

**SPECIAL EMERGENCY SESSION  
March 2, 2006**

The Board of Supervisors of Maricopa County, Arizona convened in Special Emergency Session at 2:54 p.m., March 2, 2006, in the Board of Supervisors' Auditorium, 205 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1 (attended by phone); Andy Kunasek, District 3, Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Manager; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-no-absent-abstain.

**CONVENE IN SPECIAL EMERGENCY SESSION**

Chairman Stapley convened the Board in Special Emergency Session at 2:54 p.m. with all members present as listed above.

**COUNTY MANAGER REPORT**

David Smith reported that the justification for calling an Emergency Session of the Board of Supervisors involves the cash operating deficit that has recently been discovered at the Maricopa County Regional School District #509. This deficit has accumulated over recent years and totals more than \$4 million.

**RATIFICATION OF THE ASSISTANCE PACKAGE AGREEMENT FOR MARICOPA COUNTY REGIONAL SCHOOL DISTRICT #509 DATED MARCH 2, 2006**

Chairman Stapley recognized Tom Irvine, Outside Counsel, to provide an overview of the situation and the proposed action.

Mr. Irvine explained that an emergency meeting needed to be legally declared because the Assistance Package Agreement was signed by Chairman Stapley and Superintendent Dowling and had not been on an agenda. He explained that the way the Board could ratify the Agreement that Chairman Stapley had signed would be to declare an emergency and vote on the Agreement. He added, "The emergency is that we are coming up on state law deadlines and there are fiscal issues that are ongoing." He added that the emergency meeting would be properly posted following the meeting, pursuant to Open Meeting Law Regulations. (ADM3814)

Supervisor Wilcox said this situation reminded her of the times in the early 1990's when the County was close to bankruptcy and "many fiscal issues had to be taken into emergency status to move with them so we could resolve problems." She pointed out that this situation is very similar. "We're bringing in the compliance, we're working for the sake of the children so that the school district will operate in a fiscally sound manner and be able to provide their education." She added, "I'm disappointed that we couldn't have had a joint emergency meeting so that we could proceed, but I have to trust that this will go forward tomorrow."

Chairman Stapley asked the Clerk of the Board, Fran McCarroll, to read the Emergency Proclamation. Ms. McCarroll read the following:

"The Board of Supervisors finds that in the interests of fiscal responsibility it is necessary to declare that an emergency exists with regard to the finance and operational responsibility of the Maricopa County Regional School District #509. This declaration of an emergency requires the Board of Supervisors convene a special and emergency meeting at 2:54 p.m. on March 2, 2006. (That would be today at this time.)

**SPECIAL EMERGENCY SESSION  
March 2, 2006**

Any action taken today will be placed on the next available Board of Supervisors agenda for ratification. The Board also requests that the County School Superintendent convene a special meeting to ratify this agreement as soon as possible."

Superintendent of Schools, Dr. Sandra Dowling, stated her intention to hold a special meeting of the Maricopa County Regional School District #509 at 3:00 p.m. on March 3, 2006, to ratify the same agreement. (ADM3814-002)

**ASSISTANCE PACKAGE AGREEMENT**

DATE: March 2, 2006 ("Effective Date")

PARTIES: Maricopa County, Arizona, a political subdivision of the State of Arizona ("County"); and  
Maricopa County Regional School District No. 509 ("District")

RECITALS:

- A. The Maricopa County Regional School District No. 509 was established by the Maricopa County School Superintendent ("CSS") and in accordance with A.R. S. § 15-308 B the County may offer educational services to homeless children or alternative education program through an accommodation school.
- B. The County and the District have agreed that in order to facilitate, among other things, a turn around of certain financial, administrative and operational concerns that have placed the District in a position to be currently operating at a cash deficit, in that current expenditures exceed revenues available for their payment, and to create a plan to deal with and correct the deficit and other financial administrative and operational concerns, this Package Agreement is necessary.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

SECTION 1: COUNTY SERVICES ACCEPTED

- 1.1 The County will provide, and the District accepts, the following in kind services and activities in lieu of cash for such services.
  - i. The County to furnish experienced additional personnel, as may be determined by the County, to administer, oversee and manage the District finance office staff and functions;
  - ii. All procurement and contracting operations (excepting only certain educational contracts, such as teachers) shall be through Maricopa County staff, subject to applicable state rules;
  - iii. Fleet management shall be through Maricopa County
  - iv. The District shall adhere to Maricopa County policies and practices as to fiscal and administrative matters by transitioning to County systems, to the extent permitted by state law;
  - v. Budget controls will be instituted by the District including implementation of a line-item control including County pre-approval of travel and training; supplies and capital

**SPECIAL EMERGENCY SESSION  
March 2, 2006**

- purchases exceeding \$1,000; hiring freeze on all non-direct education positions; take-home vehicle review; inventory and approval of all credit and gas cards; as well as other controls.
- vi. Budget Development, programming the District's budget into the Maricopa County systems in order to monitor and forecast income and expenditures, provide Maricopa County with a detailed fiscal year 2006-2007 budget, pursuant to Maricopa County definitions and practices (which are routinely used by the County School Superintendent's Office), by a date to be agreed upon, for all funds.

**SECTION 2: DISTRICT OFFICE CONSOLIDATION**

- 2.1 The District administrative office on 5<sup>th</sup> Avenue shall be consolidated as a cost control measure:
- 2.1.1 The District Superintendent agrees to use the County School Superintendent's office.
- 2.1.2 District educational staff will relocate to existing schools CSS offices.

**SECTION 3: REQUEST FOR INFORMATION**

- 3.1.1 The parties agree, in order to determine if there is a better and less expensive way of providing District services, the County will immediately issue a Request for Information to school districts, charter schools and other qualified entities asking which services, if any, of the District they can provide and at what cost. The Request for Information shall be due as soon as practicable. Services can include any function of the District, to the extent allowed by state law. The county will use the Request for Information responses in determining what expenses are necessary for the next fiscal year.
- 3.2 One of the considerations in considering responses shall be whether or not the responder seeds any subsidy from Maricopa County in order to provide the services or functions.

**SECTION 4: AUDITS**

- 4.1 There shall be a joint request form the Board of Supervisors and the District for a performance audit by the Auditor General of Arizona of all functions of the District;
- 4.2 The District shall allow the County to perform any audit or investigation deemed necessary by the County if paid for by the County and to the extent documents are not privileged or confidential under applicable law.

**SECTION 5: MISCELLANEOUS**

- 5.1 The District Agrees to complete or undertake the following, to the County's reasonable satisfaction:
- a. Proof that the children served by the District qualify for accommodation district services;
- b. To reach agreement on a fiscal year 2007 budget on a date to be agreed upon, but no later than April 3, 2006;
- c. Not enter into long term financial commitments for the District without prior Board of Supervisors approval;

**MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK**

**SPECIAL EMERGENCY SESSION  
March 2, 2006**

- d. Other needed terms as reasonably determined through the audits or discussions;
- e. A review of all current and pending contracts to ensure their necessity.

**SECTION 6: NEXT FISCAL YEAR**

- 6.1 After June 30, 2006, the parties agree that no A.R.S. 15-308.B programs or services shall be offered by the District without first having adopted a joint Resolution between the District and the County, as to the scope, necessity, funding and location of such services, if any, are to be offered.

**SECTION 7: INTERIM ACTIONS**

- 7.1 Prior to March 15, 2006, it is the intent of the parties to prepare a comprehensive agreement which shall be prepared and presented for consideration by the Board of Supervisors and the Governing Board of the District.
- 7.2 Between the date of this Agreement and March 15, 2006, the District will not do anything to bind the County for services after June 30, 2006.

Entered into this 2<sup>nd</sup> day of March, 2006

MARICOPA COUNTY

COUNTY SCHOOL SUPERINTEDENT and  
DISTRICT SUPERINTENDENT

/s/ Don Stapley  
Don Stapley, Chairman

/s/ Dr. Sandra Dowling  
Dr. Sandra Dowling

Motion was made by Supervisor Wilson, seconded by Supervisor Kunasek, and unanimously carried (5-0), with Supervisor Brock voting by phone, to accept the Assistance Package Agreement.

**MEETING ADJOURNED**

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

\_\_\_\_\_  
Don Stapley, Chairman of the Board

ATTEST:

\_\_\_\_\_  
Fran McCarroll, Clerk of the Board