of that task force because he believed it would be a good way for the Board to hear how those recommendations were coming about and also a way to introduce the work of that task force to Supervisors Allen and Cano and their staff.

Supervisor Cano thanked Supervisor Allen 3 for mentioning the Suicide Mortality Review Program. He indicated that he talked to Administrator Leshar in a separate conversation about the numbers the Board received a few weeks ago on the region's mortality report, and one thing that he found extremely alarming in the data was the increase in domestic violence related suicides. He stated that as a County they needed to think about ways in which they would support domestic violence prevention and most importantly, offer support to local agencies that were tasked with responding to those difficult circumstances. He believed that the additional information requested by Supervisor Allen was very timely and in alignment with the perspectives of District 5.

Upon the vote, the motion carried 4-0, Supervisor Heinz was not present for the vote.

50. Acceptance – Health

Arizona Department of Health Services, to provide for the Healthy People Healthy Communities - Teen Pregnancy Prevention Program, \$125,000.00 (G-HD-93066)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

51. Acceptance – Health

Arizona Department of Health Services, to provide for the Healthy People Healthy Communities - Youth Mental Health First Aid, \$6,000.00 (G-HD-93067)

It was moved by Supervisor Cano, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

FRANCHISE/LICENSE/PERMIT

52. Hearing - Liquor License

Job No. 349595, Douglas Allen Sain, Fat Cactus at the Plaza, 15 W. Plaza Street, No. 167, Ajo, Series 12, Restaurant, New License.

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to close the public hearing, approve the license and forward the recommendation to the Arizona Department of Liquor Licenses and Control.

53. Hearing - Fireworks Permit

Erin Kallish, Caterpillar, Inc., 5000 W. Caterpillar Trail, Green Valley, August 21, 2025 at 8:30 p.m.

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to close the public hearing and approve the permit.

54. Hearing - Fireworks Permit

Erin Kallish, Caterpillar, Inc., 5000 W. Caterpillar Trail, Green Valley, August 28, 2025 at 8:30 p.m.

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott, seconded by Supervisor Allen and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to close the public hearing and approve the permit.

DEVELOPMENT SERVICES

55. Hearing - Comprehensive Plan Amendment and Specific Plan

P25SP00001, AQUILINA - W. AJO HIGHWAY SPECIFIC PLAN AND COMPREHENSIVE PLAN AMENDMENT

Vincent and Maureen Aquilina, represented by The WLB Group, request a comprehensive plan amendment and specific plan rezoning for approximately 3.7 acres (Parcel Code 119-45-0090) from the RS (Resource Sensitive) to the PDC (Planned Development Community) land use designation and from the SR (BZ) (Suburban Ranch - Buffer Overlay) to the SP (BZ) (Specific Plan - Buffer Overlay) zone, located at the northeast corner of W. Ajo Highway and S. Camino De Oeste, in Section 31, T14S, R13E in the Southwest Planning Area. On motion, the Planning and Zoning Commission voted 7-0 (Commissioners Hook, Hanna and Tronsdal were absent) to recommend APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS. Staff recommends APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS. (District 5)

IF THE DECISION IS MADE TO APPROVE THE SPECIFIC PLAN, THE FOLLOWING REQUIREMENTS SHOULD BE MADE CONDITIONS OF APPROVAL. THE FOLLOWING CONDITIONS MAY RESIDE WITHIN THE SPECIFIC PLAN DOCUMENT:

1. Not more than 60 days after the Board of Supervisors approves the specific plan, the owner(s) shall submit to the Planning Director the specific plan document, including the following conditions and any necessary revisions of the specific plan document reflecting the final actions of the Board of Supervisors, and the specific plan text and exhibits in an electronic and written format acceptable to the Planning Division.
2. In the event of a conflict between two or more requirements in this specific plan, or conflicts between the requirements of this specific plan and the Pima County Zoning Code, the specific plan shall apply. The specific plan does not regulate Building Codes.
3. This specific plan shall adhere to all applicable Pima County regulations that are not explicitly addressed within this specific plan. The specific plan's development regulations shall be interpreted to implement the specific plan or relevant Pima County regulations.
4. Transportation conditions:
 - A. Written proof of coordination with the Arizona Department of Transportation (ADOT) is required at time of development plan submittal.
 - B. Improvements to the dirt access road along the west property boundary north of the Ajo Highway/Camino de Oeste intersection are not required for the Feed and Supply Store.
 - C. The existing gravel access road along the south property boundary parallel to Ajo Highway shall be abandoned, removed, and no longer utilized.
 - D. Provide proof of legal access along the site west property boundary at time of development plan submittal.
 - E. The number, design and location of the access driveways for the feed store along the west property boundary shall be reviewed and approved by staff at time of development plan submittal.
 - F. Gravel is acceptable as a surface treatment on access lanes and parking spaces for up to 10 parking spaces
 - G. Handicap parking space(s) shall be paved in concrete, and an ADA accessible route to buildings on site shall be provided from the parking space(s). Handicap parking spaces shall comply with Pima County Standards
5. Flood Control District condition: At the time of development, the developer shall be required to select a combination of Water Conservation Measures from Table B such that the point total equals or exceeds 15 points and includes a combination of indoor and outdoor measures.
6. Environmental Planning condition: Upon the effective date of the Ordinance, the owner(s)/developer(s) shall have a continuing responsibility to remove invasive non-native species from the property, including those listed below. Acceptable methods of removal include chemical treatment, physical removal, or other known effective means of removal. This obligation also transfers to any future owners of property within the rezoning site and Pima County may enforce this rezoning condition against the property owner.

Invasive Non-Native Plant Species Subject to Control:

Ailanthus altissima	Tree of Heaven
Alhagi pseudalhagi	Camelthorn
Arundo donax	Giant reed
Brassica tournefortii	Sahara mustard
Bromus rubens	Red brome
Bromus tectorum	Cheatgrass
Centaurea melitensis	Malta starthistle
Centaurea solstitialis	Yellow starthistle
Cortaderia spp.	Pampas grass
Cynodon dactylon	Bermuda grass (excluding sod hybrid)
Digitaria spp.	Crabgrass
Elaeagnus angustifolia	Russian olive
Eragrostis spp.	Lovegrass (excluding E. intermedia, plains lovegrass)
Melinis repens	Natal grass

Mesembryanthemum spp.	Iceplant
Oncosiphon pilulifer	Stinknet
Peganum harmala	African rue
Pennisetum ciliare	Buffelgrass
Pennisetum setaceum	Fountain grass
Rhus lancea	African sumac
Salsola spp.	Russian thistle
Schinus spp.	Pepper tree
Schismus arabicus	Arabian grass
Schismus barbatus	Mediterranean grass
Sorghum halepense	Johnson grass
Tamarix spp.	Tamarisk

7. Cultural Resources condition: Prior to ground modifying activities, an on-the-ground archaeological and historic sites survey shall be conducted on the subject property. A cultural resources mitigation plan for any identified archaeological and historic sites on the subject property shall be submitted at the time of, or prior to, the submittal of any tentative plan or development plan. All work shall be conducted by an archaeologist permitted by the Arizona State Museum, or a registered architect, as appropriate. Following rezoning approval, any subsequent development requiring a Type II grading permit will be reviewed for compliance with Pima County's cultural resources requirements under Chapter 18.81 of the Pima County Zoning Code. Adherence to the specific plan document as approved at the Board of Supervisor's public hearing.
8. Tucson Airport Authority condition: According to the Federal Aviation Administration (FAA) Notice Criteria Tool, this project area is located in proximity to an instrument approach area and could impact navigation signal reception at Ryan Airfield. An aeronautical study is required for this proposed project. As this project develops, all applicants must file FAA Form 7460 with the FAA at least 45 days before construction activities begin unless FAA staff, with the Obstruction Evaluation/Airport Airspace Analysis (OE/AAA), provides the project applicant with written communication that filing FAA Form 7460 is not required. It is highly recommended that the applicant file earlier than 45 days to provide the applicant with also that cranes to be used during all development or construction activities must also be identified with Form 7460. Please file Form 7460 at <https://oeaaa.faa.gov/oeaaa/external/portal.jsp>
9. In the event the subject property is annexed, the property owner shall adhere to all applicable conditions, including, but not limited to, development conditions which require financial contributions to, or construction of infrastructure, including without limitation, transportation, flood control, or sewer facilities.
10. The property owner shall execute the following disclaimer regarding the Private Property Rights Protection Act rights: "Property Owner acknowledges that neither the rezoning of the Property nor the conditions of rezoning give Property Owner any rights, claims or causes of action under the Private Property Rights Protection Act (Arizona Revised Statutes Title 12, chapter 8, article 2.1). To the extent that the rezoning or conditions of rezoning may be construed to give Property Owner any rights or claims under the Private Property Rights Protection Act, Property Owner hereby waives any and all such rights and/or claims pursuant to A.R.S. § 12-1134(l)."

Supervisor Cano inquired whether anyone wished to address the Board. No one appeared. It was moved by Supervisor Cano, seconded by Chair Scott and unanimously carried by a 5-0 vote, to close the public hearing and approve P25SP00001, subject to standard and special conditions.

56. **Hearing - Specific Plan Rezoning**

P24SP00007, CHACON, ET AL. - E. HAWSER STREET SPECIFIC PLAN REZONING

Norma Chacon, et al., represented by The WLB Group, Inc., request a specific plan rezoning for approximately 12.9 acres (Parcel Codes 222-22-011D, 222-22-011E and 222-22-0130) from the GR-1 (GZ-1) (Rural Residential - Urban Gateway Overlay) to the SP (GZ-1) (Specific Plan - Urban Gateway Overlay) zone, located approximately 750 feet east of the N. Oracle Road and E. Hawser Street T-intersection, addressed as 3380 E. Hawser Street. The proposed rezoning conforms to the Pima County Comprehensive Plan which designates the property for Community Activity Center. On motion, the Planning and Zoning Commission voted 7-0 (Commissioners Hook, Hanna and Tronsdal were absent) to recommend APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS. Staff recommends APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS. (District 1)

IF THE DECISION IS MADE TO APPROVE THE SPECIFIC PLAN, THE FOLLOWING REQUIREMENTS SHOULD BE MADE CONDITIONS OF APPROVAL. THE FOLLOWING CONDITIONS MAY RESIDE WITHIN THE SPECIFIC PLAN DOCUMENT:

1. Not more than 60 days after the Board of Supervisors approves the specific plan, the owner(s) shall submit to the Planning Director the specific plan document, including the following conditions and any necessary revisions of the specific plan document reflecting the final actions of the Board of Supervisors, and the specific plan text and exhibits in an electronic and written format acceptable to the Planning Division.
2. In the event of a conflict between two or more requirements in this specific plan, or conflicts between the requirements of this specific plan and the Pima County Zoning Code, the specific plan shall apply. The specific plan does not regulate Building Codes.
3. This specific plan shall adhere to all applicable Pima County regulations that are not explicitly addressed within this specific plan. The specific plan's development regulations shall be interpreted to implement the specific plan or relevant Pima County regulations.
4. Transportation conditions:
 - A. A Traffic Impact Study (TIS) shall be submitted for review and approval by the Department of Transportation with the development plan submittal. Offsite improvements determined necessary as a result of the TIS shall be provided by the property owner(s).
 - B. Written proof of coordination with the Arizona Department of Transportation (ADOT) regarding any traffic impacts to their roadway system is required.
 - C. The access point on Golder Ranch Drive will be an at-grade crossing with a dip section in the road for water run-off across the street. The functionality of the driveway, including but not limited to sight/stopping distance, surface drainage, and required roadway improvements, shall be addressed at the time of the development plan or permitting submittal.
 - D. The access point on Hawser Street is for emergency vehicles only and shall not be full access unless it meets the Subdivision and Development Street Standards gated entry requirements.
 - E. Sidewalk along the Golder Ranch Road property frontage is required to be built to Pima County standards. The sidewalk shall connect to the existing sidewalk to the east along the Wildflower Reserve subdivision frontage.
5. Flood Control District conditions:
 - A. The Regulated Riparian Habitat located within the Flood Control Resource Area shall be protected during construction and will remain undisturbed in perpetuity.

- B. Encroachment into the mapped Regulated Riparian Area not shown on the approved Preliminary Development Plan is prohibited.
- C. First flush retention shall be provided in Low Impact Development practices distributed throughout the site.
- 6. Regional Wastewater Reclamation conditions:
 - A. The owner(s) shall construe no action by Pima County as a commitment of capacity to serve any new development within the rezoning area until Pima County executes an agreement with the owner(s) to that effect.
- B. The owner(s) shall obtain written documentation from the Pima County Regional Wastewater Reclamation Department (PCRWRD) that treatment and conveyance capacity is available for any new development within the rezoning area, no more than 90 days before submitting any tentative plat, development plan, preliminary sewer layout, sewer improvement plan, or request for building permit for review. Should treatment and/or conveyance capacity not be available at that time, the owner shall enter into a written agreement addressing the option of funding, designing and constructing the necessary improvements to Pima County's public sewerage system at his or her sole expense or cooperatively with other affected parties. All such improvements shall be designed and constructed as directed by the PCRWRD.
 - C. The owner(s) shall time all new development within the rezoning area to coincide with the availability of treatment and conveyance capacity in the downstream public sewerage system.
 - D. The owner(s) shall connect all development within the rezoning area to Pima County's public sewer system at the location and in the manner specified by the PCRWRD in its capacity response letter and as specified by PCRWRD at the time of review of the tentative plat, development plan, preliminary sewer layout, sewer construction plan, or request for building permit.
 - E. The owner(s) shall fund, design and construct all off-site and on-site sewers necessary to serve the rezoning area, in the manner specified at the time of review of the tentative plat, development plan, preliminary sewer layout, sewer construction plan or request for building permit.
 - F. The owner(s) shall complete the construction of all necessary public and/or private sewerage facilities as required by all applicable agreements with Pima County and all applicable regulations, including the Clean Water Act and those promulgated by ADEQ, before treatment and conveyance capacity in the downstream public sewerage system will be permanently committed for any new development within the rezoning area.
- 7. Cultural Resources condition: Prior to ground modifying activities, an on-the-ground archaeological and historic sites survey shall be conducted on the subject property. A cultural resources mitigation plan for any identified archaeological and historic sites on the subject property shall be submitted at the time of, or prior to, the submittal of any tentative plan or development plan. All work shall be conducted by an archaeologist permitted by the Arizona State Museum, or a registered architect, as appropriate. Following rezoning approval, any subsequent development requiring a grading permit will be reviewed for compliance with Pima County's cultural resources requirements under Chapter 18.81 of the Pima County Zoning Code.
- 8. Adherence to the specific plan document as approved at the Board of Supervisor's public hearing. The preliminary development plan may be adjusted to accommodate a maximum of 75 RV spaces.
- 9. Pedestrian and golf cart cross access shall be provided to the property to the west.
- ~~9-10.~~ The Development Regulations within the Specific Plan, Section III, shall be implemented at the time of permitting.
- ~~10-11.~~ In the event the subject property is annexed, the property owner shall adhere to all applicable conditions, including, but not limited to, development conditions which require financial contributions to, or construction of infrastructure, including without limitation, transportation, flood control, or sewer facilities.
- ~~11-12.~~ The property owner shall execute the following disclaimer regarding the Private Property Rights Protection Act rights: "Property Owner acknowledges that neither the rezoning of the Property nor the conditions of rezoning give Property Owner any rights, claims or causes of

action under the Private Property Rights Protection Act (Arizona Revised Statutes Title 12, chapter 8, article 2.1). To the extent that the rezoning or conditions of rezoning may be construed to give Property Owner any rights or claims under the Private Property Rights Protection Act, Property Owner hereby waives any and all such rights and/or claims pursuant to A.R.S. § 12-1134(l).”

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott, seconded by Supervisor Cano and unanimously carried by a 5-0 vote, to close the public hearing and approve P24SP00007, subject to standard and special conditions.

57. Hearing - Rezoning Time Extension

**P20CR00003, SUKI INVESTMENT GROUP, L.L.C. - W. MAGEE ROAD
CONCURRENT PLAN AMENDMENT AND REZONING**

Suki Investment Group, L.L.C. represented by Craig Courtney, request a five-year time extension for an approximate .88-acre rezoning (Parcel Code 225-44-5770) from the TR (Transitional) to the CB-2 (General Business) zone, located at the northwest corner of W. Magee Road and N. La Cholla Boulevard. The subject site was rezoned in 2021 and expires January 5, 2026. Staff recommends APPROVAL OF THE FIVE-YEAR TIME EXTENSION SUBJECT TO ORIGINAL AND MODIFIED STANDARD AND SPECIAL CONDITIONS. (District 1)

1. The property owner shall not further lot split or subdivide residential property without the written approval of the Board of Supervisors.
2. Transportation conditions:
 - A. Adherence to a development agreement for assessment and payment of all non-residential impact fees.
 - B. A traffic impact study will be required at time of development or building plan submittal to determine if mitigation is needed. Any mitigation required by the Traffic Impact Study for higher trip generating uses such as drive thru restaurants, convenience store and gasoline station will be the responsibility of the Owner(s)/Developer of any Magee Center properties.
 - C. Access and maintenance agreements shall be required between the rezoning and adjacent properties.
 - D. No additional access to Magee Road is allowed from the site.
3. Regional Flood Control District condition: A drainage plan requiring on site detention and first flush retention for Lots 5 and 6 shall be designed and approved by Pima County Regional Flood Control District to mitigate the 100-year peak discharge.
4. Wastewater conditions:
 - A. The owner(s) shall construe no action by Pima County as a commitment of capacity to serve any new development within the plan amendment/rezoning area until Pima County executes an agreement with the owner(s) to that effect.
 - B. The owner(s) shall obtain written documentation from the Pima County Regional Wastewater Reclamation Department (PCRWRD) that treatment and conveyance capacity is available for any new development within the plan amendment/rezoning area, no more than 90 days before submitting any tentative plat, development plan, preliminary sewer layout, sewer improvement plan, or request for building permit for review. Should treatment and / or conveyance capacity not be available at that time, the owner(s) shall enter into a written agreement addressing the option of funding, designing and constructing the necessary improvements to Pima County's public sewerage system at his or her sole expense or cooperatively with other affected

parties. All such improvements shall be designed and constructed as directed by the PCRWRD.

- C. The owner(s) shall time all new development within the plan amendment/rezoning area to coincide with the availability of treatment and conveyance capacity in the downstream public sewerage system.
 - D. The owner(s) shall connect all development within the plan amendment/rezoning area to Pima County's public sewer system at the location and in the manner specified by the PCRWRD in its capacity response letter and as specified by PCRWRD at the time of review of the tentative plat, development plan, preliminary sewer layout, sewer construction plan, or request for building permit.
 - E. The owner(s) shall fund, design and construct all off-site and on-site sewers necessary to serve the plan amendment/rezoning area, in the manner specified at the time of review of the tentative plat, development plan, preliminary sewer layout, sewer construction plan or request for building permit.
 - F. The owner(s) shall complete the construction of all necessary public and/or private sewerage facilities as required by all applicable agreements with Pima County, and all applicable regulations, including the Clean Water Act and those promulgated by ADEQ, before treatment and conveyance capacity in the downstream public sewerage system will be permanently committed for any new development within the plan amendment/rezoning area.
- 5. Environmental Planning conditions: Upon the effective date of the Ordinance, the owner(s) shall have a continuing responsibility to remove buffelgrass (*Pennisetum ciliare*) from the property. Acceptable methods of removal include chemical treatment, physical removal, or other known effective means of removal. This obligation also transfers to any future owners of property within the rezoning site and Pima County may enforce this rezoning condition against the property owner.
 - 6. In the event that human remains, including human skeletal remains, cremations, and/or ceremonial objects and funerary objects are found during excavation or construction, ground disturbing activities must cease in the immediate vicinity of the discovery. State Laws ARS 41-865 and/or ARS 41-844 require that the Arizona State Museum be notified of the discovery at (520) 621-4795 so that appropriate arrangements can be made for the repatriation and reburial of the remains by cultural groups who claim cultural or religious affinity to them. The human remains will be removed from the site by a professional archaeologist pending consultation and review by the Arizona State Museum and the concerned cultural groups.
 - 7. Lot 5 and 6 shall be developed as an integrated site and subject to general adherence to the preliminary development plan for Lot 5 from Resolution 2020-061 as approved at public hearing (Exhibit B).
 - 8. Less restrictive rezoning applications may not be submitted under the approved comprehensive plan designation. A separate comprehensive plan amendment and rezoning are required for less restrictive zoning.
 - 9. The use of the property is limited to restaurants with or without a bar and CB-1 zone uses except for automotive related uses other than retail sales and fueling bays, and stand-alone bars.
 - 10. In the event the subject property is annexed, the property owner shall adhere to all applicable rezoning conditions, including, but not limited to, development conditions which require financial contributions to, or construction of infrastructure, including without limitation, transportation, flood control, or sewer facilities.
 - 11. The property owner shall execute the following disclaimer regarding ~~Proposition 207 rights~~ Private Property Rights Protection Act: "Property Owner acknowledges that neither the rezoning of the Property nor the conditions of rezoning give Property Owner any rights, claims or causes of action under the Private Property Rights Protection Act (Arizona Revised Statutes Title 12, chapter 8, article 2.1). To the extent that the rezoning or conditions of rezoning may be construed to give Property Owner any rights or claims under the Private Property Rights Protection Act, Property Owner hereby waives any and all such rights and/or claims pursuant to A.R.S. § 12-1134(I)."

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott, seconded by Supervisor Cano and unanimously carried by a 5-0 vote, to close the public hearing and approve P20CR00003, Five-Year Time Extension subject to original and modified standard and special conditions.

58. Hearing - Hearing - Conditional Use Permit

P25CU00003, PIMA COUNTY FLOOD CONTROL DISTRICT - N. EDITH BOULEVARD

Pima County Flood Control District, represented by Scott Tilley, request a Type II Conditional Use Permit for a commercial stable in accordance with Section 18.17.030.C.1 of the Pima County Zoning Code in the SR (Suburban Ranch) zone, addressed as 3605 N. Edith Boulevard. Staff and the Hearing Administrator recommend APPROVAL SUBJECT TO STANDARD AND SPECIAL CONDITIONS. (District 1)

Standard Conditions & Requirements pre the Pima County Zoning Code

1. A commercial stable is allowed in the SR zone as a conditional use per Section 18.17.030.C.1.

Special Conditions – Hearing Administrator

The following Special Conditions incorporate detailed input provided by the Development Services Department, the Department of Transportation, and the Regional Flood Control District, and have been amended as appropriate by the Hearing Administrator:

1. Required building permits shall be obtained for any new structures or unpermitted structures to remain.
2. Regional Flood Control District review and approval is required at the time of permitting.
3. The development shall not create an adverse drainage impact to upstream or downstream properties.
4. The Regional Flood Control District shall review and approve the location of the proposed fence prior to the installation (depicted on the Site Plan by keynote 7). Any encroachment from TRAK improvements onto the Chuck Huckelberry Loop shall be removed at the expense of TRAK.
5. Gates shall remain open during business hours.
6. Surface treatment such as gravel or decomposed granite to ensure dust control is permitted for onsite parking areas and access lanes (PAALS). PAALS shall be constructed with raised concrete vertical curbs to contain gravel or decomposed granite surface treatment.
7. Surface treated PAALS shall be periodically maintained by the ranch to ensure dust control is preserved and containment of the gravel surface treatment is within the parking area.
8. The one ADA parking space shall be paved or concrete, and an ADA accessible route to buildings on site shall be provided from the parking spaces. Handicap parking spaces shall comply with Pima County Standards.
9. All parking shall occur on-site in the designated parking lot; no parking is allowed within the Edith Boulevard right-of-way.
10. Riding rings and turn-out areas shall be watered as warranted so as to minimize dust generation and its migration to adjacent properties.

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott and seconded by Supervisor Allen to close the public hearing and approve P25CU00003, subject to standard and special conditions. No vote was taken at this time.

Supervisor Christy acknowledged the hard work of staff, specifically Mr. DeBonis, Jr., in their effort to locate a property. He stated that the TRAK organization did terrific work with the horses and people with disabilities, and that Mr. Tilley had a rough time trying to find a suitable property in the County. He reiterated that Mr. DeBonis, Jr., had done an excellent job helping him and he was glad that the effort was coming to fruition.

Scott Tilley thanked the County and their staff for their phenomenal work throughout the process.

Chair Scott thanked Mr. Tilley for the outstanding work his organization did on behalf of so many people in the community.

Upon the vote, the motion unanimously carried 5-0.

59. **Hearing - Comprehensive Plan Amendment and Specific Plan Resolution and Ordinance**

P25SP00002, Pima County - S. Harrison Road Specific Plan and Comprehensive Plan Amendment. Owner: Pima County (District 4)

If approved, pass and adopt RESOLUTION NO. 2025 - 27 and ORDINANCE NO. 2025 - 19

The Chair inquired whether anyone wished to address the Board. No one appeared. It was moved by Chair Scott, seconded by Supervisor Christy and carried by a 3-2 vote, Supervisors Allen and Cano voted "Nay," to close the public hearing and adopt the Resolution and Ordinance.

BOARD OF SUPERVISORS

60. **Release of Attorney-Client Privileged Memorandum**

Discussion/Direction/Action: To remove attorney-client privilege from the memo from the Pima County Attorney's Office to the Board of Supervisors, Subject: Outside Legal Counsel, dated July 23, 2025. (District 2)

It was moved by Chair Scott and seconded by Supervisor Allen to remove the attorney-client privilege and release the memorandum. No vote was taken at this time.

Supervisor Christy stated that it was an important element of full disclosure to the public to release the memorandum for public consumption. He stated that the document clearly identified and articulated the County Attorney's feelings on the issues and it was an important statement by the Board to make in public that showed they conducted their business in a transparent manner.

Upon the vote, the motion carried 4-1, Supervisor Cano voted “Nay.”

61. **Presidential Executive Order “Ending Crime and Disorder on America’s Streets”**

Discussion/Direction/Action regarding the recent Presidential Executive Order entitled "Ending Crime and Disorder on America's Streets", signed on July 24, 2025, and Pima County's plans to comply therewith. (District 4)

(Clerk's Note: See Minute Item No. 16, for discussion related to this item.)

FINANCE AND RISK MANAGEMENT

62. **Contingency Request for Justice Court Green Valley Special Revenue Fund**

Staff recommends \$40,000.00 in budget authority from the Justice Court Green Valley Special Revenue Fund Contingency be allocated to Justice Court Green Valley, to execute on their reorganization in an effort to provide enhanced services to the Community and comply with Superior Court Rules and Supreme Court Mandates.

It was moved by Chair Scott, seconded by Supervisor Christy and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the item.

CONSENT CALENDAR

63. **Approval of the Consent Calendar**

It was moved by Supervisor Christy, seconded by Chair Scott and carried by a 4-0 vote, Supervisor Heinz was not present for the vote, to approve the Consent Calendar in its entirety.

* * *

BOARD, COMMISSION AND/OR COMMITTEE

1. **Workforce Investment Board**

Appointment of Lynne Peterson, representing Business, to fill a vacancy created by Dr. Mark Vitale. Term expiration: 9/30/28. (Staff recommendation)

2. **Pima County Regional Affordable Housing Commission**

Ratification of Pascua Yaqui Tribe appointment: Pablo Rivera. Term expiration: 8/4/29. (Jurisdictional recommendation)

3. **Cooperative Extension Board**

Reappointments of Celia Burkell and Rick Frey. Term expirations: 6/30/27. (Committee recommendations)

4. **Pima County/Tucson Women's Commission**
Reappointment of Kim Fitch. Term expiration: 12/31/28. (District 3)

**SPECIAL EVENT LIQUOR LICENSE/TEMPORARY EXTENSION OF PREMISES/
PATIO PERMIT/WINE FAIR/WINE FESTIVAL/JOINT PREMISES PERMIT
APPROVED PURSUANT TO RESOLUTION NO. 2019-68**

5. **Special Event**
- Michael J. Kwinn, Jr., Corpus Christi Catholic Church Parish - Tucson, 300 N. Tanque Verde Loop Road, Tucson, July 26, 2025.
 - Clinton Kuntz, El Rio Health Foundation, Inc., The Westin La Paloma Resort & Spa, 3800 E. Sunrise Drive, Tucson, November 1, 2025.

ELECTIONS

6. **Precinct Committeemen**
Pursuant to A.R.S. §16-821B, approval of Precinct Committeemen resignations and appointments:

RESIGNATION-PRECINCT-PARTY:

Roberta Jensen-084-DEM, Dana Goodge-073-REP, Joel Gleason-133-REP, Justine Wadsack-184-REP, Isaiah Hemme-198-REP, Anthony Sizer-227-REP

APPOINTMENT-PRECINCT-PARTY:

Susan Ruff-010-DEM, Stephen Eldredge-014-DEM, Danielle Foltz-014-DEM, Rodrigo Guerrero-030-DEM, Benjamin Armentrout-042-DEM, Lori Eldredge-042-DEM, William Boyd-056-DEM, Michael Perdue-061-DEM, Gina Barnett-072-DEM, Tiffany Eldredge-087-DEM, Kate Mook-092-DEM, Edgar Soto-092-DEM, Linda Ray- 099-DEM, Lewis Crane-108-DEM, Bert Gustafson-145-DEM, Marisa Allen-151-DEM, Anthony Sanchez, Jr.-162-DEM, Amber Straub-166-DEM, Aileen Dauz-170-DEM, Thomas Bartuska-195-DEM, Martha Schulte-Nafeh-195-DEM, Frank Staub-215-DEM, Joshua Hancock-218-DEM, Kathleen Harris-238-DEM, Kerry Petersen-031-REP, Bradley Potter-032-REP, Byron Branham-073-REP, Carol Wharton-115-REP, Tammy Cato-169-REP, Caitlin Watters-170-REP, H. James Little, III-181-REP, Caitlin Orcutt-184-REP

RECORDER

7. Pursuant to Resolution No. 1993-200, ratification of the Document Storage and Retrieval Fund for the month of June 2025.

SUPERIOR COURT

8. Court Commissioner Appointment

Appointment of Court Commissioner, effective August 7, 2025 through June 30, 2026:

Superior Court and Juvenile Court Commissioner

Jeffrey S. Wohlford

TREASURER

9. Request to Waive Interest

Pursuant to A.R.S. §42-18053, staff requests approval of the Submission of Request to Waive Interest Due to Mortgage Satisfaction in the amount of \$1,892.04.

10. Certificate of Removal and Abatement - Certificate of Clearance

Staff requests approval of the Certificates of Removal and Abatement/Certificates of Clearance in the amount of \$42,997.47.

11. Duplicate Warrants - For Ratification

TEKADIKAT, L.L.C. \$4,970.04; TEKADIKAT, L.L.C. \$6,724.90

RATIFY AND/OR APPROVE

12. Minutes: May 6 and 20, 2025
June 3 and 17, 2025
Warrants: July, 2025

* * *

64. ADJOURNMENT

As there was no further business to come before the Board, the meeting was adjourned at 2:56 p.m.

CHAIR

ATTEST:

CLERK

COUNTY ADMINISTRATOR

16. Update on County Initiatives to Address Homelessness and Public Safety

Verbatim

RS: Chair Scott
JA: Supervisor Allen
SC: Supervisor Christy
AC: Supervisor Cano
JL: Jan Leshner, County Administrator
JD: Jenifer Darland, Senior Advisor to the County Administrator

RS: We have just two items left and as we heard at the beginning of our meeting long ago Supervisor Cano requested they be discussed jointly which I think makes a lot of sense given the content of both. The first is Item No. 19, which is a report on the County Initiatives to Address Homelessness and Public Safety. The other item is, was put on the Addendum by Supervisor Christy. Discussion/direction/action regarding the recent Presidential Executive Order entitled Ending Crime and Disorder on America's Streets. Administrator Leshner?

JL: Thank you very much, Chair Scott, and I would like to present on Item 19. Senior Advisor Jen Darland is with us today.

RS: Ms. Darland, thank you very much and our apologies for taking up your entire day.

JD: No apologies necessary, Chair Scott. Thank you. Good afternoon, Chair Scott, members of the Board. The purpose of today's. I am sorry, all of these updates are from the Office of Housing Opportunities and Homeless Solutions are always going to be grounded in the five priorities that we are establishing that were critical to the establishment of the office back in December of 2023. Briefly, Priority No. 1 is Inventory of County and partner programming. Priority 2 is Describing and illustrating how services are accessed and delivered to individuals experiencing homelessness. Priority 3 is Develop County and public facing communications. Priority 4 Strategic and Continuous Improvement Plan with the goal of ensuring programming is responsive, sustainable and equitably distributed. And finally, Priority No. 5, which is Develop a means of tracking the efficacy of County assistance. Today's update best aligns with Priority No. 4, specifically in terms in the establishment of a strategic and specifically in terms of establishing a Strategic and Continuous Improvement Plan with the goal of ensuring programming is responsive. Next slide please. So broadly or more specifically, today's update really focuses on the May 6th request from Chair Scott, which was the following, "The Director of the Office of Housing Opportunities and Homeless Solutions has previously told the Board of Supervisors that there is a need in Pima County for approximately 1,300 additional shelter beds. By way of direction the Chair requests

the County Administrator to report back to the Board with a feasibility study and work plan as to how the County, both on its own and working with our local partners, will meet that need. The study and plan should also address how to increase usage of the underutilized beds already in place, and the different types of shelter beds needed to meet the needs of various segments of the unhoused community. In addition, the study and plan should clearly delineate areas where the County can act on its own and where it may need to partner with other entities, especially local jurisdictions." So undertaking the evaluative effort and response to this request from the Chair took a broad sort of approach to that it considered three essential elements. One was the evaluation of current and existing challenges, again, with the underutilized beds, the diverse needs of the individuals, and the coordination of accessing those beds. Also, looking at the various different opportunities which included evaluation of effective models both locally and nationally, and also in consideration of the local resources that are available. And then in terms of developing recommendations to inform a work plan, also addressing areas of system need or needed improvement for the system that also included improvements that would increase the access to low barrier shelter and how exactly to work in a collaborative regional strategy that can actually increase access to those available resources. Next slide please. Admittedly, this request was really about a local challenges, but it was broadened to include a review of all 50 states and how they are also addressing rising rates of unsheltered homelessness. This was meant to also inform on best practices that were maybe underway in other localities, and how they were leveraging, again, their local resources. What were they using to bring folks to the table, as it were. Broadly, the review illuminated a few similar trends nationally that we are seeing here locally. One is the rising rates of homelessness. Second is the lack of housing that is affordable, where and we are not necessarily talking about homes, we are talking about rental markets that are pricing people out of just being able to have places to dwell. We are seeing an increase in the human crisis, being folks with reported addiction and substance use disorders, as well as mental health conditions. We are also seeing an increase in the number of states and municipalities that are adopting or passing camping bans. In fact, the most recent passage occurred in July of 2025, in Anchorage, Alaska, where they adopted a ban of any camping on public lands. That is coming really as a result of waning support for camping and public spaces following the pandemic, where many municipalities that had few sheltering options for individuals during the pandemic allowed for or gave some grace for outdoor camping and then obviously, following the 2004 U.S. Supreme Court decision in terms of *Grants Passed versus Johnson*, where they essentially overturned the injunction on camping bans and *Grants Pass*, Oregon. And again, at minimum, we also see local municipalities taking some sort of step in their strategy to start to encourage the acceptance of resources, whether it be shelter or housing. Then on the upside of the strategies and trends, it included looking at models that appear to persist despite expiration of COVID dollars and I think that that is one of the things I failed to mention, is that many states were utilizing COVID dollars, whether it be ARPA funds, to address some of the challenges they were facing locally, and as those funds have started to expire, there are some pivots to the continuation of those programs and keeping them those that are successful, keeping them underway with local investment and

other strategies to keep the services going. In some cases, we are looking at municipalities that are making a buy or taking a bifurcated approach. They are determining whether to look at investing in episodic or economic homeless. I am sorry, investing in programs that address episodic or economic homelessness, meaning people who are about to be evicted or people who are just 1 or 2 paychecks behind, who need additional rental assistance, versus those folks who are chronically homeless, meaning they are homeless for 12 months or longer and have some other disabling condition that is interrupting their ability to stay stably housed. Again, that is also looking at upstream interventions that in some municipalities they are focusing on families, families with minor children, families with minor children in schools as a way to interrupt generational poverty and to keep folks as priority or prioritized for local resources to prevent first time or returns to homelessness. Additionally, it is increase in multidisciplinary approaches to engaging individuals having a homeless experience. There is a recognition that brick and mortar solutions alone will not solve what is fundamentally a human crisis. We and they also there is also broad recognition that untreated mental health and substance use disorders can be both a cause and a consequence of homelessness. This has led to the adoption of more enhanced outreach strategies that employ a multidisciplinary approach that focuses on relationship based strategies that can encourage connecting individuals to resources and support that are not just necessarily shelter, but sometimes it is about treatment, sometimes it is about access to even to medical care or reunification with families. And many of these strategies where they are taking that sort of multidisciplinary approach, they are also leveraging partnership with first responders such as fire, emergency medical, and in some cases, even law enforcement to connect individuals to the most appropriate resource to help resolve the immediate crisis that is contributing to their homelessness. Next slide. So for state and local trends looking to the north of us, we have Phoenix and Flagstaff also as models of two jurisdictions that employed ARPA funding to address both their affordable housing issues as well as to expand some resources for, pardon me, for shelter options. Flagstaff has acquired and converted many hotels that also addresses their shelter needs, but also addresses their affordable housing concerns. Phoenix has set up a navigation center as well as expanded shelter, even as some shelter is leaving the community again due to the expiration of funds. They have set up an outdoor encampment, which is a three year conditional use space serving over 300 individuals with operated by two contractors. Presently, the annual operating cost is in and around \$6 million. This is the first year of the operations, but the last year City of Phoenix is able to use ARPA funding to facilitate that programming. In Sedona, they face a similar challenge with lack of housing, rental housing specifically that can be affordable for their workforce and back in 2024, their City Council had proceeded to move to create a safe place to park for folks who were largely in their service industry to be able to safely stay in a space while also going to work in and around many of their hospitality places. Ultimately, it was referred to the voters in November of '24, where it was defeated by over 60% of the voters. Here locally, we have got the Tucson Pima Collaboration to End Homelessness, which is our HUD recognized local continuum of care. The Board heard from Ms. Davis with the Continuum of Care Program team lead just in July about the programming that they administer. That is a wholly federal funding,

about \$12 million in housing for households that are usually youth, families and folks who are chronically homeless. Additionally, they also are engaged in what is the Housing Central Command, which is a strategy to engage folks living in unsheltered settings and connecting them directly from streets into housing. This is a three year program that was funded through a three year award from HUD back in 2023 to essentially provide both multidisciplinary street outreach approach and strategies, as well as connecting folks from encampments or street living into permanent housing. Next. And the next piece I will say to you is that as Kat, I am sorry back one more slide, I got ahead of myself, Thank you, as Kat, Ms. Davis, had shared with the Board just last or two weeks ago, they also are conducting a public survey right now, and they are collecting information on how to develop a strategic plan that will look at a five year strategy to address homelessness here in our community, then jurisdictionally our City of Tucson is our local jurisdictional partner in this work and while I did not elaborate on this slide, I think it is important to note the contributions that they are making in this space as well, largely facilitated out of their Housing and Community Development Department. They have their encampment assessors, the team that goes out to assess individuals' encampment settings and connecting them to resources. They also have their community safety, health and wellness team that also facilitates connections to care for both people in crisis, whether housed or unhoused. Their Public Housing Authority, which administers the Housing Choice vouchers and manages public housing units, and the City also operates two low barrier shelter programs, the Wildcat and the old Amphi Fire Station and they are also very much involved in developing affordable housing as well. And here at the County level, our tools, the Board is frequently hearing about the dynamic programming that the County has also created that went from pandemic times as well. The Emergency Eviction Legal Services program and now the Craycroft shelter operation is a homeless prevention strategy that was born out of the rent and utility crisis following the onset of the pandemic, and continues to be a model for rapidly interrupting first time and returns to homelessness while restabilizing households again enjoying an 80% success rate on average. Additionally, the Health Department has launched mobile health supports for individuals who are vulnerable or unhoused throughout our community. They focus on addressing health care barriers largely through a real, thoughtful and compassionate approach, by connecting to individuals through support. It is a partnership with Pima County's Animal Care Center, as well as the University of Arizona and their Vet Tech program. It has incorporated the utilization of community and workforce developments, Community Resource Navigation team, as well as other nonprofits that work in spaces of additional resources and household supports, including workforce and rent and utility assistance. And also, we have the Transition Center that has an operation out of the Justice Services Department, with an operational goal to connect individuals being released from County jail with the resources they need, including shelter, housing and goals, with a goal to reduce the number of people who are being rearrested and decrease the percentage of folks who are not making it to their court dates. And finally, we have the gap funding again through a review of national strategies, I would say that Pima County is a bit of an outlier where there has been through the Board's direction, and now Board policy is substantial commitment to the area of affordable housing development,

typically across the country, where you are seeing this type of investment, you are seeing it at the state level. You are rarely seeing it at the County level. If you have seen it at the County level, it is been through one-time funding that is come as a result of the pandemic. And again, just as with the state and national and State Review, this local summary captures program inventory at a macro level. It does not fully capture the contributions of numerous nonprofit partners, some of whom are contracted partners with the County, as well as maybe with the City nor does it count many of the faith based programs also working in this space, but I can touch on that later on in the presentation. Next slide please. So now we are looking a little bit at the shelter constraints. So again when we are evaluating adding more shelter into the system I think it is important to recognize the system in which those beds would be added. I think it is, so no uniform, and there are many complications. System complications include there is no uniform operational practice that has been adopted across all shelters and low barrier or any barrier shelter. Nobody is operating on the same uniform process, no uniform process of referral, no real time information is available on the beds that are available for folks, and no publicly displayed information on program and entry requirements. Also, shelter occupancy is also difficult to gauge because there is generally a several day lag behind any data that we might have for those shelters that are reporting their bed utilization, we are seeing that some shelters will have a max length of stay for shelter guests for that caps out at 90 days. Some shelter may go higher than that, but very rarely most shelters are running at or around 90 days of shelter, occupancy. Accessing shelter does not necessarily mean that you are going to be connected to housing, so limited housing means little, if any, of the housing opportunities for those in shelter are available, and it would not be an exaggeration to say that a low barrier shelter coming online today would be entering a strained system, unless there was a significant and specific align strategy across the whole shelter system, and not just necessarily in its own silo. Next slide please. Additional system challenges include, you know, siloed approaches and that to be clear, this is not necessarily a critique of or of the merits of the efforts already underway by some folks in some of these specific programmatic categories. It is to say that these programs are not necessarily connected in a coordinated strategy. Crisis programming is not connected to shelter or outreach programs. Shelters are not connected to crisis supports or housing and housing supports are not necessarily connected to the crisis management or the crisis supports in our community directly, unless they are administered by those agencies. There is also, again, no regional, there is no uniform strategy or regional objectives. So you have a number of agencies that have their own independent mission and approach to addressing the issue, but there is not necessarily an agreed upon objective for all agencies to identify where they fit and part of the common goal to address these challenges. There is also a congested housing system, so we have a number of folks who might be in our shelters, we also have a number of people who are in line to be connected to housing and there is no movement through our shelters and there is no movement through our housing system, and there is a lack of critical hubs that could anchor supports for both our outreach teams, our law enforcement officers, as well as any other social service agencies, as well as the households themselves that can help folks be able to navigate to necessary resources, including shelter settings. Next

slide please. Some key areas of developing recommendations: again, addressing the request from the Chair and in consideration of national, state and local efforts, as well as taking into consideration some of the existing systems and the constraints and looking at what both the County can do and how we can also do this in partnership with some of our community partners. The first key recommendation is to look at system improvements and creating some system efficiency and some movement through the system. What I mean to say is to find ways to connect individuals who are in shelter and transition those individuals or families to permanent housing from existing low barrier to create some capacity within our existing system. This improves the access to the pathway to prosperity for at risk and homeless individuals and families. It also alleviates a number of individuals who may be timing out of their shelter stay, and again, it creates needed opening and capacity in our existing low barrier shelters, which are already in pretty high demand because of the fact that they do appeal to so many people who have such high degree of complexity. Low barrier models would include, of course the two shelters being operated by the City of Tucson, even the Craycroft model, to some extent is also an example of low barrier and we also have the opportunity to talk with shelters operated by Old Pueblo Community Services, for example, or CBI also have fairly low barrier settings. Additionally, centralize information on the shelter bed availability, the amount of time that case managers, outreach workers, of people who are interfacing with individuals having their crisis and unsheltered settings. We are all on a phone a friend referral system. There is no set pattern or practice to connect people to what the resources they need in a timely fashion. Anchoring something like this would mean to create something of a shelter hub, a centralized data system where centralized referral system that can help expedite the referral and transport for individuals from unsheltered settings to low barrier shelter. This is also a need that I have heard pretty consistently in all of the conversations I have been having over the last few months, and really over the duration of my professional career, to be quite frank. Additionally, the second recommendation is to evaluate the strategic enhancements to our outreach strategy. We already have something like this operationally in our community right now, through the multidisciplinary outreach team that is employed by the City of Tucson that includes El Rio and some folks with some lived experience. We, as an outreach effort in our community, and it is also a trend nationwide, we rely heavily on individuals with lived experience to lead the way to making connections, to care for people who are still languishing in an unsheltered and homeless situations. It is a big lift for people with lived experience to not also be equipped with the tools and the resources, including adequate supports around them, from people with disciplinary experience and access to the very care and resources that many folks they encounter need. It is very frustrating for folks to watch individuals be willing to accept shelter, or be even willing to accept access to a detox or treatment and feel the clock ticking because you cannot connect with somebody efficiently or timely and then to see the disappointment. It can be a traumatizing event for folks with lived experiences, is essentially, what I am trying to state here. It is also important that when you have a hub for shelter services that you think about having or creating a static site that can also support discharge planning for places that are releasing individuals, much like the transition center, is a bit of a discharge access point itself for people leaving jail.

We also need to have discharge planners available for individuals who may be checked out of the Crisis Response Center. They went in homeless, they are leaving homeless, and we cannot necessarily get them connected to shelter in a timely fashion. They are just going to recidivate through the crisis, so essentially it is to enhance your outreach strategy and to consider ways that you can hub or anchor some resources or access to resources in a very meaningful way that can be more supportive of those folks doing the work in the field.

AC: Mr. Chair?

RS: Supervisor Cano?

AC: I am so sorry to interrupt.

RS: Not at all.

AC: Ms. Darland's presentation, I do have to step out. My feedback, and I look forward to watching the tapes, Ms. Darland and Administrator Leshner, we have dollars allocated just as early as two months ago for the Affordable Housing Commission to come back to the Board of Supervisors with funding recommendations. It is crazy to me that our region has not yet determined how we can use technology to find a comprehensive update of what kind of shelter space is available. I think we are going to need a lot of buy in from our regional providers and so in the spirit of creativity, I encourage Ms. Darland to work with our Administrator to also figure out how those recommendations that are coming to the Board can also support emerging technologies in the housing space. I think the typical response is for us to be looking at ways to just support, supply, and support emergency response, but if there is infrastructure. If we need to, and what I am getting at is if Airbnb, if Uber can figure out how many cars or how many houses are available, how can we not know what kind of shelter space is available? Now, I have heard from nonprofit administrators why such a system would probably be a headache, but we have got to incentivize that then. We have got to, as a region, support those nonprofits who are tapping into this centralized software so that they do not see it as a burden, but as a plus. And I think that that is just kind of one example of perhaps pilot projects that we ought to really be stressing to the Board as we try to get creative. I do believe that the low barrier shelters, we are going to see an increase in need, given the City's action and enforcement on encampments and I really just think that that is one example of ways that I hope that we might be able to move the needle as a regional partner in addressing this issue and really hear what it would take from these nonprofit providers to utilize a centralized system. I think it will feel uncomfortable at first, but most disruption, most technology disruptions are just that, so I appreciate it that feedback and thank you, Chair Scott. I am sorry I have to excuse myself.

RS: Not at all, you had let us know some time ago, and I appreciate you staying ten minutes past the time you needed to leave. Thank you, Supervisor. Go ahead, Ms. Darland.

JD: Thank you. Chair Scott, is it appropriate to respond to Supervisor Cano? He can hear it, or I will make a note to come back to that in a moment. Okay. So next slide please. So lastly, the finalization of a work form or work plan would be informed by the prevailing themes throughout this evaluation, but one of them would be again to start by ensuring that we are not creating yet another siloed approach and a siloed strategy. It really is important in times like this for us to be looking at this as a regional approach versus independent, what the County can do and even what the County can do with other shared jurisdictions to take a more comprehensive regional approach is really critical at a time when we may have strain on our federal resources. It also ensures better buy in, so while nonprofits may feel a strain, for example, what Supervisor Cano referenced, I think a lot of nonprofits can better identify how to lean into a regional strategy if the regional strategy is clear. Local nonprofits are really great at being tacticians. They are really great at going into the tactical response to address the challenges, but when the challenge starts to deviate at all from their independent missions or objectives that is where we start to see a bit of waning of the commitment. So having some clear upfront ideals or goals and metrics, I think, really gives some clear communication to our nonprofits about what it is that we are looking to achieve as a region. We have had some early conversations in this space over the last six months, and I think that there could be an opportunity for a larger convening. I am, we continue to have conversations with some critical partners and hope to have some more information and an update on that soon. Additionally, as I had referenced, TPCH has their public survey. They will be having the results of that going before TPCH General Council on August 14th, after which time they will have identified not only the goals, but also the strategies that align with their work and their effort and what they expect to be focusing on for the next five years throughout our community. And then finally, we also have some recommendations coming from the Pima County Regional Affordable Housing Commission. As you all may recall, prior to the Board's passage of Board Policy D 22.17, that addressed gap funding for affordable housing, the staff and commission were beginning to work on developing some strategies that were informed by the EConorthwest Market Study and housing needs assessment, and one of those strategies that we were focusing on was how to support households that were exiting homelessness. There will be a presentation to commissioners on August 19th, where we will review not only some of the pain points associated with housing. These households come in with not necessarily just burdens, but we are also talking about rental subsidies that are required and there are things that need to be factored into the financial penciling out of these development projects, so we will be talking about that with the commission again on August 19th. The FY 25/26 funding recommendations will also be coming forward to the Board, as well as the EConorthwest Housing Study and then, as I noted, the Regional Housing Strategy and Funding Plan, again informed by the analysis of the strategies not only for housing for households exiting homelessness, but also different ways to leverage additional dollars to meet our development needs that will be coming to the Board at the end of December. And so with that, I am happy to answer questions.

RS: Questions or comments from Board members? Supervisor Allen?

JA: I was sort of hesitating. I am not sure that I am, anyway, thank you for the presentation, Director Darland. I very much appreciate it and I appreciate the thoughtfulness in the approach in looking at the system challenges and some of the disconnects and creating a path toward some recommendations. I think all I wanted to just share is some of the things that I think based on what I see and hear that are important. One being the need for having the nightly tab on shelter bed availability. My understanding is that that is something that we had during the pandemic, and it kind of dissipated as that urgency of the moment declined, but that it was so incredibly helpful for people to be able to know where beds are available and what kind of beds those were, so that you could tell somebody exactly where to go and that that precision is just powerful and effective and so the degree to which that we can ensure that that happens and whether it is hubbed here or there or wherever that whatever the appropriate entity is, that we are able to get back to that because it is just essential to just have some insights on the availability and direct people where it is needed. The other thing that I think is just as a lot of increased attention towards enforcement in telling people where they cannot be. I think it is also as equally, if not more important, to be able to tell people where they can be, which includes, I think, the hub around shelter bed availability, but also safe parking places and sanctioned encampment places where people can be and thinking through strategy that is a multi-municipality discussion, but I think we have got to be able to map a plan out towards that. And in addition, I appreciate your thoughtfulness around understanding the systems around crisis, shelter and housing and the interplay between those because they are inextricably linked for so many people. And so I look forward to thinking through the opioid settlement funds and how some of those are rolling out, and the response to the request for proposals, and seeing how all these pieces can fit together as they continue to evolve. Thank you.

RS: Thank you, Supervisor Allen and I want to call on Supervisor Christy because he had the Addendum item related to the Executive Order that had been released by President Trump and Supervisor Cano had asked that we talk about both these items together. There was a memorandum attached to your Addendum item from the County Administrator indicating that both staff and the County Attorney's Office are still trying to get a sense of exactly what is going to be required of the County as and in terms of following up on the Executive Order, but since we were talking about these two items together, I wanted to ask Supervisor Christy if you had any questions or comments related to the juxtaposition of these two items, any questions you wanted to pose to either the County Administrator or Ms. Darland?

SC: Yes, thank you Chair. I do not want to step on anybody's toes if they are not done with the presentation that we were listening to.

RS: I think Director Darland was done with the presentation and was open to questions. Was that correct Director?

JD: Yes, Chair Scott, my presentation did not touch on the Executive Order. It was only about the requested feasibility plan and work plan.

RS: Got it. Administrator Leshner. I am sorry, I thought you were trying to get my attention. Well, I know, but Supervisor Cano asked that they be talked about together, so I was just wondering if that was something that we were going to address. Go ahead, Supervisor Christy.

SC: Shall I proceed Mr. Chair?

RS: Please. Yes, please.

SC: Shall I proceed? Okay. In the interest of time, I am really going to narrow this down and so I do not think this discussion should last more than an hour or hour and a half, but in any event, I did see Ms. Leshner's memorandum that you referred to, Mr. Chair, and it was obvious that there is a lot of unanswered items in the Executive Order that cannot be addressed at this particular time due to lack of information or whatever. So I understand this is kind of an evolving situation, pretty much like the funding from the Administration and the claw backs, that is something that is going to be an ongoing monitoring process. So I am sure this Executive Order will be as well. So I will just basically narrow it down to the County Administrator. Ms. Leshner, to the best of your knowledge, if the Executive Order is implemented as written with the appropriate funding level and the appropriate funding offered, will Pima County comply with it?

JL: Chair Scott, Supervisor Christy, yes.

SC: That answers that. Thank you, Mr. Chair. I am all through.

RS: Alright. Thank you, Supervisor Christy. I wanted to thank you, Director Darland, for the fact that your presentation really keyed in on the fact that unless there is a greater amount of coordination and cohesion within this region, we are not going to make a dent in these numbers and I really appreciated what Supervisor Cano and Supervisor Allen said about a shelter hub and how that seems to me to be an enormous priority, because people do need to know not only where they should not be, but where they are able to go and what resources and supports are available to them. And unless we are working together in terms of the development of that kind of hub system, and it needs to be both, there needs to be both a place like the Transition Center and then a static set of arrangements like what you were referring to in your presentation, so we can address all needs and the County cannot do that by itself. So I am grateful for that focus on your presentation and what I see as hopeful outcomes from the strategic planning process that TPCH is engaged in and their outreach to the two biggest jurisdictions in terms of how that plan is going to look. I wanted to also ask with regard to Slide No. 6, where it says shelter system constraints.

JD: Yes.

RS: And it has got three parts system complications, shelter occupancy, and shelter is not equal to housing. I do not need an answer to this now, but I would really like to know with regard to our role as the overseer of the Homeless Management Information System under the continuum of care, is it possible that we can use that leverage to ensure some uniform or standard process to access shelter and that variance with utilization trends? Because if we do not have that leverage, I do not know that there is much benefit from overseeing the HMIS.

JD: Chair Scott, members of the Board, so with respect to the Homeless Management Information System, it is essentially a data system. It is not necessarily a tool for anything other than it is a HUD requirement. It is required by local continuums of care and I think that to an agency, they have various different frustrations with HMIS, so what I think what could be a valuable opportunity is one, with respect to what Supervisor Cano referenced around having the ability to use technology to start to enhance awareness, as well as reinstating a shelter hub type of system of support for our community, modeling how that is a value add to shelters, I think that is where you start to garner some participation in that. Where we can get committed participation in that, I think comes from the relief that comes along with that participation. Unless funding shelters at 100% or a significant percentage of their operating budget, it is very difficult for them to simply dedicate staff and capacity to be as responsive as we assume that they will be, because they all share the mission to serve people experiencing homelessness. It is important for us to find alignment with our shelter systems, that we see them as a path to people taking the first step to regaining their cadence along the road to prosperity. We demand a lot of our shelters to take a lot of folks, but we do not really bring anything in terms of housing supports, meaning the rent and utility assistance to those settings to move folks who are ready to transition into permanent housing along. And so for them, it could be as equal as considering the partnership, so would it be if we can ensure that we can connect housing to these low barrier settings, meaning housing supports for that, can we get some dedicated bed space for people who are moving in and through the system? I think that there is opportunity there for some participation. I think the challenge is really about shelters participating in a publicly available system, really comes down to staff capacity, and it comes down just to it is not about lack of will, it is not about not seeing a value add for it.

RS: No, I think it is all about collaboration.

JD: Correct.

RS: And cohesion, as you were saying throughout your presentation and to that point, when you and I met yesterday with the County Administrator, she was kind enough to remind me that we had been discussing with the Mayor the possibility of a joint meeting of the City Council and the Board of Supervisors to talk about issues related to homelessness and housing affordability. We have shared our list of topics of interest from the Board with the Mayor. We have not yet got a similar list of topics from her and her colleagues, but we have, Ms. Leshner and I, are next meeting with

the Mayor and the City Manager next Wednesday, and we will revisit that topic. Ms. Leshner?

JL: Thank you, Chair Scott and Supervisor Christy. I wanted to go back for a moment because yes, I think your very specific question was do we plan to adhere to the Executive Order and we do, but as you said at the beginning, there are many questions. So I want to be clear that we are going to continue to provide updates to the Board and to all of you about all the various elements we are looking at. This one is a very complicated Executive Order and is in many areas. I reiterate, yes, we will be adhering to this EO, but we will be continuing to provide updates regularly. I did not mean to dismiss in any way the question or the importance of this EO by a one word response, but just wanted to provide clarity. We will adhere to it, and we will continue to provide the Board with information about how we plan to make sure that that occurs. Thank you.

RS: Thank you, Supervisor Christy. Any other comments or questions from Board members? Alright, if not, we are adjourned.

COUNTY ADMINISTRATOR

17. Arizona Legislative Session and Budget Adoption Process Presentation

Discussion/Direction/Action: Presentation from Michael Racy, contracted lobbyist for Pima County, regarding a brief summary of the Arizona Legislative session and the unique aspects of the budget adoption process.

Verbatim

RS: Chair Scott
JA: Supervisor Allen
SC: Supervisor Christy
AC: Supervisor Cano
JL: Jan Leshar, County Administrator
MR: Michael Racy, Pima County Lobbyist for Pima County, Racy Associates, Inc.

RS: Back to the Regular Agenda and this is under the County Administrator. It is the Arizona Legislative Session and Budget Adoption Process Presentation. We have our friend and contracted lobbyist, Mr. Racy, with us, but I want to ask Ms. Leshar, do you have any introductory comments? Okay, alright. Mr. Racy, thank you so much for being with us today.

MR: Mr. Chairman, Board members, it is a pleasure to be here today. Thank you all very, very much for the opportunity to address you. I am going to hit a little of the history of Pima County's lobbying program. We have a number of new Board members. I will then talk about the past legislative session and a little bit about our process going forward. I have been honored and privileged to represent Pima County for 35 years. The last 33 years continuously and during that time, we developed a lobbying program that has been emulated by Maricopa County, Pinal County, a number of other jurisdictions, and the format of our legislative agenda, which includes some guiding principles that we always support and some things that we always oppose, is a model that has been adopted by the County Supervisors Association. And then we have specific items that we support and oppose under those. And some of those things we always support more flexibility for counties and regulatory authority. We support more flexibility in revenues. We support transportation and infrastructure funding and finance. Our gas tax has not been updated since 1990. The buying power of our gas tax today is \$0.30 on the dollar of what it was back in that point in time. We support education initiatives, especially early childhood education and child care assistance. Those are things we support almost every not almost every year, every year. But one of the other things that we really work on is aligning responsibility, authority and funding for counties. Counties is a subdivision of the State of Arizona, are frequently given responsibility to carry out programs, courts, probation, Constables, with very limited authority to manage those and either entire or partial funding responsibility. So for the entirety of my time representing the

County, we have worked to reform those areas, had great success in the AHCCCS system, great success in the long term system, both aligning who performs which functions, but also reallocating the costs. Saving Pima County over \$10 million per year and that goes on forever and we oppose things because many, many things come up in the session that are contrary to those goals. Things that shift unfunded mandates, things that take our authority away. We have seen especially assaults on our public health authority, and we push back hard on that. Things that limit our revenue options and impair the County's responsibilities to its residents. Those same sort of principles have been adopted by the County Supervisors Association as well and then each year you add to those specific items, you did that in your last board meeting. The timing of that is done so that we can coordinate with the other counties and the County Supervisors Association to include those items of broad statewide concern in the County Supervisors Association agenda. Not all of our items will fit into their agenda, but that agenda had a submission date of today. So we got everything in in time, but for Pima's own agenda and document, that is a living document, we will work on it for the remainder of this year and into next year. We will add items, we will modify items, and that is part of the normal process and I think all the Board members are aware of that. But it is not as if what you adopted at your last meeting was the last word. That is really the start of our process for the next legislative agenda. This year's session adjourned sine die on June 27, 167th day of our 100 day legislative session in the State of Arizona. We worked furiously until May 8th, at which time both Chambers decided to take a break. This was something that never used to happen in the Arizona legislature. It is a post-COVID phenomenon, and for the last three years, we have seen the legislature start to take breaks in May or June. What was even a little stranger this year is they alternated when they were in session. And once we conclude committee hearings, which we had done at that point, all the remaining work is really the two Chambers working together. So to have the Chambers there on staggered weeks was especially inefficient, and also something I had not seen in my 40 years of doing this. The House and Senate did not introduce any budget of their own. They introduced baseline numbers back in early February. No additional budget hearings after that. The Senate had an approach on the budget that any member that would vote on the budget would receive a certain amount of money to spend pretty much any way they wanted to. A little bit of an odd approach. It has been used by the Senate for the last three years. Three years ago, we had in the State of Arizona, a \$2 billion surplus coming out of COVID. It was not controversial, it was easy to do. The following year, last year, we had a \$2 billion deficit, so we were clawing money back and luckily in Pima County, they tried to claw back \$14 million that we got. We opposed that and we were successful in opposing that. This year, we had only a \$300 million surplus by the time the budget was adopted. The year started with \$1 billion surplus, it eroded every month, it continues to erode. We are going to be looking at a very, very difficult budget year next year, both because of general economic conditions and actions of the federal government. In early June, the Senate announced they were close to releasing a bipartisan deal between Senate Republicans, Senate Democrats and the Governor's Office. The House was caught a little flat footed by that. They quickly went into session on a Wednesday and adopted a Republican only caucus budget, something that I have never seen

before. They did not work with the Senate Republicans, they did not work with the other members of the House. It passed on a party line vote, in fact, at the third reading vote, the Democrats walked out and did not even participate in that budget. That budget was sent to the State Senate. Following week, the Senate came into session, did not consider the House budget, moved forward on their bipartisan budget, included in floor amendments a number of requests from House members, sent that budget to the House of Representatives. The House of Representatives again did not look at the Senate budget, just as the Senate had not looked at the House budget, and the House adopted a second budget. So now we have three budgets in one year. Never seen it before, adopted an even more conservative budget, sent it to the Senate. The Senate sent both House budgets to the governor. She vetoed all 30 bills within 15 minutes. And finally the House took up the Senate budget. On balance, Pima County and counties in general came out fairly well for a year that was pretty tight. We had minimal cost shift to the County, but I am very concerned about next year when finances are tight in the State of Arizona. Our legislature, both politically and because of the two thirds Prop. 108 requirement, do not raise revenues themselves. They shift responsibilities to counties and leave all of you to deal with those problems. So challenging budget year coming up next year in other legislative matters, we had a pretty successful session, a total of 1,724 bills were introduced, that is about an average number, 130 resolutions, that is about double the number we normally see. That is because of the legislature's frustration with gubernatorial vetoes and trying to get around those vetoes. Over 420 bills were sent to the governor, and 174 were vetoed, shattering Governor Hobbs record of 143 vetoes in her first year. So 265 bills were signed by the end of the session. That is about 90 to 100 short of what we see each year. For Pima County, specifically, we got new authority for the Board of Supervisors to set the rate for post-conviction relief, a critical issue for Pima and other counties. We could have been facing federal sanctions. State law currently limited you to \$100 per hour, it is unlikely you can retain competent Legal Counsel at \$100 per hour. We got new authority for the Board to streamline some of the development and land use procedures. We got new stormwater authority, closing a loophole that is existed in state law for almost 20 years, Now Pima County stormwater legislation can conform to what our surrounding jurisdictions do. A year's worth of outreach was done by myself and your staff, your Deputy County Administrator, to ensure that the regulated community understood that this was not new regulation, but a way to have clearer authority and model what the County regulation is with its surrounding jurisdiction. We clarified and added consistency to harming a working dog or a service animal. New legislation that requires exchange of information. If your dog bites someone similar to a car accident, cleaned up legislation on registered sanitarians, those are your health inspectors that go around, extended the waste tire program, conformed state law to the federal age 21 smoking requirement, and were successful in getting the governor to convene a task force under the Department of Finance and Insurance to explore the skyrocketing cost of homeowners insurance and the unavailability of fire insurance. We also worked on legislation. Over 18 pieces of legislation were introduced on that item. Sadly, the only one that made it through the legislative process was the APS utility sponsored legislation to limit and shield them from liability. We will be back this coming year to do more work on that. The

task force is moving forward. Ironical issue, the insurance lobby did a very good job at deflecting responsibility from themselves and saying, well, really, the problem is we do not have enough regulation. Maybe the first time in my career that I have had a business group say we do not have enough regulation. We need counties and cities to have more regulation, and we need them to have retroactive legislation to force people to maintain the areas around their house. Now, fire wise programs are very worthwhile, very important, are an absolutely necessary part of dealing with this problem. However, as part of doing that, we need a commitment from insurance companies that they are going to look at the adoption of defensible space ordinances and flame retardant roofs and proper home venting. And during this session, we could not get the insurance company to look at that at all. And based on additional research, it is clear that many of these companies underwrite, without looking at the specific circumstances whatsoever. So we will specifically be looking at that issue next year. Lots of emphasis on law enforcement and law enforcement funding. You might have seen a chart that had a lot of funding to other counties for law enforcement. Those might have been counties that were willing to participate in certain programs that Pima County might not have been comfortable with. So there is always a story behind the story in everything that happens at our legislature. And with that, I would be happy to answer any additional questions any of the Board members have and I thank you again for the invitation to address you today.

RS: Thank you, Mr. Racy. I am going to call first on Supervisor Cano because I believe he requested the County Administrator to invite you to present to us Supervisor Cano?

AC: Thank you so much, Chair Scott and Mr. Racy, I really appreciate all of your decades of work on behalf of the people of Pima County. My first question is can you confirm whether Pima County remains the only jurisdiction in Arizona that has not been reimbursed for federal asylum related costs? And I ask that because I am curious if our litigation efforts fall short, do we have a strategy to engage the governor's border funding authority under the One Big Beautiful Bill as a secondary route?

MR: Mr. Chairman and Supervisor Cano, two separate things. First, our litigation, which would be better addressed by the County Attorney's Office. I do believe there are other jurisdictions that have also not been reimbursed, however, Pima County spent far and away the most money on this program, on behalf of the federal government. We have joined with other states around the country to try to recover that money, and those efforts are ongoing. We have also actively engaged the congressional delegation, especially the Southern Arizona congressional delegation, and ask them to make it their highest priority to get Pima County taxpayers paid back for the work that this County did at the request of the federal government. We have also engaged the Governor's Office. It is actually based on an Executive Order out of the President that is proposing to fund very various border activities. The governor has put in an application to recover the cost of the containers that former Governor Ducey placed on the border, and we are still working with her administration to get

the governor to work on our behalf, on Pima County taxpayers' behalf, to recover those funds.

AC: Thank you, Mr. Racy and Chair Scott, I have a few more questions.

RS: Please.

AC: Mr. Racy, are there budget wins in the latest state budget that was signed by the governor? Are there wins in that budget, such as workforce development or shelter funding that you believe Pima County should be highlighting more prominently in our outreach to the Governor's Office and in particular, perhaps working with our legislative delegation and the executive to ask for some of those resources to make it down to Pima County?

MR: Mr. Chairman, Supervisor Cano, most of those, first, the gains in each of those areas you listed were very modest this year, and they were all significantly less than we had asked for. Those items were all included in the Pima County legislative program. They are all County priorities. Most of that funding, not all of it, most of that funding is distributed by specific formulas, but we can absolutely continue to ask the governor to spend more of those revenues in Southern Arizona, however, for this Board and for most of the members of our Southern Arizona delegation who were nose on this year's budget, about half of the Senate Democrats voted for the budget, half voted against it, and every one of them that spoke against it, criticized the budget for the lack of resources placed in those areas. So we will do what we can, but challenging budget year.

AC: Thank you, Mr. Racy. My next question, Chair Scott, is for Administrator Leshner. Administrator Leshner, last week I sent some communication to your office about ways to strengthen our state and federal engagement and I am wondering if you have any recommendations for how the Board can support this engagement, either as possibilities such as site visits, briefings, or listening sessions?

JL: Chair Scott and Supervisor Cano. Yes, we very much appreciate very robust list of ideas of things we can do with receptions and meetings and briefings and such, and we are looking at that as a terrific outline, that we are going to put some meat on the bones and figure out a work plan on behalf of County staff that will bring back to you to see how we can implement those ideas throughout the years. So very much appreciate the initial work to see how we can make sure that people understand the full depth of knowledge we have in the various County departments.

AC: My dream, Administrator Leshner, is to get Supervisor Christy to have some of the members of the Republican majority come down to Pima County, and I will join him in those legislative visits, as well. I see him smiling because you are an essential part of this work, Supervisor Christy. My statement, thank you, Administrator Leshner, on this item is that having served as a minority leader in the House, I have been there for five plus years, I do believe that local jurisdictions have a unique ability before, during and after legislative session from January and March and May,

excuse me, to be able to have a conversation with those folks who are elected to represent us in a way that strategic and in a way that is proactive. I do believe that especially related to border security funding, there are opportunities that we can be working with our legislative delegation and the governor's funding authority to ask the federal government to ensure that Pima County residents are not left holding the bill for the important work that we did over the last several years. I am encouraged by the conversations I have had with Mr. Racy to be included in part of that discussion with Governor Hobbs and the Trump Administration, to be able to ensure that taxpayers are held harmless in all of this. And most importantly, I do believe that there are opportunities in this budget that was just adopted by the legislature to simply ask for support to come down to Pima County. Low barrier shelter housing, we are going to discuss the critical need for us to keep moving that work in the weeks and months ahead. I believe that is one unique example of what we can do. Workforce development, we have an incredible strategy through the Prosperity Initiative to help people. And if we are not asking, we are not getting and so I want us to be able to ensure that we are very strategic about those asks. And I really, you know, of course, want to thank Mr. Racy for I have seen his leadership at the Capitol on behalf of the County and so I know that the work that you, Mr. Racy, and especially our Board Chair through the County Supervisors Association, the work that you are doing monthly is super critical, super important. I am here to help and I am here to be put to work. So I am looking forward to that conversation developing with the entirety of the Board, because I do think that we should be proud of all of our work as the second largest County. Thank you.

RS: Supervisor Cano, thank you and your background and experience in the legislature is already a benefit to the Board, and I am sure we will be moving forward. Supervisor Allen, any questions or comments?

MR: Mr. Chairman, if I may?

RS: Oh, please Mr. Racy. I am sorry.

MR: Very, very quickly, I would like to touch on a couple of those and I would like to thank our Southern Arizona delegation is amazing and always very supportive of Pima County. The Democratic members of the delegation, for the most part, are very in sync and supportive of most everything we work on. Sadly, that delegation is less influential than it used to be. When I started doing this four redistricting's ago, we had 18 members in the state legislature. They were all willing to work in a bipartisan fashion. Democrats and Republicans joining together to benefit southern Arizona. And during that we reallocated gas tax, we reallocated sales tax, we reallocated the burden for long term care, we got RTA Authority, we got Rio Nuevo authority, and way too many other things. Much, much more challenging as Pinal County and Maricopa County have grown much faster than Pima County, and the legislature has become more and more polarized. But this year we had great support from Democratic and Republican members of the legislature and Senator Leach did amazing work for us on one of the County priorities. Senator Gowan was the lead on the bill that gave us the Land Use Authority, and even Republicans that

are not from down here, Senator Kavanaugh was the leader on the animal bills, Senator Gress helped us on a cremation authority bill, which did not make it over the finish line. However, I have worked out and found a workaround, and the Department of Health Services has endorsed that workaround. So we have a complete solution to that without needing to get legislative authority to it. Having said all of that, I love and fully support all the ideas for some additional engagement and we will see how changes go in the legislative process over the next year and couple years. It is challenging in this legislature for Democratic members of the legislature. I had one bill for the County, supported by a Democratic member, and the House refused to vote it simply because it was a Democratic member. So at the moment, the most influence can be had during the budget process and trying to address County needs during the budget process.

RS: Thank you, Mr. Racy. Supervisor Allen?

SC: Mr. Chair?

RS: I am going to call on Supervisor Allen, and then I will call on you next Supervisor Christy. Thank you sir.

SC: Thank you.

JA: So first, thank you for your decades of service. I appreciate all of your work and your updates. I am curious, given the need across the state, including here in Pima County, to address the affordable housing. What opportunities do you see on the horizon if there was some progress made in the last legislative session that would be helpful for us to know about?

MR: Mr. Chairman, Supervisor Allen, affordable housing has been a high priority, at least allegedly, of both parties, especially for the last three years. Last year, some detached accessory unit legislation was passed that applied to cities. This year it applied to counties. We were successful in making a number of modifications to that bill because although it was done in the name of affordable housing, its actual benefit for affordable housing, I would suggest, is pretty modest. And unfortunately, an awful lot of what has taken place the last three years is suddenly it has been popular to label every land use initiative as benefiting affordable housing, and you can wind up with some bipartisan support, whether it really does or not. We had advocated for much more money in the Affordable Housing Trust Fund, and greater flexibility in that area. There were some modest gains this year, far less than we would like to see, and it will be a top priority for us going into next year. But I want to emphasize it is going to be a very challenging environment. Much more needs to be done in that area.

RS: Thank you. Any other questions or comments, Supervisor Allen?

JA: Just to continue shaking the money tree and direct the wind to blow it here as much as possible. Thank you.

AC: And Chair Scott?

RS: Oh, I am sorry. I was going to call on Supervisor Christy, and then I will come back to you Supervisor Cano, thank you. Supervisor Christy?

SC: Thank you, Mr. Chair. Mr. Racy, we want to thank you for your and acknowledge your hard and dedicated efforts in the area of wildfire mitigation and in homeowners insurance issues. As you know, in my district, District 4, the vast majority of my district is impacted with wildfire issues. Mount Lemmon, Tanque Verde Valley, Vail, City of Tucson, and Green Valley. And one thing that I am hoping you are aware of, and I am sure you are, is that there are a dozen Firewise chapters in my district, and the residents there are very concerned about wildfires, obviously, because they live in a very vulnerable area and they are committed to it. So I love and appreciate your efforts to say, nipping at the heels of the insurance companies, to take all of that into consideration. And your earlier comments kind of indicated that they do not take the wildfire program into the whole complex picture of insurance coverage. My question to you is it was relayed to us that the mapping that the Forest Service uses as far as determining which areas of public lands are vulnerable to wildfire areas, and apparently that is those types of maps or mappings are what the insurance company relies on or at least utilizes to determine their premiums or their ability to offer homeowners insurance. What do you perceive or preview your efforts as far as changing those maps, which have been proven to be outdated and not up to what is the actual happening of those areas? I know in one area out in Rocking K, those maps indicated that an area was highly vulnerable, and right now it is a developed community in the Rocking K area. So how do you perceive being able to break through that veil, very strong veil that insurance companies are hiding behind with these maps that are woefully outdated and inappropriate?

MR: Mr. Chairman, Supervisor Christy that is the No. 1 issue that we are going to be focusing on this year and it is a little complicated. We do have federal maps, we do have state maps. All of those maps are general. It is interesting to note that the State of Arizona, Oregon days ago repealed the use of those kinds of maps because they, in fact, were detrimental to the homeowners because they are not done with enough detail to accurately underwrite. And one of the other things that we have learned in recent research is that all of the insurance companies essentially use one of five companies to determine the fire risk. Some of those companies do it on a pretty detailed, pretty granular level, and some of them do it on a very generalized level. And it is not necessarily the insurance companies that you would expect to be more detailed or not. And it is not those maps that the insurance companies are using, but what is in the agenda and what I am working on with the Resilience and Mitigation Committee and with other members of the legislature and with other counties, because there are many, many folks that are impacted on this, is to require that insurance companies use the best available data to determine the underwriting criteria for each property. As you know, you cited the example in your district. That is a master planned project that is in two separate zip codes. One zip code is considered low fire risk, and people there are not having

trouble getting affordable insurance. The other zip code happens to include Saguaro Monument East, even though the project is nowhere near there, is identical to the south side of the project, and they are being restricted, unable to get insurance. We are going to try to address that issue. The insurance lobby works very hard to try to convince us that they are not part of the problem, but better and more accurate underwriting, even if they do not want to disclose what they are doing and how they are doing. There is a model in other states where they, on a confidential basis, share that information with the state regulator. So you know that you are being underwritten based on the actual risks of your home. You may not be able to get it to the individual home basis, but you ought to get credit for those Fire wise and other mitigation measures. That is what the industry tells us, you just need to adopt more regulations requiring that and enforcing that, but they will not commit to any sort of rate reduction or specific underwriting if we do that. So this year, I am hoping we can avoid some of the misdirection and distraction and get a little more emphasis and there are there is a bipartisan group that is interested in moving on this. We will see if we can make more progress.

RS: Supervisor Christy?

SC: Mr. Chair, Mr. Racy, I understand that in the last session, what were there, 17 related bills at the start of wildfire mitigation and insurance issues, 17 bills. And at the end of the session, there was barely one left standing that had any relevance. Was that how it played out?

MR: Mr. Chairman, there were 18 and one passed.

SC: 18. Thank you, Mr. Racy.

MR: Thank you, sir.

RS: Thank you, Supervisor Christy. Supervisor Cano?

AC: Thank you, Chair Scott. I just wanted to thank some of the members of our legislative delegation for their support of this last budget. As Mr. Racy certainly knows, the magic number in the House is 31, and the magic number in the Senate is 16 to be able to see any kind of legislation or budgets advance. House Democrats provided 20 of those votes, of the 40 in the House to pass this, and House Senate Democrats provided 6 in the 17, of the 17 in the Senate. And that is and the full list of both Republican and Democratic legislators who made this happen. Just to put this into the record, I want to thank Representative Mathis, Representative Diaz, Representative Griffin, Representative Gutierrez, Representative Stahl Hamilton, Representative Villegas, and Representative Volk in the House for voting to advance this budget. I believe that they are unique opportunities for us to be able to have a conversation with them, to talk about the importance of local government. And on the Senate, we had Senator Fernandez, Senator Gabaldon and Senator Shope. Again, a bipartisan picture of the folks who made this budget happen at the very last minute. I want to thank Mr. Racy for

paying attention to our state budget process until the very end. I know having been there and having served on multiple occasions, waiting to figure out when to get life back in order after July 1st, once the budget is adopted, it is a very difficult process and timeline. It is not easy, but we certainly have to celebrate those legislators who are looking to bring wins to all of our communities across Arizona, want to thank those who I just mentioned. Thanks, Chair Scott.

RS: Supervisor Cano, thank you.

MR: Mr. Chairman, members could not agree more. I thank all of them, but I also I would be remiss if I did not thank many of the no votes also because many of the no votes from our delegation were no votes because they did not see enough in this budget for this Board's legislative priorities. So it is a very tricky balancing act we have with the budgets these days.

RS: Mr. Racy, I think those are all the questions or comments from my colleagues, but I had a couple. Following up on the question that Supervisor Allen asked about affordable housing. My understanding is the state's low income housing tax credit program was not renewed, but that the governor has made that a high priority moving forward and as we know from what we have heard from the members of our Regional Affordable Housing Commission, oftentimes the federal and state program work together to help developers, and that is certainly going to be of benefit to us when we are looking at uses of our gap financing. So what are the prospects of getting that program back up and running?

MR: Chair Scott, Board members, I think we will have a decent chance of getting that renewed extended next year. It will be a priority of many of us, and there is some bipartisan support of that as an interesting aside, you just brought up one of the examples of why I suggested you might not want to make a motion that opposes all tax credits.

RS: Thank you, Mr. Racy, I appreciate that. Second question was you had mentioned that the legislature had tried to claw back \$14 million dollars of funding that the County had, and that we successfully resisted those efforts. What was that \$14 million dedicated to?

MR: Mr. Chairman, Board members, Tier Two Sonoran Corridor funding and a small amount was released back that was unnecessary and part of how that was done is we knew that the risk was coming, so we worked behind the scenes to ensure that as much money as necessary was obligated before bad things could happen.

RS: And can we remind everybody what the Sonoran Corridor is?

MR: Mr. Chairman, Board members, the Sonoran Corridor is an important transportation link that connects I-19 and I-10 on the south side of Tucson to facilitate trade and especially truck traffic, but all traffic by reducing by about 30 to 40 minutes, the drive time of vehicles going or coming from Mexico so that they do not need to drive north

into the inverted v, that our current highway system forms with I-19 and I-10 and have a bypass so that traffic does not need to come through the middle of town and shortens the drive time.

RS: And then my final question you will not be surprised is on the subject of transportation, because we have been talking since I took office in 2021 about the state funding formulas and how they really operate to the detriment of Pima County in terms of acknowledging the large number of folks that we have in the unincorporated area, and therefore our road responsibilities are greater than some of the other counties. But as you have pointed out to me many times, the best time to have that conversation with the legislature and with our colleagues in the other 14 counties is if and when the legislature acted to either raise the state gasoline tax by itself, and you mentioned it has not been raised since 1990, or to forward something to the ballot. Is there any possibility of those conversations ensuing with this legislature and this governor?

MR: Mr. Chairman, Board members, as you have all heard before, transportation funding in the State of Arizona is a slow motion train wreck. And as we move forward on adoption of alternate fuel vehicles, that train wreck is accelerating. Currently, we receive \$0.30 on the dollar. Our gas tax is amazingly low compared to the surrounding and competing states. However, the opportunity to add additional equity into the formula is non-existent without new revenue being injected into the formula. In 1994, we rewrote the gas tax distribution laws for the State of Arizona, and we did it by adding a couple percent more out of the state distribution base into the local government distribution base. In 1996, we added a couple percent more of vehicle license tax to the HURF distribution and more heavily of that money weighted unincorporated population, and I would say addressed 50% of the funding inequity, but without additional revenue to inject into the system, there is no chance of rebalancing it. And frustratingly, at the start of this legislative session, the Senate did not even have a Senate Transportation Committee. One was created in the very final days of the session, but every single advocate to relook at the gas tax, which almost certainly will have to be a ballot referral, are no longer in the legislature. We will have to come back to it being a priority. It will become a financial necessity. Currently, the state does not have enough transportation dollars in the State Highway Fund to fully maintain the state highway system, much less account for any of the increased growth that we are seeing in the state. The Maricopa region has helped itself after years and years of inability to get their regional authority reauthorized they succeeded and within the first year adopted a new 20 year Regional Transportation Plan. We succeeded as the only county in Arizona to have authority to go to a full cent in 2019, and have been unable to move forward with any form of a new local program. And there are not great prospects at the moment for a new state program. Aggravating the problem even more is in the last four years there has been a habit to use general fund revenue to fund projects that are definitely needed transportation projects, but are being funded more for political reasons and outside of the priority planning process in the HURF distribution system. And so we have been advocating for years and will continue to advocate that any increased revenues, general fund or other system go through the HURF

distribution funnel and priority planning process. And look, we have a couple projects and a couple times where we have asked for money on a dedicated project basis, so we have had some wins, but on balance, in Pima County, we will always lose if we are dependent on the political whims to fund our transportation needs. So we need to address it on a systemic level. Long answer, complicated issue, frustrating issue.

RS: I appreciate it. I am sure we will continue to have this dialog, Mr. Racy. I want to thank you on behalf of the Board for being here today. We have another time, certain item at 11:00, and I see that our guests are here, but thank you for your time and thank you for your leadership.

MR: Mr. Chairman, Board members, thank you all very much. As you know, I meet with you weekly. I meet with the Administrator weekly, and I am available to all of you genuinely 24/7. So any times, any questions, especially during the session that moves very, very rapidly. Always feel free to reach out to me.

RS: Thank you sir.

MR: Thank you Administrator Leshner for all your help and your support and all the different departments that I work with. They do an amazing job to support your legislative program, so I would like to thank all of them, as well.

RS: Thank you, Mr. Racy and Supervisor Cano, thank you for requesting that this item be added to our agenda.

MR: Thank you sir.

RS: Alright.

FINANCE AND RISK MANAGEMENT

23. Fiscal Year 2023/24 Audit Results

Presentation of Fiscal Year (FY) 2023/24 Audit Results by the Office of the Auditor General for compliance with Arizona Revised Statutes (A.R.S.) §11-661 and §41-1494. Staff recommends acceptance of the FY2023/24 audit results submitted by the Office of the Auditor General and approval of the Human Resources memorandum proposed in the separate agenda item demonstrating compliance with A.R.S. §41-1494.

Verbatim

RS: Chair Scott
JA: Supervisor Allen
SC: Supervisor Christy
AC: Supervisor Cano
JL: Jan Leshar, County Administrator
MM: Melissa Manriquez, Clerk of the Board
ART: Art Cuaron, Director, Finance and Risk Management
LP: Lindsay Perry, Auditor General, Office of the Auditor General
KED: Kathryn Edwards Decker, Financial Audit Director, Office of the Auditor General

RS: This is Agenda Item No. 26. It is Presentation of Fiscal Year 2023-2024 Audit Results by the Office of the Auditor General for compliance with A.R.S. §11-661 and §41-1494. Staff recommends acceptance of the audit results submitted by the Office of the Auditor General and approval of the Human Resources Memorandum proposed in the separate agenda item that we will take up after this one. Just a question for the Clerk, Ms. Manriquez, do we need to move approval of the item before the presentation?

MM: Chair Scott, Board members, in the past, they have given their presentation and then you voted on the item.

RS: Alright, thank you for that, Ms. Leshar. Go ahead please.

JL: Thank you very much and just to say how much we appreciate Auditor General Perry and her staff and the work that has been conducted with our Finance Department and others, and that this obviously, the opportunity to have an external set of eyes looking at everything we are doing should provide additional comfort and confidence I hope, to the Board and to all the citizens of Pima County to make sure that we are we are looking at this. We wish they would come every year and say you are perfect, but I think working in conjunction, we are able to make sure that

everything we are doing is moving as closely to that direction as human beings can get. So thank you very much for your work with our departments.

RS: Thank you, Ms. Leshar and if I could just ask our guests from the Auditor General's Office to introduce themselves, and then the floor is yours.

LP: Perfect. Thank you, Mr. Chairman, members, nice to see you, Ms. Leshar, as well. I am Lindsey Perry, the Auditor General. Joining me is Kathryn Edwards Decker. She is my Financial Audit Director. So we are going to do sort of this dog and pony show and run through your audits. We have got a presentation also to go through. So again, thank you for inviting us to join you. We know your time is valuable and we look forward to briefing you on your audit reports. Next slide please. I know many of you are aware of my office, but for the new members, by way of background, my office is a legislative agency made up of nonpartisan staff. We provide impartial information and recommendations to help improve the operations and programs of governmental entities, such as the County. We are well versed in and follow standards, including governmental auditing standards. Next slide please. Similar to our previous presentations before this Board, we are here today in accordance with the state laws that, Mr. Chairman, you read, and it requires us to present our audit findings before this Board without the use of a consent agenda within 90 days of the audit's completion. So we appreciate the opportunity to be here to do that. Next slide please. Each year, the County signs what we call as the engagement terms and conditions and this document outlines both the responsibilities for my office as well as yours regarding the financial statement and single audits that we conduct, highlighted for you on this slide are some of our key responsibilities, including conducting your audits in accordance with the various auditing standards and federal requirements, because there are a lot of them as you know. We obtain reasonable assurance whether the County's financial statements are free from material misstatement. While reasonable assurance is high, it is not absolute. It is not an absolute level of assurance. So with that being said, the risk of not identifying material misstatements and noncompliance is higher due to fraud than from error, because fraud may involve a collaborative effort to commit fraud, or it may involve Management not using or overriding internal controls and other factors. We communicate to you and your Management team any significant matters for both the financial statement and the federal single audit, including expressing our opinions regarding those financial statements in federal awards. Next slide please. Conversely, on this slide are some of the key County responsibilities, including providing for us accurate financial statements and financial information in accordance with accounting principles and federal requirements, which our teams are aware of. The County is also responsible for providing for us your view about the risks of fraud at the County, and whether you are aware of any fraud, suspected fraud, allegations of fraud affecting the County. The County is also responsible for providing us your process for identifying, responding to and monitoring the risks of fraud and violations to federal and state law. We communicate our expectations with regards to what we call this fraud representation letter, which we recently sent to the Board, I believe, on July 21st. So all this to say, it takes a collaborative effort between my office, the Board and your teams in order to conduct the County's

audits. Additionally, the County is responsible for taking corrective action on any audit findings, which includes providing a written corrective action plan, which Kathryn is going to go over, and it is at the end of those audit reports. Finally, the County is responsible for providing us with unrestricted access to staff, documentation, information systems and any resources necessary for my team to complete the audit. This also includes meeting audit deadlines and previously agreed upon at the start of our audit. I am happy to report we have had a very good working relationship.

RS: Pardon me, Ms. Perry, I apologize for interrupting, but I, Supervisor Christy is online. He is having trouble hearing you and just asked if you could move closer to the microphone.

LP: Sure. Is that better?

RS: Yes, ma'am.

LP: Okay. I do not want to blow anybody out of the water, so just let me know if it is too loud.

RS: No, he will let us know, but he was having trouble hearing you. Okay.

LP: Apologies for that.

RS: Thank you ma'am.

LP: Yes. And so our teams have a very good working relationship. We were able to get the documents and items that we need and interview team members with no problem. So we appreciate that. Next slide please. Today we will be discussing our audit work on three required annual reports. So the first is the County's Comprehensive Annual Financial report, second is the report on Internal Control and Compliance, and finally, the third report is that Federal Single Audit report. As we have done in the past, when your annual reports are completed, we email those to you. So we emailed those on December 10th, February 10th, oh I am sorry, December 20th, February 10th and May 8th respectively. The first report, so the County's Comprehensive Financial Audit report is where you are going to find your financial statements and our opinion on them. So for Fiscal Year 2024, I am happy to report that we issued an unmodified which is really auditor speak for a clean opinion, which means the County's financial statements are reliable. The second report, which is our report on Internal Control and Compliance, is where we report any findings and recommendations resulting from our audit of the County's financial statements. We reported two findings, and Kathryn will go over those shortly. Finally, the third and final report, which is the Federal Single Audit report, includes our assessment of the County's compliance with federal program requirements over each federal program that we are required to audit and report on internal control noncompliance in those programs. So this audit is critical and required to ensure that the federal monies that the County receives continue to flow to the County, and

that the County meets its obligations to the federal government in the way that it spends those monies. For Fiscal Year 2024, we reported qualified opinions on five of seven major programs tested and reported four single audit findings that, again, Kathryn will cover shortly. So without further ado, Kathryn is going to go over some financial history of the County and then talk about those findings and the report and we are happy to take any questions that you have after that. Thank you.

KED: Good morning, Chairman Scott, members of the Board and County Administrator Jan Leshner. As Lindsay mentioned, my name is Kathryn Edwards Decker and because we know these reports, I am sorry, next slide please. We know these reports can be detailed and complex, the office issues a two page summary of highlights, financial highlights. And so I would like to take the opportunity to present to you some information for the County over the last five years, which we have included in our highlights. As you can see on this slide, the County's four main sources of revenues continue to be County property taxes, federal and state grants, shared state sales tax, and County sales taxes. As you can see from the graph, three of the four revenues have remained fairly consistent over time that are ticking upwards. And then there is one that has been a little inconsistent, which is the federal and state grant programs. We have seen more of a curve to that one. Next slide please. As you can see from this graph, the County's four main expense categories continue to be general government, public safety, highways and streets, and health and welfare programs. The County's public safety expenses increased nearly \$18.3 million in fiscal year '24, and \$10 million of that represented additional contributions made to the Public Safety Retirement System. Health and welfare expenses have fluctuated up and down a little bit over the past few years, and notably highways and streets expenses decreased by \$71.2 million in fiscal year '24, primarily the result of decreased road construction and a reduction of funding in the pavement preservation program. So overall for the County, from fiscal year '23 to '24, expenses decreased by \$50.1 million. Next slide please. This graph highlights the five year trend of the County's revenues and expenses. The revenues you can see are shown in light blue and the expenses are shown in dark blue. You can also see from the bar line. This represents the County's net position, also referenced as the reserves. It is considerably higher than the current revenue or expenses and most importantly, the County's net position increased in fiscal year '24, total net position of the County was \$2.7 billion at June 30, 2024. And it is important to note that because not all of the net position balance is spendable at the end of fiscal year '24, that \$2.6 billion of this balance is invested in capital assets, \$426 million is restricted, which leaves an unrestricted, negative, unrestricted balance of \$283 million. And this is primarily due to the County's pension liability, which was \$529 million at the end of fiscal year '24. Next slide please. Finally, I would like to highlight the County's federal expenditures that are presented each year in the County's Single Audit report. As you can see from the table, the four largest agencies that the County received federal grants from were the Department of Treasury, Department of Health and Human Services, the Department of Labor, and the Department of Homeland Security. You can also see a decrease in the federal expenditures in fiscal year '24 of about \$3.6 million, primarily due to a reduction in the amount of COVID-19 monies that the County received and spent

from the Department of Treasury, specifically the County's Emergency Rental Assistance Program, expenditures were \$9.3 million in fiscal year '24, which was a decrease of nearly \$30.7 million from the previous year. This is partially offset by the Coronavirus State and Local Fiscal Recovery Funds and Local Assistance and Tribal Consistency Fund of \$16.4 million and \$7.9 million, respectively. Next slide please. Before we discuss the findings reported for the fiscal year '24 audits, we would like to acknowledge the County's progress on correcting prior year findings. So in fiscal year 2022, we had two audit findings in our financial statements, or excuse me, one was a financial statement finding and one was a federal compliance finding. Our auditing standards require that we follow up on any prior year audit findings until those findings have been corrected. The financial statement finding was related to the County's Procurement Department. The lack of verification over vendor information changes in this finding we reported as fully corrected due to the County's implementation of a new ERP system. The second finding referenced on the slide is partially corrected, and it was a federal compliance finding related to subrecipient monitoring for the Emergency Food and Shelter National Board Program. We noted that this is partially corrected because while the County addressed the immediate issue regarding the subaward that we had identified, the County is still in progress of implementing a comprehensive system to improve its subrecipient monitoring controls. Management estimated to us that the issue would be fully resolved later this summer. Next slide please. Now moving on to our current year audit recommendations and findings. The report on Internal Control and Compliance is where you will see the financial statement findings, as well as the County's responses to those. The first financial statement finding identified deficiencies in the County's process for managing and documenting its risks with respect to its IT system. Specifically, the County process did not include identifying, classifying, and inventorying its sensitive information that might need stronger access controls and security controls. To correct this finding, we recommend that the County plan for where to allocate resources and implement critical controls, evaluate and manage the risks of holding sensitive information by identifying, classifying, and inventorying the information the County holds to assess whether it does need stronger access and security controls needed to protect that data in accordance with state statute and federal regulation. The County anticipated that it would correct this finding by implementing our recommendations by June of 2025. Next slide please.

RS: Pardon me, Ms. Decker, before you go to the next slide, now that we are getting into slides 12 through 18 and the Board's had the opportunity to look at these slides prior to the presentation, I may interject at times or ask Board members to interject at times so that we can ask the County Administrator what are staff's intent plans are to address these issues. So, Ms. Leshner, with regard to the items on this slide, what are staff's plans in terms of addressing this this issue?

JL: Thank you, Chair Scott a couple of things. I will go through some of the specifics. I think in last May, May 13th, we did provide the Board with an overview of what we were doing with the establishment of the Data Governance Council, which is a group of individuals who will be looking at policy development and data

management and such, and reviewing this regularly. And I think that is a big step towards this. The data, the County data classification policy has been updated in an annual inventory of data systems and applications has been completed. The critical data elements have been classified, evaluated, and that plan is developed with the procedures are integrated into the periodic data systems, as we have indicated in this, that will be reviewed by the Governance Council. We have also addressed the annual comprehensive review of all the accounts that will continue to be monitored while we finish out the last. As we have mentioned, we have a new ERP. All of this modified with Workday, so those I believe we have addressed those issues. One remaining issue that is planned but is not completed, but it deals with the mail flow and the work that we are doing on bifurcation of on-prem and Cloud storage of information and what we have been doing to migrate away from on-prem storage that has not been completed. But October of this year is when we see the end of the on-prem server components. And so we believe that the last of the elements that we need to identify and respond to these critical functions identified by the Auditor General's Office, will be there, either been completed or we have the last plan for the final integration in October of this year. I am going to look I believe that that we have got the Finance team and IT team, have I left anything out? Is there anything else we need to add to that element? Okay. Good. Thank you. Thank you very much.

RS: Alright. Thank you, Ms. Leshar and I indicated to my colleagues that I might interject when we are going through these slides 12 to 18. But I also want to make sure that you have the opportunity to ask questions at this point, either of our guests or County Administration. Alright and, Supervisor Christy, we cannot see you because of the slides. So if you have any questions or comments to make, just shout out and I will be sure to call on you.

SC: Thank you. I am doing fine. Thanks.

RS: Thank you, Supervisor. Go ahead, Ms. Becker. Thank you.

KED: Next slide please. The second financial statement finding identified deficiencies in the County Treasurer's office control procedures over its IT systems and data. To correct this finding, we recommend that the County make it a priority to develop and document comprehensive IT policies and procedures, and ensure that those procedures are consistently followed. Second, to develop, document and implement processes, to restrict asset access and enhance authentication requirements for its IT systems. Again, the County anticipated correcting this finding and implementing recommendations by June 2025.

RS: And Ms. Becker and Ms. Perry serendipitously, the Treasurer will be here at 1:15 p.m. to deliver his annual report to the Board, and I am sure this will be one of the items we discuss with him.

KED: Great. Next slide please. Now I will start to go over the federal compliance findings that we reported in the Single Audit report. So in the first federal finding, we

reported that the County did not accurately compile its schedule of expenditures for federal awards. We also reference this as the SEFA. As a result, the County initially prepared a SEFA that contained errors and required corrections so that that County SEFA would contain accurate information. For example, the total expenditures were understated by nearly \$5.1 million. Also understated were total expenditures that were passed through to the County subrecipients of nearly \$357,000.00. The County did not correctly identify all applicable program clusters or accurate program cluster totals. There were some misidentified pass through entities, and at times the County excluded necessary assistance listing numbers and reported incorrect assistance listing numbers. In addition, in this finding the County submitted its June 30, 2024 Single Audit Report to the Federal Audit Clearinghouse 38 days later than the required statutory deadline of March 31, 2025. To correct this finding, we recommend that the County accurately prepare the SEFA by allocating staffing resources and providing training on existing policies and procedures, and review the SEFA for accuracy. We also recommend to create and maintain a comprehensive listing of all federal funds recorded in its accounting system. Third, submit all future Single Audit Reports on or before the federally required submission deadline, which is no later than nine months after fiscal year end or March 31st of the subsequent year. The County reported that it anticipates correcting this finding and implementing our recommendations by June 30, 2026.

RS: Ms. Leshar?

JL: Thank you very much, Chair Scott. And I think over the last several months, as we have been dealing with issues related to the SSP program and some of issues related to our processing and the work with the legal asylum seekers, we have continued to update the Board on some of the concerns that were brought forward. I think the most significant change that has occurred is in March of this March of '25, several months ago, we moved the entire Grants Finance team out of the Grants Management and Innovation Department and into Finance so that it can be more closely monitored by others in the financial field and not just in the grants world, and provide additional backup and I know that the Finance team has been staffing up in that area, and I think that we will provide an additional update. But I think that what you have heard here today and what we have found from the Auditor General, is consistent with the reports that we were providing to the Board throughout the process and believe that the move to have a more robust opportunity to evaluate the finances in the Finance Department will ensure that we have corrected these actions and do not have problems again, including and not limited to filing on time.

RS: Thank you, Ms. Leshar.

JL: May I just?

RS: Please.

JL: Mr. Cuaron, anything we need to add from the finance world?

ART: Ms. Leshner, Mr. Chair, members of the Board, the only thing I would add is that we are taking steps to implement the measures as outlined by the Auditor General. I know that I met with Ms. Decker on multiple occasions, as well as Ms. Hose in the audience, so I can assure the Board that these steps are being taken and are being addressed by the Finance Department in earnest.

RS: Thank you, Ms. Leshner and Mr. Cuaron. Any questions or comments from Board members? Okay. Go ahead, Ms. Becker, thank you.

KED: Next slide please. In the second federal compliance finding, we reported that the County's Grants Management and Innovation Department awarded over \$29 million to 27 subrecipients during fiscal year '24, but did not perform all of the required monitoring of its subrecipients activities or compliance with award terms, program requirements, which resulted in question costs of \$340,000.00 and I am sorry, \$347,345.00. To correct this finding, we recommend that the department or the County follow established policies and procedures for performing and documenting the monitoring and reviews of all of its subrecipients to prioritize and allocate sufficient resources, such as staffing, to comply with program requirements, and to work with the U.S. Department of Homeland Security to determine if it will require the County to reimburse the \$347,345.00 in question costs. This finding was initially reported in fiscal year 2022 as that one that we mentioned was partially corrected and the County reported to us that it anticipates correcting this finding by June 30 of 2026.

RS: Thank you, Ms. Becker. Anything to add to this?

JL: And Chair Scott, simply, this is the one vendor that we have discussed quite a bit with the Board about a provision of service at our Drexel facility, and we continue to work with the vendor and the Department of Homeland Security to resolve this issue.

RS: Thank you, go ahead Ms. Becker.

KED: Thank you. Next slide please. In the third federal compliance finding, we reported that the department did not develop, document or implement internal control procedures to monitor its compliance with program reporting requirements. So specifically for five of seven federal programs we tested, the department did not perform an independent review and approval of reports prior to submitting them to the federal grantor to ensure that the reported expenditures were accurate, agreed to the County's records, and contained only allowable expenses. Despite lacking the internal control procedures for that review and approval process, we did not identify any inaccurate program information reported to the federal agency, so the result was not noncompliance, just a control deficiency. To correct this finding, we recommend that the County develop, document and implement its policies and procedures, train responsible employees to monitor compliance with the programs reporting requirements, and perform and document an independent review and approval of all federal program reports prior to submitting them to the federal

agency. To ensure that those reports are accurate, agree to the records, and only contain allowable expenditures. The County reported that it anticipates correcting this finding and implementing our recommendations by June of 2026.

RS: Thank you. Anything to add on this one Ms. Lesher?

JL: Yes, simply that, Mr. Chair, that we concur with and are implementing the recommendations.

RS: Thank you. Ms. Decker?

KED: Next slide please. In the fourth federal compliance finding, we noted that the department did not retain documentation to support eight reports that we tested for its Emergency Rental Assistance Program, the Coronavirus State and Local Fiscal Recovery Funds Program, and did not always report accurate information or required elements. To correct this finding, we recommend that the County prepare and retain its detailed documentation, such as system reports, screenshots or queries to ensure the accurate and complete program information is reported to those federal agencies for each federal program. We also recommend to develop, document, and implement policies and procedures and train the respective employees to monitor compliance with reporting requirements. Third, work with the U.S. Department of Treasury to determine if it will require and allow the department to adjust and resubmit previously submitted reports to correct detected errors or missing information. Again, the County reported that it anticipates correcting this finding and implementing our recommendations by June 2026.

RS: Ms. Lesher, the Board received a memo fairly recently about the restructuring of this department. Can we assume that part of the reason for that restructuring is dealing with some of these audit issues?

JL: Mr. Chair, I think you will see that with the change in Grants, Finance and restructuring the department that much of it is being done simply to make sure that we are adhering to the recommendations and you will see a report coming before June of next year. We hope that indicates that all of these have been addressed and resolved.

RS: Thank you. Any other, any questions or comments from my colleagues? Alright. If there are none, I will move that we accept the audit results submitted by the Office of the Auditor General and approval of the Human Resources memorandum proposed in the separate agenda item, which I will take up later.

JA: Second.

RS: Moved and seconded by Supervisor Allen. Any discussion?

AC: Chair Scott?

RS: Supervisor Cano?

AC: Thank you, Chair Scott. I want to thank the Auditor General and her team for coming down to Tucson and also doing a deep dive into our finances. I have full confidence in the work of our County employees and our Finance Department to be able to ensure that we are issuing the right corrections to our internal policies and procedures so that we can have a better audit next year. But most importantly, I also want to give voice to the fact that counties across our state dealt with unprecedented resources coming our way over the last several years. And so I want to thank our County Administrator for recognizing the need for us to correct some of these recommendations that have been advanced and, most importantly, to continue doing the good work that we do as a County on behalf of the people we serve. So thank you.

RS: Thank you. Supervisor. All those in favor of Item No. 26 indicate by saying "Aye." Aye.

JA: Aye.

AC: Aye.

SC: Aye.

RS: Item passes 4-0.

TREASURER

27. Presentation of the Pima County Treasurer's Annual Report

Presentation of the Pima County Treasurer's Annual Report on specific information regarding property taxes, pursuant to A.R.S. §42-18002.

Verbatim

RS: Chair Scott
JA: Supervisor Allen
SC: Supervisor Christy
AC: Supervisor Cano
JL: Jan Leshar, County Administrator
BJ: Brian Johnson, Treasurer, Pima County Treasurer's Office
JM: Jake Martin, Chief Deputy Treasurer, Pima County Treasurer's Office
KM: Kathryn Mikronis, Special Staff Assistant III, Pima County Treasurer's Office

RS: We are seven minutes behind. We were supposed to have a time certain item at 1:15 p.m. and I apologize to our friends from the Treasurer's Office that we are a little bit late, but we will now turn it over to Treasurer Johnson and his team.

BJ: Thank you, I believe we have slides. Oh, there we go, super great. Thank you. Chairman Scott and members of the Board, thank you for having us here today for this report. It is a little bit short planned only because of some issues that I realized that we had a time constraint on producing this report. So next slide please. That was just the highlights okay, so just a brief overview of the County Treasurer's role and responsibilities. So tax collection responsibility, the Treasurer is responsible for collecting taxes and for all the government agencies that includes school districts, courts, community college, fire districts and everything according to Arizona law. We manage the County funds. We oversee the safekeeping of the County agency funds and ensure funds are available to meet obligations and proper financial operations, and the Treasurer's Office functions as a bank for schools, fire districts and other special districts. We also manage the debt service for school districts and fire districts and special districts, and we also manage the short term investment of public funds. And of course, revenue distribution, when the property taxes come in, we collect and then we distribute to all the various taxing authorities, and we ensure financial accountability, maintain transparency and all our financial transactions as required by law. So next slide please. Okay. So, A.R.S. §42-18002, that is why we are here today because on or before August 15th of each year, the County Treasurer shall report to the Board of Supervisors the amount of taxes charged for collection during the preceding fiscal year on the roll, and the total collections for that year. The amount of increase and decrease due to corrections, and the total amount of unpaid taxes on the roll as of June 30th. So the property tax levy. Next slide please. Okay, so this is distinction here we have the levy for real property, the

levy for personal property, this is what you will in your next meeting on August 18th will be approving for the next following year, so the total levy for the last tax year '24, was a little over \$1.5 billion, but the total amount billed was over \$1.4 billion and the reason for that is that these State Aid to Education goes directly to the school districts. We do not bill it and distribute it, it goes directly to the schools. So the total amount billed is less the State Aid to Education from the total levy and collections. We collected about \$1.4 billion, and that was 98.1% of all the taxes that were billed. This is well within the standard range for taxing for property tax collections around the country. So we did collect extra in delinquent property taxes from previous years. So you can see the figure for the total amount of tax collected within the fiscal year. And then tax roll corrections..

KM: They are two slides behind.

BJ: Oh a couple of slides behind. Next slide and then the next slide. We already did, okay sorry I was not paying attention to the screen, okay. Tax roll corrections okay, so we processed in the fiscal year 4,011 tax roll corrections for a net adjustment of -\$4,736,606.29. This is obviously a concern to a lot of the taxing districts when we have those negative distributions. But the taxable corrections are always initiated from the Assessor's Office and then they come to us and then we process them and do the distribution or negative distribution depending upon when that correction is. And I just wanted to mention that this year I changed a long standing policy with the Treasurer's Office where previously, because of the fact that there is a situation where if there is a government initiated correction, which would be like a notice of proposed correction, we are not allowed to bill and collect on that increase in taxes. But there are situations, notices of claim and say for example, also a property that had been exempt, maybe for a widow or a disabled veteran and then there is a change of status, then that property again can be billed. So we will be billing increases when it is allowable by law, so in the future. And then delinquent taxes, we had the total taxes outstanding for the year were \$23,438,793.21. These 24 property taxes that are delinquent will be subject to a tax lien sale in February of 2026, so if they are not paid in full by then so we can recover those taxes, then you know, when the tax lien sales. Next slide please. Okay. So just a little bit on the financials, we have not even completed all our reports at this time but just to give you a brief overview of our cash flow, you can see on the chart there that there is the inflow and outflow obviously varies, it is not consistent throughout the year. When property taxes are collected we have a large inflow and when we have to pay, you will see in Periods 6 and 12, that is December and June, we have significant outflow and that is mostly to pay for debt service. And now we will go on to personnel and I will introduce Chief Deputy Treasurer Jake Martin.

JM: Thank you, Treasurer Johnson, County Administrator Leshner, Chair Scott, honorable members of the Board. Good afternoon. So since taking office, we have overseen some significant changes to personnel and operations within the Treasurer's Office. Initially, we have added two new service oriented positions in the accounting and tax collection department to enhance taxpayer service and reduce overall wait times for both our taxpayers and districts. We are also created a new

accounting Supervisor role to strengthen segregation of duties within our office and improve auditing internal controls. We have opened a new IT developer position, which we hope to fill in the coming weeks to support the growing safety and security needs of Pima County's finances, improve the online experience of our taxpayers, streamline software interactions for staff, and help us move forward IT wise. We have raised the department's minimum wage to reduce a nearly 80% turnover rate in certain departments, recognize staff skills in service, and position the Treasurer's Office as an employer of choice in Pima County. In addition, we have established standardized bilingual compensation to improve service for our many multilingual taxpayers and jurisdictions. Lastly, we have opened the opportunity for professional growth for all our staff by providing voluntary memberships in the Government Finance Officers Association, allowing them access to certifications and trainings. Next slide please. Thank you. Moving forward to operations, we have put a major emphasis on strengthening and improving our internal control framework with improved segregation of duties. Those are our new positions, new internal controls, things like that. We have enhanced documentation of internal policies and procedures for clearer staff guidance and consistency in our office's operations. We have improved our readiness for audits by improving our documentation of policies and procedures. We have increased our transparency and accountability practices within the department, and through all of that, we are working to ensure increased responsible management and protection of public funds. Next slide please. So coming down the barrel, we do have some legislative changes that the Treasurer's Office is preparing for. Initially we have H.B. 2369, which is going to require the Office of the Auditor General to not only perform IT and financial audits, but procedural audits, which is one of the reasons why we are so focused on enhancing our policies and procedures. The timing is not entirely clear yet, but we expect it to be more than once per year that we will have procedural audits, and those audits will evaluate our compliance with the UAMACT or Uniform System of Accounting for County Treasurers, which is prescribed by the Office of the Attorney General. And take a look at our administrative and accounting internal controls. Secondly, we have House Bill 2368, which authorizes the Office of Attorney General to not pursue bank statements through the County Treasurer's Office and through County departments, but to get bank statements and financial statements directly from our servicing bank, in this case, Bank of America, Western Alliance, Landing Rock, and various other financial institutions that the County banks with. Next slide please. And next up I would like to introduce Special Assistant to the elected official, Kathryn Mikronis.

KM: Thank you. Thank you for having me County Administrator Leshner, Board Scott, Chairman Board Scott, Jen Allen, Mr. Cano and Mr. Christy. I am going to talk to you about supporting public education in the Treasurer's Office. The Pima County Treasurer's Office plays a central role in managing public funds, but one of our critical responsibilities is serving as a financial steward for the County's 17 school districts. Each year, the Treasurer's Office manages the collections and distributions of property taxes that directly fund public education. These funds are allocated to each district promptly and accurately, ensuring uninterrupted school operations. In addition to tax collection, we act as the bank and investment manager for all three

County districts, excuse me, for all, but three County school districts. Tucson Unified, Sahuarita Unified, and Sunnyside Unified school districts manage their own financial operations pursuant to A.R.S. §15-914. Our office handles deposits, disbursements, and reconciliations, and we invest idle funds to earn interest, providing valuable supplemental revenue for districts already working with tight budgets. We also manage debt services for school bonds. When voters approve bond measures, it is the Treasurer's Office that collects the necessary levies and ensures timely payments. This protects the credit worthiness of the districts and honors commitments made to the taxpayers. Next slide please. Another key function is providing controlled access to the school districts, to our financial reports, allowing them to reconcile their internal records and maintain transparency. These reconciliations are essential to ensure compliance with both state law and sound financial practices. We aim to be a reliable partner so that the schools can focus on education, not accounting shortfalls. As we continue to modernize our system, strengthen internal controls, we remain committed to collaboration with you and our education partners. This work directly supports the County goals to ensure that public institutions operate efficiently and with full public trust. Simply put, the Treasurer's Office helps ensure that public education in Pima County remains funded, compliant and accountable. Next slide. Oh, it is not there. Well, I wanted to announce that the Treasurer's Office is the County host for the blood drives for the Red Cross, and our next blood drive is the 19th of August in the Public Works building. Thank you.

RS: Thank you. Questions from Supervisors for the Treasurer or his team? Supervisor Cano? Oh, I am sorry, was there one more report?

JM: Sorry. There is one more item to discuss real quick.

RS: Sorry about that.

JM: So we issued a memo to the Board of Supervisors, I believe it was distributed to all of you earlier. Essentially, the Treasurer's Office had received two audit findings in this year's audit. We have been working since April with the Auditor General's Office to be very upfront about the deficiencies that exist within our department, more specifically within our IT department. Currently, the Treasurer's Office operates on a 20 year old it system that was homegrown by staff members who no longer work at the Treasurer's Office. We are doing our best to work with what we have, but moving forward, we do request the Board's partnership in providing necessary budgetary resources to modernize our digital infrastructure and ensure the continued protection of Pima County's financial assets. In the meantime, we will continue to work with the Auditor General's Office, be open where we find deficiencies, and allow them to help us continue to improve our services. And that is it. We are ready for questions.

RS: Thank you, Deputy Treasurer Martin. Any questions for Treasurer Johnson and his team?

AC: Yes.

RS: Supervisor Cano?

AC: Thank you so much, Chair Scott and Treasurer Johnson. It is an honor to see you in this role, congratulations.

BJ: Thank you and you, as well.

AC: Many more years of service on behalf of the people of Pima County. The Board of Supervisors has a policy D 22.13, General Fund Impact of State Legislative Cost Shifts and Disclosure of These Cost Shifts to Taxpayers.

BJ: Yes.

AC: It is my understanding that the County Administrator, as part of the recommended budget every year, provides a summary of those items. The totality of that amount that is a cost shift from the State to the Board. I am curious if, and I do not know if this is for County Administrator Leshner, our Finance Department or the Treasurer, but I do believe as we inform Pima County residents about how their taxpayer dollars are, where they are going and how they are allocated. We ought to inform our constituency about these cost shifts, about \$10 million, and as mentioned in a December report that the Administrator sent to the Board last year. I think a simple graph or a simple statement indicating what that impact is to taxpayers is really important and is one opportunity for us to talk about the trickle down economics that happens from our state legislature on down to local taxpayers. And I am not sure if we, I think the policy allows you already to be able to get creative about how this looks. I just do not know if we have ever made it onto the actual property tax statements. And so I am looking to, you know, the Treasurer and to the Administrator to see if there is any further guidance, because I am hearing that there is a possibility you do not send these statements out until October, right?

BJ: Well, September, the middle of September, right.

AC: There may or may not be time, but I am curious to hear Administrator Leshner's perspective on the existing policy, as well.

BJ: Yeah, now, I have looked at the property tax statements from other jurisdictions. Maricopa does what you are suggesting as well. Just a simple graph about where your property taxes go. We are going to work with, we have discussed it with tax assembly. Just so you are aware, we are the only county in Arizona that the Treasurer does not actually issue the tax bills. They were being issued out of the County Finance and now the tax assembly group is in the County Assessor's Office. I know it sounds unusual, but this is how it has evolved over the course of time. And but we work obviously very closely because we have to have the accurate tax roll in our systems, as well. And we also look at the tax bill and what information gets put on it. And we have discussed that the company that actually produces our tax bills,

you know, does the printing and layout and so on and mails them out. They do the same for Maricopa with that graph on it and whatever. So we will work on what information we can get on there. It is just a question of how much stuff we put on and how much we leave off.

AC: Thank you Treasurer.

RS: Administrator Leshar?

JL: Thank you, Chair Scott.

SC: Mr. Chair?

RS: Hold on just a second, Supervisor Christy, Administrator Leshar was also responding to Supervisor Cano's question and then I will call on you next, sir. Go ahead.

SC: Thank you.

JL: Chair Scott, Supervisor Cano, we will work with, excuse me, with the Treasurer's Office. I think there is a variety of ways we can get the information out. I think that there is some that we might be able to actually put on the bill itself, but we can amplify that on the website and in other publications so that people understand of the tax rate of the tax bill they receive the frankly de minimis amount that is established by this Board compared to the other taxing districts and such, and the state. So we will see whatever we can do to the Treasurer getting that done.

BJ: Yeah. Well, we can probably get that and put that up on our website as well.

JL: Thank you.

RS: Anything else Supervisor?

AC: No, thank you, Chair Scott.

RS: Alright. Supervisor Christy?

SC: Thank you, Mr. Chair. Good afternoon, Mr. Treasurer. Thank you for being here today. In your slide presentation, it was entitled, what was the core fundamentals of the Treasurer's Office was something like that?

BJ: Yes.

SC: Okay. Do you recall calling the Treasurer's Office, the people's bank? And if so, what do you mean by that? And what does that have to do with a core essential fundamental of the Treasurer's Office?

BJ: Okay, okay. So of all the taxing jurisdictions, Pima County, of course, has its own Finance Department that takes care of basically all of its financial dealings. Essentially all we do is transfer money between accounts for them within the Bank of America, but the 14 of the 17 school districts work through the Superintendent of Schools, and we essentially work as the bank for them. So in other words, when their payroll goes out, it comes out of our office and we work directly with the Bank of America to make sure that these bills are getting paid. The warrants come in that are, you know, requested by the Superintendent of Schools and then we issue the warrants. So we are essentially we are sort of like the middle Bank form. We keep all the funds, we keep them all separated into different accounts so that even when they do go out, we do not have, we have internally 38,000 accounts, but not with Bank of America. We do not have 38,000 accounts. So this is how we keep track of where the money goes and how the money is allocated. So essentially we are working as a bank for fire districts, school districts and some of your smaller special districts as well, who do not have the resources for their own financial staff.

RS: Go ahead sir.

SC: Theoretically, Mr. Chair, Mr. Johnson, theoretically that is basic core exercises that the Treasurer is supposed to do anyway, so I do not quite understand why the need to terminate a people's bank. And do you remember back in March of this year, your office presented an op-ed piece in the Arizona Daily Star? And again, this is going back to the title of your presentation, the Core Foundations of your office. You make the statement that with the defeat of Proposition 414, the City must find a new way to fund essential community services. Isn't that a bit of a stretch for the Treasurer's Office to be admonishing the City of Tucson as to what they need to be doing? How does that reflect your core fundamentals by telling the City of Tucson what they need to do, as opposed to operating the Treasurer's Office?

BJ: Okay, Chairman Scott, Supervisor Christy, that was a personal op-ed that I wrote with Chief Deputy Jake Martin. We did that based on our understanding and knowledge of basically taxation systems, because that is essential to what we do. That was not written officially as from the County Treasurer's Office. It just so happened that we happen to be in the position.

SC: There was no disclaimer that said that, so that is why I am questioning it. And it seems to me that with op-eds like that and terms like people's bank that you are trying to politicize a Treasurer's Office, and quite frankly, I am not sure if I want to have the Treasurer of my, of our County being so politicized. How do you respond to that?

BJ: I am a partisan elected official, just like you are. That is politics.

SC: That is politics?

BJ: Yeah.

SC: Thank you, Mr. Chair.

RS: Thank you, Supervisor Christy, any further comments or questions from Board members? Supervisor Allen?

JA: Thank you all for the presentation today and good to see you. I wanted to thank you for the attention to bilingual staff salaries. I think it is an underappreciated skill that often does not get the additional salary boost that is commensurate with the importance of that skill being brought to the table, as well as the attention to raising the minimum salary of staff and ensuring that you can help create some competitiveness and continuity among staff. I was looking at the report and I appreciate the commitment towards transparency and generating a report that is accessible and publicly distributable, but I have got a couple questions around it to better understand it myself. And also thinking about, as we might want to share it out with other folks so that they better understand the work of the Treasurer and some of the finances of the County and the Treasurer's Office, and particularly around tax collection. So I am wondering, I am looking at some of the charts. There is a chart on page 6 titled Collections. So, I am not clear kind of what, is it saying that in 1988 we collected \$5.53?

BJ: Yeah. Yeah, that is basically a report that is run when we do collect delinquent taxes, back taxes or for example, if a tax lien is sold that there are and this is an issue I am trying to rectify that we are doing like \$5.00 going back that far this year. We did do over basically abated over \$1 million worth of those old pre-2000 delinquent taxes that were on the rolls. Unfortunately, if there had been a tax lien sold on some of these, there may be delinquent taxes going back of \$5.00. And a lot of that is for a lot of these like remnant parcels, these unusable parcels that the Assessor values at \$500.00. So and many times they get lost essentially but then one of the big issues that we face is this, the misinformation out there about tax liens and so on out in the public, and you get people coming in and thinking, oh, we can get this property and we will just buy these tax liens. And subsequently that is where that \$5.00 comes from but the more we can sort of clean up the old roll from delinquent taxes and only go back to what is actually collectible. And we do also have problems in certain areas, I am sure in your district, you know about Diamond Bell, which is an ongoing problem and perhaps there is something we can work out in the future for that. But many of those tax liens are there go back into the 80's and 90's and stuff. So that is where that comes.

RS: Administrator Leshar also wanted to respond to your question.

JL: Chair Scott, thank you and Supervisor Allen, just for clarity, I believe it was not in 1988 that we collected \$5.00, but last year the taxes that were collected included \$5.50 from 1988.

BJ: Okay, maybe I missed, that is how I understood it, I did not know. Okay. Thank you.

JA: I figured it had to be something like that.

BJ: Yeah.

JA: Or '88 would have been a really rough year.

JL: Really tough. Thank you.

BJ: Right, right.

JA: In terms of making this be something that we can share out publicly and for transparency, some narrative descriptions of what the chart is showing.

BJ: Yeah.

JA: What how am I supposed to interpret this information would be really..

BJ: Right and I apologize to a certain extent. This is the first year, I did not have a template or established reports to go by because my predecessors were not doing this report, and so I had to really come across with my IT team and everybody and say, okay, you know, once we got everything as of June 30th, I said, by August 15th, I have to have this report to the Board. So we quickly put it together. Now we will develop a much better reporting in the future, you know, to make it a little bit clearer and I apologize for the rawness of that report. It is because it was pretty rushed, so to speak.

JA: And then so on the next chart is..

RS: Pardon me, Supervisor Allen, Supervisor Christy is having trouble hearing you. If you could move your mic closer to you. I am sorry I have so many things accumulated around here that the mic is one that I shove away. So my other question is around the chart on delinquencies on page 7 with real property and kind of similarly there is just a big jump from '23 to '24 and I am not entirely sure what all of those headings stand for, the abbreviations. So again, I am just kind of wondering how to interpret this table because there is such a big jump of 1,936 for '23 in the first column of CNT parcels to then 17,000 for fiscal year '24. And so I am just I am not sure what I am looking at.

BJ: Right, the reason you get those big jumps is like initially during the normal collection period, like I said earlier, we collected 98.1% of all the taxes that were billed. Now we, for example, have the \$23 million that are delinquent for tax year '24. Now, in '26, which will be in this fiscal year that we are actually in now. In February, we will be putting out these tax lien sales, which is for us, collection of the taxes. So you will see a considerable amount of that \$23 million being collected in February, but not all of it, and then as the years go by, we the collections come in, come in, especially after the three years. If a tax lien is not redeemed, then it can go to foreclosure. But that happens very rarely because then everybody realizes, well, we better pay these taxes and that is why you will see we will get closer and closer and

closer in the years as to where the, you know, and we also separate out what are taxes also what is interest and whatever in that report.

JA: Then on pages 21 and 22, and you have outlined a lot of the IT changes and security measures that you have put into place. So I am wondering if those are sufficient or does the memo that you put out say that those are not sufficient and you need a new system but were, so I guess, were these put in place in response to the Auditor's memo and recommendations? And so I guess I am just wondering how to understand these changes in the context of your desire for a new IT system.

BJ: Okay, so what you see there, like the Auditor General's report today was for '24. Right? So that did not necessarily really affect what is in this report since I have been in office. So we looked at some of those things and there are some things we can do. Like for example, we can do dual authentication when our people sign in, but we cannot do dual authentication within the basic tax collection system, the IT system, the digital system. We cannot, in other words, if somebody comes up to the counter and they want to pay their tax bill, right? So when our people go on to the program, the application in which they record all of this, we cannot put a dual authentication system into that part of it. That is part of that old system. So what we can do is we can have people do authentication when we sign in to our computers, but not when we are using the internal systems. So this is why we need to basically we are going to continuously get dinged on that one until we can get a system where we can implement many of these security measures that, you know, it is just impossible to do right now considering how old the system is and the fact that it was homegrown and the people who did it, who designed it, who basically coded it and everything, they are long gone and we are just trying to figure it out. Our team just figures it out as we go along, to try to limp along with what we can do.

JA: So I again, just to underscore, I do really appreciate having a narrative report.

BJ: Yeah.

JA: But if for the future for building, as you are building out a template to just give us some context, some narrative.

BJ: Yes.

JA: To understand how to interpret the data and explaining some of the codes so that it does accomplish the goal of transparency.

BJ: Right.

JA: Would be lovely.

BJ: Okay, alright, well thank you.

RS: Supervisor Cano?

AC: Thank you, Chair Scott I wanted to, that point with Supervisor Allen's comments. I did receive your letter and I certainly sympathize with you and all of the other departments asking the Board for additional resources. I want to make sure that we are being very careful, given the Auditor General's findings, that we are also separating, you know, your basic infrastructure needs from the findings of that report. We have got to be very mindful and have one unified message when we are working with folks in D.C. or, excuse me, in Phoenix. And so we have got to ensure that we do have more information about that request, but that we also are working with our Finance teams and our IT teams to ensure how we can phase in some of those responses and those asks. And I want to just reinforce that time is of the essence with the October property tax collection, September property tax collection notices being figured out, I do not believe the Board needs to offer any additional guidance to the County Administrator on additional policies. They are already there, so I would like to see something within two weeks in terms of language, of what we can be working with your vendor on the property tax statements and Treasurer Johnson, I also just want to congratulate you for the role that you are in. 263,000 Pima County residents entrusted in your leadership to be able to guide our finances and look forward to the entirety of your service over your term. I do believe that your report to the Board was informative and within the purview of what state statute requires. So thank you for your leadership.

BJ: Thank you.

RS: Any other comments or questions from Board members? Okay. So I wanted to go back to and Supervisor Cano made reference to this, the report that we had earlier in this meeting, ironically enough, from the Auditor General. And it is with regard to the item that you addressed in your memorandum, the slide dealing with that said, "County Treasurer's Office control procedures over IT systems and data were not sufficient, which increases the risk that the County Treasurer's Office may not adequately protect those systems and data. Office should, One: make it a priority to develop and document comprehensive IT policies and procedures, and ensure that procedures are consistently followed. Two: develop, document and implement processes to restrict access and enhance authentication requirements for IT systems." When we were going through this slide deck with the Auditor General staff, Treasurer Johnson, I stopped at each slide and asked Administrator Leshar what we were doing in other areas where there were findings, and I said we would come back to this slide when you were here. What I would like to ask Administrator Leshar is if you could work with the Treasurer to get back to the Board as to what is going to be done to address this finding, just like you reported back to us on the other ones, it is not something where I need any kind of response now, because I think you and the Treasurer deserve the opportunity to talk about that with each other and then get back to the Board. I think that is also following up on what Supervisor Cano just said.

BJ: And Chairman Scott, just so you are aware, these were findings from 2024 that you heard today.

RS: Right.

BJ: And we have since really increased our documentation, not only in our IT, but throughout the entire office. We have put policies and procedures in formerly down in writing, which were not there before. And so when you see actually our compliance for the 2025, which we have, we are still undergoing with the Auditor General, you will see a significant improvement.

RS: No and I appreciate it when you said earlier that you have been working with the Auditor General staff since at least April on addressing this. I just wanted to be consistent in terms of what we were doing during the previous item, when we were talking about the Auditor General's report.

BJ: Okay. Anything else?

RS: No, sir. Okay. Anything else from the Board? Alright, well thank the three of you very much.