

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:00 a.m., June 4, 2007 in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1; Andrew Kunasek, Vice Chairman, District 3; Don Stapley, District 2; Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Liz Evans, Minutes Coordinator; David Smith, County Manager; Victoria Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

BOND RATING AND LEASE REVENUE BOND SALE

Item: Presentation regarding Maricopa County's Bond Rating and Series 2007A and 2007B \$140,940,000 Lease Revenue Bond Sale held on May 8, 2007. (C1807039M00) (F23229)

Tom Manos, Chief Financial Officer

Tom Manos opened the presentation by commending Shelby Scharbach and Bill Davis on their efforts to convince the bonding agencies that the County was worthy of having its bond and issuer investment grade ratings elevated to high quality status. Mr. Manos outlined the County's fiscal and Management strengths below:

- County leadership has significant tenure with Maricopa County and has been recognized nationally for their accomplishments
- 1986 General Obligation Bonds were paid off in July 1, 2004. No existing GO debt and only \$11.9 million of annually appropriated debt
- No existing obligations for unfunded post employment benefits, including pension plan obligations
- The creation of the Special Health Care District and closure of the Health Plans has eliminated significant funding burden for the County
- Significant fund and cash balances due to prudent planning and conservation budgeting
- Additional, dedicated funding source for detention operations through the voter-approved jail sales tax extension
- Conservative financial and budgetary policies
- Quarterly review of economic forecast data and appropriate measures taken by the Board of Supervisors as needed

Mr. Manos stated that all these factors contributed to the Fitch and Moody's issuer ratings being elevated to AAA and Aa1 respectively, and the revenue bond ratings being raised to AA+ by Fitch and Aa2 by Moody's. Some of the quotes from Moody's rating opinion are as follows:

- "Maricopa County's financial operations can be characterized by prudent, long-term financial planning with regular and frequent re-assessments."
- "Counties typically have modest debt burdens, but even in this setting Maricopa County's debt burdens are among the lowest in its peer group."
- "The rating revisions incorporate the significant improvement in the County's financial operations."
- "The County removed itself from hospital operations and from its role as a health plan provider."
- "Moody's believes that management has demonstrated the ability and willingness to maintain sound and stable operations that are consistent with a very strong credit rating."

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Mr. Manos explained that what this means to the County is lower insurance premiums, lower interest rates, and the elimination of the debt service reserve fund, which would have been \$8,000,000 – \$9,000,000. He said this translates into a savings of approximately \$2,000,000 over the life of the bond.

T-GEN STATUS REPORT

Item: Status report on the successes and accomplishments of T-Gen and the International Genomics Consortium (IGC) (ADM686)

Richard Mallery, Esq., Chief Executive Officer, International Genomics Consortium

Tom Manos reviewed T-Gen's history with the County. In the fall of 2002, the County joined forces with the City of Phoenix and the Arizona Department of Commerce to bring the International Genomics Consortium (IGC) to Phoenix. The County put up \$5,000,000 total or \$1,000,000 annually for 5 years, which the Board granted under its authority for economic development projects. The Board tied specific economic development goals to the funding such as new jobs and capital investment opportunities. One goal was to bring at least 10 new positions per year after the initial year, and to bring \$10,000,000 in new funding to Phoenix. Mr. Manos said that since the time of their last payment approximately one year earlier, IGC had brought 55 new high-paying positions and \$42,000,000 in new funding to Phoenix. Mr. Manos then introduced Richard Mallery, Chief Executive Officer of IGC.

Brian Wright and Stacey Gendrow assisted with the presentation. Mr. Mallery explained that IGC is the parent company to T-Gen, and that his role on this day was to request additional funding for IGC. He said that their success in the genomics field has led to effective treatments for cancer patients for whom conventional treatment methods have been unsuccessful. IGC was initially formed and focused on cancer research, but now intends to target heart and brain diseases using existing data and resources while still expanding its cancer research database. Mr. Mallery explained that in 2006, IGC won the competition to manage the national biorepository of tumor specimens for the Atlas Project that will map the genomes of brain, lung and ovarian cancer.

Mr. Mallery said that IGC is a non-profit organization that creates free public bio-medical databases. Mr. Mallery himself, as Chief Executive officer, works on a pro bono basis because he said it is a mission for him. However, several for-profit companies, such as T-Gen and the Molecular Profiling Institute, have formed as a result of IGC's work. Mr. Mallery requested that Maricopa County renew its funding commitment for an additional five years at the present annual level of \$1,000,000.

All of the Supervisors thanked Mr. Mallery for the presentation and expressed how proud they are T-Gen's accomplishments, and that the Phoenix area had been selected as their location. They also remarked how skeptical they had been five years earlier when the original proposal was made, and that T-Gen had not only achieved but surpassed the benchmarks set by the Board at that time. Chairman Brock asked Mr. Mallery to meet with Mr. Manos to respond to a number of questions from the Board and establish the new performance measures before a decision is reached.

REGIONAL SCHOOL DISTRICT #509 VOUCHERS/WARRANTS

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 (except for payroll vouchers) as shown in the Vouchers. (ADM3814-003)

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The Board of Supervisors may consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants (except for payroll vouchers) 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 or warrants were presented for approval or ratification at this meeting.

No Staff updates on regional schools operations and finances took place at this meeting. (ADM3814-005)

EXECUTIVE SESSION

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) to recess and reconvene in Executive Session in the Tom Sullivan Conference Room to consider items listed on the Executive Agenda, pursuant to listed statutory authority, as follows.

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)

Plateau Electrical Constructors, Inc. v. W.E. O'Neil Construction Co., CV2003-010968; CV2004-018871; and CV2004-010692

Heidi Birch, Principal, Capital Facilities Management
John W. Paulsen, Deputy County Attorney
Dave Tierney, Outside Counsel
Steve Beeghley, Outside Counsel, **did not attend**

American Home Assurance Co. v. Maricopa County; CV2005-015018 CONTINUED

Heidi Birch, Principal, Capital Facilities Management
John W. Paulsen, Deputy County Attorney
Steve Anthony, Outside Counsel

Chandler Airport Center vs. Maricopa County, et al. CV2007-000884 CONTINUED

Gary Scott, Maricopa County Land Acquisition Branch Manager
John W. Paulsen, Deputy County Attorney

Apodaca v. Maricopa County, et al., CV2006-014860

Joy Rich, Assistant County Manager
John Power, Director, Environmental Services
Peter Crowley, Risk Manager
Ted Howard, Claims Adjuster, Risk Management, **did not attend**
Maria R. Brandon, Deputy County Attorney, **did not attend**

Michael Walters v. Maricopa County; Court of Appeals No. 1-CA-CV060226

Tom Manos, Chief Financial Officer
Peter Crowley, Risk Manager
Christopher Keller, Deputy County Attorney
Brian Kaven, Outside Counsel

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

Consideration to Purchase a Downtown Property

Tom Manos, Chief Financial Officer
Dennis Lindsey, Manager, Real Estate
Steve Connor, Director, Facilities Management
William Riske, Deputy County Attorney

Consideration to Purchase Mesa Property near the SE Court Complex

Tom Manos, Chief Financial Officer
Dennis Lindsey, Manager, Real Estate
William Riske, Deputy County Attorney
Steve Connor, Director, Facilities Management

Modifications to Terms and Conditions of a pending sale of county owned property

Tom Manos, Chief Financial Officer
Dennis Lindsey, Manager, Real Estate
William Riske, Deputy County Attorney

MEETING ADJOURNED

At the conclusion of discussion on the above items and there being no further business to come before the Board, the meeting was adjourned.

Fulton Brock, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board