

**SPECIAL SESSION  
February 22, 2008**

The Board of Supervisors of Maricopa County, Phoenix, Arizona, convened in Special Session at 2:50 p.m., February 22, 2008, in the Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3; and present telephonically, Don Stapley, District 2 and Fulton Brock, District 1. Absent: Max W. Wilson, Vice Chairman, District 4 and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Minutes Coordinator and Victoria Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

**LETTER TO MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT**

Motion was made by Supervisor Brock, seconded by Supervisor Stapley to approve the Board of Supervisors joining in support of a letter previously sent by Chairman Kunasek to Betsey Bayless, CEO of the Maricopa County Special Health Care District. (ADM4496-001)

February 21, 2008

Betsey Bayless, Chief Executive Officer  
Maricopa County Special Health Care District  
2601 East Roosevelt Street  
Phoenix, Arizona 85008

RE: IGA Regarding District Treasurer

Dear Ms. Bayless:

We are aware of the Maricopa County Special Health Care District ("District") desire for an intergovernmental agreement that would permit the District to employ some one (or some other entity) to serve as District Treasurer in place of the County Treasurer, pursuant to A.R.S. §48-5561(D). After consultation, we have jointly identified the following concerns:

1. It remains our preference that the District's revenues remain on account with the County Treasurer, consistent with both the original language of the District's enabling legislation and the Master IGA and Funds Transfer Agreement that were entered into between the County and District in 2004. We believe that the continued use of the County Treasurer's Office by the District provides a level of transparency and accountability to Maricopa County taxpayers that will be greatly impaired if the District uses a commercial bank or some other private entity a its "treasurer." Keeping the District's funds with the County Treasurer has the added advantage of obviating the need for any amendments to existing agreements. Finally, we believe that the District's concerns regarding investment strategy, income, and expenses should be capable of resolution through reasoned, good faith discussions between the parties.

*However*, we are only willing to proceed with the continued retention of District revenues within the County Treasurer's Office if *all* District revenues that are not needed to meet non-investment, contractual and operational obligations are kept fully on account with the County Treasurer.

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2. If this is not acceptable to the District, we are (with considerable reservation) willing to agree to an arrangement under which the District employs its own "treasurer" – but only if *either* the intergovernmental agreement between the County Treasurer and the District is made expressly contingent upon coordinated amendments to the Master IGA and Fund Transfer Agreement dated November 1, 2004 between the District and County or the current draft intergovernmental agreement is modified to be a three party agreement between the District, Treasurer, and County and effectively accomplishes the same result.
3. In either instance, the agreement must effectively amend the Master IGA and Fund Transfer Agreement in a manner that provides the same level of protections for the County with respect to federal disproportionate share revenues and sales tax withholdings as were contained in the original agreements. In our view, the simplest manner in which to accomplish this end is through the adopting of language that is substantially similar to the following.

"The County Board and Treasurer agree that since the current DSH payment system no longer requires a withholding of sales tax revenues from Maricopa County, the District may elect to use it's own Treasurer and Bank in lieu of the County Treasurer's services. However, in the event that state sales tax payments are ever withheld from Maricopa County in order for the state to obtain Special Payments, the District shall redeposit all funds with the County Treasurer within 30 days, and shall abide by the original provisions of the Master IGA and Fund Transfer IGA thereafter."

We recognize that the District has been working for some considerable time toward a resolution of this matter. We also recognize that many events (including the recent resignation of the former County Treasurer) have unintentionally slowed progress on its resolution. These delays notwithstanding, and regardless of whether the District desires to keep its revenues on account with the County Treasurer's Office or employ its own treasurer, we believe that the resolution of this matter should and can be accomplished in short order.

We request that you discuss this matter with your Board, and if possible, meet directly with us within the next week to discuss an amicable and timely conclusion to this issue.

Sincerely,

/s/ Charles "Hos" Hoskins  
Maricopa County Treasurer

/s/ Andy Kunasek, Chair  
Maricopa County Board of Supervisors

Chairman Kunasek said he spoke to Ms. Bayless last evening and feels she now has a better understanding of the County's position. He reported that she seemed to be eager to help work the problem out.

Motion unanimously carried (3-0-2)

*MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK*

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**MEETING ADJOURNED**

There being no further business to come before the Board, the meeting was adjourned at 2:55.

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Andrew Kunasek, Chairman of the Board

ATTEST:

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Fran McCarroll, Clerk of the Board