



**DATE:** November 13 2023  
**TIME:** 1:30 p.m.  
**LOCATION:** 2540 W. Apache Trail, Suite 108; Apache Junction, AZ 85120

## I. CALL TO ORDER

Chairman Craig McFarland called the meeting to order at 1:31 PM.

## II. PLEDGE OF ALLEGIANCE

Chairman McFarland led the Pinal RTA Board, guests, and staff in the Pledge of Allegiance.

## III. ROLL CALL AND INTRODUCTIONS

**Members Present:** Craig McFarland, Jeff McClure, Jon Thompson, Robert Schroeder, Vince Manfredi, Robin Benning, Mila Besich

**Members Absent:** Tara Walter, Curtis Stacy, Patricia Armenta, Micah Powell

**Guests:** John Kross, Chip Wilson, Lana Clark, Irene Higgs, Rob Wisler, Tara Harmon, Tony Smith, Nancy Smith, Jeff Serdy, Keith Brown, Eli Richardson, Tyler Bingham, Duane Eitel, Ben Bitter, Leo Lew, Lisa Garcia, Larry Rains, Mackenzie Letcher, Heather Wilkey, Christian Price

**Staff:** Andrea Robles, Angela Gotto, Travis Ashbaugh, Bill Sims, Dan Marum

## IV. CALL TO THE PUBLIC

Chairman Craig McFarland informed the Board that the ADOT Numbering Committee came up with a number for the North-South Parkway. He stated that they allowed it to be named the 505-planning corridor. Chairman McFarland stated this was approved by the official numbering committee and will be passed on to the Governor for approval. This was an information item.

## V. CONSENT AGENDA

Vice Mayor Robert Schroeder, City of Apache Junction, made a motion to approve the consent agenda as presented. Councilmember Robin Benning, Town of Queen Creek, seconded the motion. The motion passed unanimously.

### A. Approval of September 12, 2023 Pinal RTA Board Meeting Minutes

The September 12, 2023 Pinal RTA Board Meeting Minutes were approved under consent item V-A.

## VI. INFORMATION ITEMS

### B. Update on Communication received from Arizona Department of Revenue (ADOR) regarding release of Pinal RTA collected tax revenue and litigation filed by the Goldwater Institute

Mr. Bill Sims, Sims Mackin Ltd., PRTA Legal Counsel, stated that there has been a series of communications and pleadings in the lawsuit filed and financed by the Goldwater Institute. He stated that correspondence from the Department of Revenue (DOR) was sent to the Board. Mr. Sims stated that Chairman McFarland received communication from DOR on August 29<sup>th</sup> and on the 30<sup>th</sup> DOR put out a press release stating they weren't ready to refund the taxes. He stated that the letter Chairman McFarland received graciously gave all the funds to the PRTA and he was unsure if they had that legal authority. Mr. Sims stated that this is what is being argued with the courts. He stated that the Goldwater institute is arguing that the tax was completely illegal. Mr. Sims stated that what elicited



the Goldwater lawsuit was the ADOR press release stating that they were not going to refund the taxes and that they were going to let the PRTA try to figure out how to do it. He stated that the Goldwater Institute argued that this is not consistent with the law. Mr. Sims stated that he tends to agree with Goldwater as does the attorney that represents the PRTA and the County. He stated that we have argued that the statutes are clear and that the funds have been kept in an escrow account at the County gaining interest as the statutes require. Mr. Sims stated that emails were written to ADOR at the Boards request to ask them to take quick steps to begin the process for refunding, but over a year later nothing has happened. He stated that ADOR released a public statement leaving it up to the PRTA and that is why Goldwater sued. Mr. Sims stated right now they are waiting for the courts to decide. He stated that ADOR needs to implement the process, but seldom has an entire tax been invalidated so it is extremely difficult for ADOR to figure out how to compute the refunds. Mr. Sims stated that at one-point ADOR stated they would need to hire 30 people because it's just too hard to do. He stated that Goldwater politely pointed out to the judge that ADOR has a statutory obligation to figure it out.

Mr. Sims stated that in executive session they will be discussing options that the Board has considered to try to figure out ways that the taxes can stay in Pinal County. He stated that the Board had proposed legislation that made it clear that the taxes paid for by Pinal County taxpayers should not go to the state and should stay in the County. Mr. Sims stated that they were unable to pass that legislation and that needs to be discussed in executive session. He stated that there is over \$80 million dollars of taxes being withheld earning interest at a significant rate and we need to figure out ways to keep that in Pinal County. Mr. Sims stated the bottom line is that we are waiting for the court to decide. He stated that he suspects the court will instruct and inform ADOR to discharge its duties, ADOR will state they don't have the funds and that they will come to the PRTA or the County for assistance. Mr. Sims stated that Leo Lew, Pinal County Manager, has discussed the option of figuring out ways to use some of the County employees to assist ADOR. Questions, comments, and discussion followed. This was an information item.

## VII. INFORMATION ITEMS

### A. Review, Discussion and Decision on the Leased Employee Intergovernmental Agreement (IGA) between the Pinal Regional Transportation Authority and Pinal County

Mr. Bill Sims, Sims Mackin Ltd., PRTA Legal Counsel, stated that he used the Leased Form that was used previously when the County made an individual available to the PRTA. He stated that this was an IGA accomplishing a leased employee and that Mr. John Kross was present today. Mr. Sims stated that the County will pick up all the expenses and as the PRTA Executive Director, he will follow directions given to him by the PRTA Board. He stated that Mr. Kross will facilitate communications with the County as the PRTA begins discussions towards the next plan and the next tax as well as accomplishing goals that should've been completed by the 2017 tax. Chairman Craig McFarland, City of Casa Grande, stated that if the Board approves this today, it will go to the County Board of Supervisors on November 15<sup>th</sup> and Mr. Kross would become the official PRTA Executive Director at that point.

Mr. John Kross stated that he was very humbled and is looking forward to working with the Board, CAG Staff, County Staff, other agencies, and the cities in town should the Board approve the IGA. He stated that if approved, he will begin on November 27<sup>th</sup> and right after that he will move very quickly to set up meetings in the first few weeks to learn as much as possible and develop a work program for the Boards consideration.

Chairman McFarland stated that Mr. Kross mentioned other agencies and that he needs to make sure he keeps everyone in the loop from ADOT, CAG, MAG, SCMPO, our members, cities and towns, and the County. He stated that is the single biggest thing to ensure they are kept in the loop and continue to receive communication and meeting notifications. Questions, Comments, and discussion followed. Councilmember Robin Benning, Town of Queen Creek, made a motion to approve the IGA as presented. Supervisor Jeff McClure, Pinal County, seconded the motion. The motion passed unanimously.



### **VIII. Executive Session**

Councilmember Robin Benning, Town of Queen Creek, made a motion to move into executive session. Supervisor Jeff McClure, Pinal County, seconded the motion. The motion passed unanimously. The regular session of the Pinal RTA was adjourned at 1:51 PM.

Chairman Craig McFarland adjourned the Pinal RTA executive session at 2:28 PM.

### **IX. Upcoming Meetings & Events**

To be determined

### **X. ADJOURN**

Chairman Craig McFarland adjourned the meeting at 2:30 PM.