

**SPECIAL SESSION
April 7, 2006**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:40 a.m., April 7, 2006, in the Supervisors Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1; Andy Kunasek, District 3 (entered late), 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 Anne Longo, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-no-absent-abstain.

EXECUTIVE SESSION CALLED

Pursuant to A.R.S. §38-431.03(A)(3), et al., motion was made by Supervisor Brock, seconded by Supervisor Wilson, and unanimously carried (4-0-1) to recess and reconvene in Executive Session for the purpose of obtaining legal advice from the Board's attorney on the following agenda items.

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) and (A)(4)

E-1. IGA between Maricopa County and the Maricopa County Regional School District #509 and/or Resolution of the Board of Supervisors regarding school operations and financing.

Chris Keller, Chief Counsel, Civil Division
Sandi Wilson, Deputy County Manager
Bruce White, Deputy County Attorney
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Deputy Finance Director
Dean Wolcott, Outside Counsel
Tom Manos, Chief Financial Officer
Ross Tate, County Auditor
Tom Irvine, Outside Counsel
Rebecca Francis, Outside Counsel
Fred Rosenfeld, Outside Counsel
LeeAnn Bohn, Budget Manager
Chiefs of Staff Candland, Bloom and Isham

~ Supervisor Kunasek entered the meeting ~

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)

E-2. Advice regarding legal issues and options concerning County Regional School District/ Accommodations School funding, management and audit issues.

Chris Keller, Chief Counsel, Civil Division
Sandi Wilson, Deputy County Manager
Bruce White, Deputy County Attorney
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Deputy Finance Director
Dean Wolcott, Outside Counsel
Tom Manos, Chief Financial Officer
Ross Tate, County Auditor
Tom Irvine, Outside Counsel
Fred Rosenfeld, Outside Counsel

LeeAnn Bohn, Budget Manager

RECONVENE IN OPEN SESSION

Chairman Stapley reconvened in open session at 10:10 a.m. in the Supervisors' Conference Room, 301 W. Jefferson with all members remaining in session, Supervisor Kunasek having entered the meeting during Executive Session

OPENING REMARKS

Chairman Stapley said the Board had met in Executive Session and would now address the first three items on the open agenda dealing with Maricopa County Regional School District #509. He asked David Smith for a briefing on the topic.

David Smith referenced the various kinds and levels of activity between the District and the County during the past several months. He said that OMB had recently been working diligently on a proposed budget for the District for FY 2006-07. He said that on April 4, OMB received a one-page letter from the District asking the County for \$2.1 million for the next fiscal year. He explained that County guidelines, during each year's budget preparation for department budgets, as well as budgets from elected officials and the judiciary, ordinarily produce a budget request document of approximately 10-20 pages giving backup, justification and item details. He reported that an IGA, outlining business practices in conformance with the Agreement of Cooperation (Assistance Package) signed by Dr. Dowling and the Chairman a month ago, is underway but the IGA is still in the draft stage due to lengthy, ongoing negotiations. He told the Board that the Request for Information (RIF) proposals received from other school providers in the community has resulted in several meetings of the District/County joint committee, and some recommendations may be forthcoming.

He said, "There are ways of getting into a business process and a culture of continuous improvement, which is what we strive for at the County, which could bring in some outside contracted resources to begin to make changes and improvements to the operation of this Accommodation District." Mr. Smith added that so far there does not seem to be a real commitment from the District to undergo the kind of continuous improvement process that would be necessary. The County has offered a number of helpful opportunities to the District to both improve services and reduce costs to be consistent with the revenue level that the State provides along with the historical County assistance. He said the County has offered to help them produce an acceptable balanced budget. The County is doing this as part of the Assistance Agreement despite the fact that no IGA has been agreed to or signed by the District. Dr. Robert Donofrio, a retired school district superintendent, has also been retained by the County to provide assistance from his lengthy and wide range of business and school district experiences.

REGIONAL SCHOOL DISTRICT #509

The Board of Supervisors, pursuant to its authority granted in A.R.S. §15-1001, will consider for approval vouchers presented by the County School Superintendent of Maricopa County to draw warrants on the County Treasurer against Maricopa County Regional School District #509 School District funds for necessary expenses against the school district and obligations incurred for value received in services as shown in the Vouchers. (ADM3814-003)

Motion was made by Supervisor Wilcox, seconded by Supervisor Kunasek, and unanimously carried (5-0) regarding action on the following vouchers:

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| <ul style="list-style-type: none">• Approve voucher #176• Approve voucher #780-20060323• Approve voucher #5157 | <p>\$71,765.56
\$28,717.02
\$74,867.06</p> |
|--|--|

The Board of Supervisors may also consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants approved in accordance with the procedures of A.R.S. §15-321 since the last meeting of the Board of Supervisors. The Board of Supervisors may hear staff reports on the vouchers and warrants being considered. The Vouchers are on file in the Maricopa County's Clerk of the Board's office and are retained in accordance with ASLAPR approved retention schedule. (ADM3814-003)

No vouchers were presented for ratification.

Staff may update the Board of Supervisors on regional schools operations and finances. (ADM3814-005)

REGIONAL SCHOOL DISTRICT #509 AUDIT UPDATE

Update from the County Auditor regarding the ongoing audit for the Maricopa County Regional School District #509. (3814-005)

Ross Tate, Maricopa County Auditor

Ross Tate reported that the School District's audit began in December 2005 and several times in the beginning his team was not allowed into the school offices to review records, which caused a delay. However, a subpoena was issued and the District did finally begin to allow access. Another delay was caused by the Sheriff's confiscation (based on a search warrant) of school records as part of their investigation into the deficit and taking them to the Sheriff's Warehouse. Mr. Tate said the audit team has been very active since January and the areas of their review cover procurement practices, payroll, personnel, accounts payable, real estate, donations, travel, cell phones and fixed assets. The field work for the audit is approximately 75% completed and a final report should be ready by the end of May.

Tate said that significant control weaknesses have been universally found in those areas they are looking at and details of these weaknesses would be documented in the final report. He explained that there were multiple accounts under different fiscal years to look through and the records are in a "state" not found in the records of other County departments. Therefore, it is taking extra time and effort for them to be as thorough as they normally are.

Supervisor Wilson asked if the information needed was in one location or several. Mr. Tate replied that the team has had to go to several locations because of the records taken by the Sheriff and the two school offices. He said that the information had been more difficult and labor-intensive to elicit from those records that remained on site. There are still things the team has repeatedly asked for that have not been produced.

Supervisor Wilcox said that Board members are used to being audited by Mr. Tate's teams and always provide the necessary information for this. She asked if he was just not able to get the information he needed to make a rapid determination. Mr. Tate said they have received most of what they have asked for and are continuing to ask for those things that are still missing. He indicated that the audit team was doing everything possible to insure that the final report would be accurate as well as timely.

Ms. Wilcox asked about the numerous bank accounts at the District and if the team has been able to find all of them. He replied, "We've looked at everything they've told us they have, but you have to be able to rely on the client for that information."

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Chairman Stapley asked if, at this point, Mr. Tate could agree that excessive administrative costs have been found and if he believed the system lacks accountability. Mr. Tate replied that the deficit situation began five years ago and the deficit amount has increased each year. He added that there is evidence that as early as the 2003 fiscal year leadership at the District knew about the deficit, "and yet there was continued spending. He agreed that there has been a definite lack of accountability in the Regional School District throughout the last few years.

The Chairman asked about administrative expenses such as the number of cars, money spent on travel, etc., by senior administrative staff. Mr. Ross replied that compared to the benchmarks available to him these would be considered excessive.

CHAIRMAN'S PREROGATIVE

Chairman addressed those requesting to speak on the School District issues, and asked Dr. Donofrio if he would come forward at this time. He asked Dr. Kit Wood to speak next, as a former Superintendent of the Regional School District, and the final speaker would be Dr. Nancy Hoss, a former superintendent in various school districts who asked to speak on her own behalf.

Dr. Robert Donofrio reported that he has 30 years of varied experience in school districts in the Valley, 18 of them as the Superintendent of school districts. After his "retirement" he started his own consulting company and is the executive director for the Office of the Vice President for the University School Partnership at ASU. He said he had been asked by outside legal counsel, Tom Irvine, to provide assistance in this matter. He commended both the Board of Supervisors and the County Manager's Office for the time and attention they have devoted in working through this problem. Dr. Donofrio distributed a list of the issues he would address.

- **Brief History – Past vs. the Present**
- **Accommodation Schools**
- **Military Base Schools**
- **Jail Schools**
- **Alternative Schools**
- **Homeless Schools**
- **Conclusion**

Highlights of his talk included the following points:

Accommodation Schools are no longer needed in Maricopa County because regular school districts are now located in all of the formerly remote areas as well as the populated areas. Because of the rapid population growth there are now numerous choices for parents if they want or need something other than their neighborhood school. These include Open Enrollment State Law, Charter Schools, Certificates of Educational Convenience, Home Schooling and Private Schools.

His recommendation: Since Maricopa County Regional School District #509 is not operating any schools in unorganized portions of the County they should no longer be in the business of Accommodation Schools, nor establish any in the future.

He came to the same conclusion for **Military Base Schools** – no need now or in the future. "The District operates no military base schools nor is there a need to."

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He did see a need for the continuation of the **Jail School program** since those students must be educated in their current setting. He included the feasibility of other qualified entities having experience with this type of student population to successfully provide the necessary services for students attending the jail schools.

Regarding **Alternative Schools**, Dr. Donofrio gave the following guidelines for the necessary "economy of scale" student enrollment that should be used in establishing schools:

- | | |
|----------------------|--------------------|
| • Elementary schools | 500-700 students |
| • Middle schools | 700-1,000 students |
| • High schools | 2,000 students |

In comparison, he listed the current student enrollment for Regional Alternative School locations:

- | | |
|-----------------------------|-------------|
| • Lone Cactus High School | 91 students |
| • Guadalupe Middle School | 14 students |
| • Guadalupe High School | 70 students |
| • Williams Community School | 85 students |

He said, "I have serious reservations that Guadalupe and Williams are truly alternative schools" and said he had too little information to comment on the qualifications for Lone Cactus. He **recommended** that these schools all be closed and the students absorbed by traditional public schools, following completion of a proper community process.

With regards to **Homeless Schools**, Dr. Donofrio said that under the McKinney-Vento Education Assistance Act, children placed in a "homeless" school inevitably are made to feel they are different from their peers. He believes all children need to be placed in the least restrictive environment possible. He said that the landscape of traditional public schools has changed dramatically over the past decade and they currently offer a progressive array of social services to include the homeless both academically and socially. He felt that this **recommendation** was the most difficult for him to make, but he said he believed that the homeless students should be transitioned to local public school districts so they can be fully integrated into comprehensive schools in their own neighborhood where they belong.

In conclusion, Dr. Donofrio **recommended** that negotiations be continued with the 14 local entities responding to the Request for Information who showed a willingness to take over the District schools with little or no County subsidies. He added that after further evaluation there are six entities that are very serious about their commitment to operate the District schools, mainly within the state allocated funding amounts. Further, he stated, "If the Regional School District fails to live up to their signed Assistance Agreement, I would **recommend** taking steps to abolish the Maricopa Regional County School District #509."

Dr. Kit Wood, former Superintendent of the Maricopa County Regional School District, said she wished to address the Pappas Schools and whether a traditional school district could operate these schools as well as the Regional School District with regards to both education and social services. She felt that all accredited schools could handle the educational needs of these students. She was more concerned with the optimum provision of social services.

She said the Pappas Schools have provided great services to children coming from homeless families that include outreach services, resource development, special services and health services. She added that many or most comprehensive school districts now provide similar academic and special services for those

students needing them and she felt they could also provide social services that are as good, or perhaps better than those currently provided by the Pappas Schools.

Dr. Nancy Haas, instructor in the ASU College of Teacher Education and Leadership, said she spoke as an advocate for homeless education, an area she has been interested and involved in for many years. She said she wished to address three areas: legal issues, educational accountability and integrated models for educating homeless children. She advised that the Board now has a unique opportunity to reorganize and expand the educational opportunities for homeless children. She reported that in the early 1990s the Pappas schools operated as a transitional school for children until families could be stabilized, when the Pappas students transitioned into a neighborhood school. She said she was not sure that this original principle was still being honored. She said that originally Pappas Schools addressed important unmet needs, but she didn't believe that similar situations exist today since traditional neighborhood schools have broadened their services to provide those services that are needed by homeless children. She invited the Supervisors to visit regular schools who have homeless students enrolled. She felt the Board would agree with her that they are integrated very well into these schools. She added that these schools offer as many if not more ancillary services to their students as Pappas offers. She concluded by saying that this is really about the children and she felt that those children going to the District Schools would be better served by attending traditional schools with their peers because traditional schools are now fully invested in an exemplary outreach program with students and also with their families.

Supervisor Wilson referenced accountability issues with the County School District and said that despite repeated requests to Superintendent Sandra Dowling to meet with the Board to discuss District accountability there has been little success. He questioned, in turn, the accountability the District has with parents, students and teachers. He asked Dr. Haas to comment.

Dr. Haas responded, "I'm quite at a loss as to how to get answers out of this particular district." She said she has worked with so many different school districts and "every question I ask is not only answered but they offer to send additional data I hadn't even asked for." She said this has not been true with Pappas even when the Pappas Foundation, of which she was a member, was trying to get information to respond to inquiries from the federal government and the Arizona Corporation Commission for specific Pappas School information. She said, "We finally chose to dissolve the Foundation rather than continue in a fight of asking for accountability from Pappas." She said that donors to the Foundation often asked how certain monies were being spent, and she said the only response she could get from the District was, "Oh, yeah, we're pretty sure that's how it was spent."

Supervisor Wilcox reported that the Board had invited Dr. Dowling to this meeting, as has been done for several other meetings, "And she continues to just not show up." Mrs. Wilcox added that she had been appalled at the District's two-paragraph budget requesting \$2.1 million from the County without giving any budget information on background or proposed use of the funds.

Board members thanked all the speakers for coming to share information and their expertise on this "highly emotional subject" and to help educate the Board on District matters to guide them to the decisions that will benefit those children the most.

IGA OR RESOLUTION REGARDING THE REGIONAL SCHOOL DISTRICT #509

Item: Approve an intergovernmental agreement (IGA) with the Regional School District #509 regarding school operation and finances and/or adopt a Resolution regarding the Regional School District #509 addressing school operation and finances. (ADM3814-002)

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**RESOLUTION # 3 OF THE BOARD OF SUPERVISORS OF MARICOPA COUNTY
CONCERNING THE MARICOPA COUNTY REGIONAL SCHOOL DISTRICT NO. 509**

WHEREAS, the Maricopa County School Superintendent ("CSS") established an accommodation school district called the Maricopa County Regional School District No. 509 ("District") which has been in operation for many years; and

WHEREAS, A.R.S. 15-308.B states that a "county" "may" offer educational services to homeless children or alternative education programs and, thus Maricopa County can withdraw and terminate its offering of A.R.S. 15-308.B services, and

WHEREAS, Maricopa County, through the Board of Supervisors ("Board"), has offered services pursuant to A.R.S. 15-308.B which have been provided by the District (homeless children or alternative education programs), and

WHEREAS, the District's current fiscal deficit has caused this Board to review the wisdom and necessity for offering A.R.S. 15-308.B services, and

WHEREAS, the Board has adopted a comprehensive fiscal resolution on February 1, 2006 (Resolution # 1) which was a first step in dealing with the fiscal crisis of the District, and

WHEREAS, the Board has adopted an Assistance Package Agreement for the District on March 2, 2006 (Resolution # 2), and

WHEREAS, the Governing Board of the District adopted Resolution # 2 on March 3, 2006, and

WHEREAS, notwithstanding the Assistance Package Agreement the District is currently operating at a cash deficit, in that current expenditures exceed revenues available for their payment. In addition, fiscal deficits from past fiscal years have not been addressed by either the CSS or the District. The District has an accumulated deficit and from all available evidence this deficit will grow substantially this fiscal year and the District has put forward no plan to deal with the deficit and other fiscal issues.

WHEREAS, the District staff has recommended to the District Governing Board certain actions designed to deal with the District's fiscal crisis and the Governing Board has rejected those staff recommendations, and

WHEREAS, initial reports of ongoing investigations of the District indicate that it lacks fundamental fiscal controls, policies and planning practices required in prudently managing public monies, and

WHEREAS, the Board determines that the District is incurring excessive administrative expenses, lacks accountability, provides duplicative services available to County related departments (e.g., potential legal services available through the County Attorney, procurement services, management and finance services, etc.), and

WHEREAS, Resolution # 2 called for a budget for the District to be agreed to by April 3, 2006, and no structurally balanced budget has been presented by the District or agreed to by this Board, and

WHEREAS, this Board determines that the Governing Board of the District has not been properly

managing the District, and

WHEREAS, this Board determined that in order to insure that needed services and educational opportunities are available to children who need those services, Resolution # 2, provided for issuance of a Request for Information ("RFI") which has resulted in numerous proposals that may result in a better and less expensive way of providing District services, and

WHEREAS, the initial review of the proposals indicates that competent and experienced public and charter schools are available to provide A.R.S. § 15-308.B educational services, and

WHEREAS, as a result of the RFI process, educational providers have stated that the educational services can be provided at a cost lower than that of the District with equal or better quality, and

WHEREAS, the RFI process demonstrates that the expenses requested by the District in its April 4, 2006, letter are not necessary due to the availability of educational providers willing to provide management and educational services to the District at costs less than those proposed by the District, and

WHEREAS, the Board has learned that educational services provided by the District are also being provided by school districts or charter schools, and

WHEREAS, it is necessary to take these actions immediately to assure the fiscal soundness of the District for the remainder of this school year and in order to plan for the fiscal year 2006 - 2007 budget, and

WHEREAS, due to the present fiscal crisis, it is necessary for the Board to revoke and terminate Maricopa County's permission, whether express or implied, to offer A.R.S. 15-308.B services after the 2005-06 school year, and in all cases after June 30, 2006, and

WHEREAS, some or all of the A.R.S. 15-308.B services may again be offered if a budget and operating plan is agreed to among this Board, the CSS and the District.

NOW THEREFORE, BE IT RESOLVED THAT:

1. A.R.S. 15-308.B states that the "county" "may" offer educational services to homeless children or alternative education programs. The Board hereby terminates its authorization, whether express or implied, for Maricopa County to offer A.R.S. 15-308.B services and programs as of June 30, 2006.
2. After June 30, 2006, no A.R.S. 15-308.B programs or services shall be offered by the County and thus by either the CSS or the District.
3. The Board is willing to consider offering A.R.S. 15-308.B programs and services for school year 2006-07 and later years only if there is a comprehensive contractual agreement between the District, the CSS and the County.
4. Absent action by this Board to again offer A.R.S. § 15-308.B services, neither the CSS nor the Governing Board of the District nor the District shall take any actions to provide any A.R.S. § 15-308.B services after school year 2005-06 or in any event after June 30, 2006. The County Manager is directed to have this Resolution published in order to

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provide notice of the termination of the District's A.R.S. § 15-308.B services as of June 30, 2006.

5. The County reserves the right to offer A.R.S. 15-308(B) services through the District if both a budget for FY 2006-07 and an acceptable operating plan for some or all of such services can be agreed upon. The County reserves the right to review the responses to its RFI to determine if the responding educational providers should be permitted to offer 15-308(B) services, either under contract with the District, or as an alternative to the services now provided by the District. The County Manager and his staff shall continue evaluating the responses to the RFI and shall make recommendations to this Board as to one or more of the responders providing some or all of the A.R.S. § 15-308 services for fiscal year 2006-07 and later years. The CSS and the District are ordered and directed to reduce the force of the teachers and staff of the District for school year 2006-07 (fiscal year 2006-07). Such reduction in force shall be subject to possible reinstatement if the County hereafter determines to offer some or all of the current A.R.S. § 15-308(B) services in fiscal year 2006-07. The CSS is ordered and directed to indicate on the notices of reduction in force that reinstatement for some or all of the teachers and staff depends upon the County, the CSS and the District agreeing on (i) the level of services that the County will provide, (ii) the District's budget and (iii) an operating plan for fiscal year 2006-07.
6. Pursuant to Resolution # 1 and this Resolution, the County Manager is ordered and directed to take all necessary actions to secure any County assets currently being used by the District.

ADOPTED this 7th day of April 2006.

/s/ Don Stapley, Chairman of the Board

ATTEST:

/s/ Fran McCarroll, Clerk of the Board

Tom Irvine, outside counsel, reported that he had hired Dr. Robert Donofrio as an education consultant at the direction of County Management. He called the Board's attention to the fact that Dr. Haas and Dr. Wood had offered their opinions freely and in no "official capacity" as they have not been hired as part of any investigative effort. He said, however, that the unsolicited assistance of those two highly qualified and experienced individuals was very valuable to the staff working on the investigation into the budget deficit engendered by the District.

Mr. Irvine discussed the proposed resolution and said it was important for the public to know that nothing in it would affect the current school year. He recalled the two prior major actions taken by the Board in trying to address this issue. He cited several historical facts beginning with the letter sent to the County by the Accommodation District last November requesting help, but giving no details. The Board immediately tried to glean an understanding of what the problem entailed but met with resistance. In January, the Board had to subpoena school records. After studying the records and finding a multi-million dollar deficit, on February 1st the Board approved a resolution bringing the County into fiscal control of all District monies through control of their checkbook. On March 2nd the Board approved an Assistance Package Agreement that called for a detailed contract with the District that would lead to a budget for the next fiscal year. It was felt that the contract would provide necessary guidance leading the District to accountability and controlled spending. On March 3rd the Accommodation District's one-person board also adopted the Assistance Package. Mr.

Irvine said that since March 2nd and 3rd there has been a formal contract in effect between the County and the District.

Mr. Irvine referenced the McKinney-Vento Act that was introduced by Arizona Senator Jon Kyl on June 14, 2001. At that time, Senator Kyl said, "Of course, a homeless child should be able to attend any school he or she wishes – whether it be the school he or she attended before becoming homeless, or a school like Pappas that addresses their distinct needs *on a transitional basis with the objective of enabling them to return to a mainstream school.*" (Emphasis added) He said that the exemption for schools such as Pappas contains specific limitations and the Act explains why the student levels in such schools should experience a diminishing population – because there is less and less need for the exempted schools as other school districts fulfilled requirements to become more involved in providing this type of service to their students.

He referenced today's proposed resolution, which would be the third major resolution adopted by the Board with regards to the schools since the beginning of the year. (See above for resolution text.) He cited A.R.S. 15-308.B, which states that a county "may" offer educational services to homeless children or alternative education programs. He said that in the past the Board has chosen to offer those services and the Board must now decide if it wishes to continue with that decision.

He referenced the RFI proposals received from competent and well qualified educational providers that are available to assist this population of children for far less money than is being spent by the District. He suggested that these results indicate that the Accommodation Schools might enter into a management agreement with competent providers in continuing to provide services.

In summing up the intent of the resolution Mr. Irvine said it would withdraw the County's authorization to the District to offer services for homeless and special needs children, including the Pappas Schools, while directing that negotiations continue to try to reach a comprehensive agreement for the future. If such an agreement is reached the Board of Supervisors would have a choice of whether or not to enter into it. Otherwise, the next step would be a resolution to implement a comprehensive program to deal with the needs of the children in transition.

Supervisor Wilson, in looking back, said he had wondered where teachers or administrators in the District could go if they had questions or concerns and commented that in his school district parents or others could always go to the school board. He felt that the one-person board at the District Schools has been very problematic and, ideally, a check and balance would need to be found if the District is to continue as a viable entity.

Motion was made by Supervisor Brock to adopt and approve Resolution No. 3 as just described by Tom Irvine as of this date. Motion was seconded by Supervisor Kunasek who pointed out a correction on page 2 where "of" should be changed to "or" and asked Mr. Irvine to see to the correction.

Supervisor Wilcox said that this action is not being taken lightly and assured the public that no child would be abandoned but instead the Board is taking responsibility in helping these children transition into a more stable school situation and providing a base-line for better education. She said she supported action with the hope that Sandra Dowling would cooperate with their efforts.

Motion carried unanimously (5-0).

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AMENDMENT WITH MEDPRO

Motion was made by Supervisor Brock, seconded by Supervisor Wilcox, and unanimously carried (5-0) to approve Amendment No. 1 to the Personal Services Contract between Maricopa County and Medical Professional Associates of Arizona, P.C. d.b.a. MedPro. This contract is for professional medical services, as authorized by Health Care Mandates. The amendment will provide for additional professional services to be provided at the Public Health Department's clinic and other related facilities in an amount not-to-exceed \$50,000, with the agreement of the MedPro and the Director of Health Care Mandates. The amendment is effective as of March 27, 2006. (C3905033102)

RECONVENE IN EXECUTIVE SESSION

Following a five-minute recess, Chairman Stapley reconvened the Board in Executive Session at 11:45 a.m., in the Sullivan Conference Room to consider the items listed below. All members remained in session.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION- ARS §38-431.03(A)(3) and (A)(4)

E-3. Mucerino et al. v. Maricopa County, Maricopa County Superior Court Cause No. CV2005-011512

Otis Smith, Supervising Deputy County Attorney
Wes Baysinger, Director, Materials Management
Georgia Staton, Outside Counsel
Eileen Gilbride, Outside Counsel

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

E-4. Litigation concerning a Special Action, Declaratory and Injunctive Relief regarding County Island Fire Districts. CV2006-004754

Chris Keller, Chief Counsel, Civil Division
Bruce White, Deputy County Attorney
Kevin Costello, Deputy County Attorney
Gary Lassen, Outside Counsel

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION; PURCHASE, SALE OR LEASE OF REAL PROPERTY – ARS §38-431.03 (A)(3), (A)(4) and (A)(7)

E-5. Purchase, sale or lease of potential downtown campus property in order to help establish development priorities for county facilities

Tom Manos, Chief Financial Officer
Dennis Lindsey, Manager, Real Estate Services
Brian Hushek, Deputy Budget Director
William Riske, Deputy County Attorney

RECESS EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION

The Chairman did not take this agenda action because of the lateness of the hour.

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AMENDMENTS TO FIVE-YEAR CAPITAL IMPROVEMENT PLAN - CONTINUED

Approve amendments to the FY 2005-06 Five-Year Capital Improvement Plan. Approval of this item does not constitute approval of a final location for the building. Staff will work closely with the Board of Supervisors to determine the building's final location, prior to completion of any significant design work.

Pursuant to A.R.S. §42-17106(B), approve the following amendments to the FY 2005-06 five-year Capital Improvement Plan, Department 470:

- o Create a new project titled "Office Building" in the amount of \$160,000,000 (Year 1 \$100,000; Year 2 \$26,300,000; Year 3 \$56,320,000; Year 4 \$56,320,000; Year 5 \$20,960,000) in Fund (445) and authorize the Facilities Management Department to proceed with the implementation and management of the completion of programming, procurement, design and construction of the project.
- o Approve an expenditure appropriation transfer of \$100,000 from Appropriated Fund Balance (480) General Fund (100) Reserved Items-CIP Contingency (4811) to Appropriated Fund Balance (480) General Fund (100) Other Programs-CIP Transfers (4812).
- o Approve a transfer of \$100,000 from Appropriated Fund Balance (480) General Fund (100) Other Programs-CIP Transfers (4812) to General Government (470) Capital Improvement Fund (445), which will be offset by corresponding Eliminations.
- o Direct the Office of Management and Budget to include the remaining fund transfers for this project in the FY 2006-07 Recommended Budget.

This item is continued from April 5, 2006. (C7006038800) (ADM800-003)

This item was continued to the April 12, 2006, special meeting due to lack of time. [**Clerk's Note:** This is not an official part of the minutes. This item was not heard on April 12, 2006, but was continued until May 1, 2006, when the item was continued indefinitely.]

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