

BOARD OF SUPERVISORS

GILA COUNTY, ARIZONA

Date: July 17, 2006

JOSÉ M. SANCHEZ

Chairman

TOMMIE C. MARTIN

Vice-Chairman

SHIRLEY L. DAWSON

Member

STEVEN L. BESICH

Clerk of the Board

By: Marilyn Brewer
Deputy Clerk

Gila County Courthouse
Globe, Arizona

PRESENT: Jose M. Sanchez, Chairman; Tommie C. Martin, Vice-Chairman; Shirley L. Dawson, Member; Steven L. Besich, County Manager/Clerk; John Nelson, Deputy County Manager; Marian Sheppard, Chief Deputy Clerk; and, Bryan Chambers, 2nd Chief Deputy County Attorney.

The Gila County Board of Supervisors met in Regular Session at 10:00 a.m. this date. Steve Sanders led the Pledge of Allegiance, and Father Jay Luczak of Our Lady of the Blessed Sacrament Church delivered the Invocation.

Steve Besich, County Manager/Clerk, requested acceptance of the final report submitted by Public Sector for the Market Study Salary Survey that was conducted for Gila County. He stated that the Board, elected officials and department heads reviewed the proposed report last week. He stated that due to the size and complexity of the report, some changes may need to be made to certain positions, salary ranges, etc., which are currently being addressed by elected officials and department heads. Mr. Besich recommended that the Board tentatively adopt the Public Sector Market Study Salary Survey and fund it at 95 percent with an additional 2.5% step increase being given to employees in January 2007. He also recommended that the Board adopt the final version of the Public Sector report at the same time as the final budget adoption on August 1, 2006. This will allow project staff, elected officials and department heads an opportunity to work out some of the “kinks.” Supervisor Dawson

stated that the original suggestion was that this report be placed on the agenda for adoption today, but the Board hasn't had any discussion about the report as it was just received last week. She stated, "I don't expect that everybody's going to be happy any time, but to adopt something that we know needs changes is to be back where we were with the last salary study. We're adopting it and then funding it and then we play games with it. That isn't what we set out to do. When we met with the committees we talked about working through this. It's going to be equitable and when it's set, then it will be through Public Sector that any adjustments are being made...What you are saying is we fund this at 95 percent, we set what they've said, and then we start playing with it making the adjustments." Mr. Besich replied that he doesn't anticipate a large amount of adjustments being made, but rather a handful of specific changes. He advised that much of the work conducted by Public Sector was based on the information provided on questionnaires that each employee completed on their specific job duties and responsibilities. Mr. Besich stated that in regard to the fair market consideration in using particular counties or cities for comparison, this is subjective and will always be a topic for conversation, but he thinks the County has to recognize a market and use it. If that approach does not work, then in the next year or two when the Board decides to revisit the market other considerations could be made, but for the purposes of moving this project forward he was requesting a month to clear up a few of the concerns and questions. He stated that the Board also has to realize that the Public Sector consultant is not at the County's beckoning call as he has other ongoing projects so the County will have to work around the consultant's schedules. He again recommended that a final copy of the report be presented to the Board on August 1st with implementation scheduled for September 1st. Vice-Chairman Martin agreed with Mr. Besich's recommendation as she believes any changes needed are not substantive changes but more of housekeeping-type changes. Vice-Chairman Martin stated that what she was looking for and found in this study was integrity, equity and imparity so she was pleased. She felt the recommendation of funding the study at 95 percent with a 2.5% step

increase in January 2007 was a good recommendation from management. Chairman Sanchez stated that one of the comments he received was a little troubling to him when one of the elected officials stated "your Public Sector salary survey." He stated, "It's not mine; it's not the Board's." Chairman Sanchez advised that based on comments made to the Board during last year's budget discussions, it has been the intent of the Board that any input regarding the study should come from elected officials, employees and staff. He stated, "In my view this isn't something the Board wants to shove down anyone's throats. It's something that we want to be fair and equitable and should have input from all of those employees that are going to be affected by this and we have to find a way to do that." He then called on Garry Smith of Claypool, who requested to speak on this item. Mr. Smith inquired whether a certain percentage of funds for the proposed salary raises would be coming from the adopted budget and if all employees were going to receive a salary increase. Mr. Besich stated that some proposed recommendations will revise the County's entire salary and compensation schedules because this hasn't been done since 1993, as the County's current salary compensation schedules are over 13 years old. Mr. Smith inquired about the percentage of raises that would be given throughout the County. Mr. Besich stated that the study is not based on a issuing a percentage increase across the board, but rather it is based on the Board of Supervisors adopting a salary and compensation schedule that will apply to all job positions within the County. Employees that are below the graded level within the salary range for their position will be moved to the minimum step and employees that are between steps but on the scale will be moved to the next closest step. Mr. Smith questioned where the funding would come from for these salary increases. Mr. Besich stated that the Board would have to appropriate the funds. Chairman Sanchez stated that the funds would be included in the tentative budget being adopted by the Board today. Mr. Smith inquired about the total amount to be appropriated for the salary increases. Chairman Sanchez stated that the total amount would depend on the level funded; however, it would be approximately \$1.2 million.

Supervisor Dawson clarified that the budget shows a total of \$1.2 million with an additional increase of 2.5 percent for all employees. Mr. Smith recommended that the 2 employees making over \$60,000 in the Public Works Division be cut and those funds could be used for wage increases, which he was basing on salary information he received from the Personnel Department. He inquired if the funds for the raises were coming from taxes or property valuations. Mr. Besich stated that the funds will come from a combination of sales tax, State shared revenues, property taxes, grants, restricted HURF monies (Highway User Revenue Funds) and a whole variety of revenue sources. Mr. Smith also inquired as to the reason the Board didn't place wage freezes on every employee making over \$60,000 per year and give the lower paid employees "what they deserve." Chairman Sanchez stated that any action taken by the Board regarding this salary study will be based on recommendations made by Public Sector. He advised that Public Sector has thoroughly and professionally compared all Gila County job descriptions, salaries and salary ranges to similar counties, cities and municipalities in order to ensure that all Gila County employees are paid a fair and equitable salary for the responsibilities and duties of their jobs. Mr. Smith stated that he understood what Chairman Sanchez was saying, however, he believes the County could save money in other areas such as purchasing new vehicles too frequently, which could be used for wages. Chairman Sanchez thanked Mr. Smith for his input. Supervisor Dawson stated that the public should be made aware that in this study there were only 2 positions identified as being paid above the market value, and they were not administrative positions. There were 10 positions that were within less than 5% below the market prevailing rates for comparable positions. The extent of the variance for the remaining positions in Gila County ranged from 5.1 percent to 51 percent, with the positions in the 51 percent range paying half of what comparable jobs elsewhere in the state of Arizona would pay. Supervisor Dawson expressed a concern regarding the number of Gila County employees versus the number of employees in other counties. She advised that the high number is due to

duplicate County offices and services being provided in Payson as well as Globe. Supervisor Dawson believes that whether positions can be eliminated or not is the responsibility of management and the recommendations that are made for their staff. She spoke about various complaints she has received about employees being observed not at work and not doing their jobs and related employees working within the County, etc. She believes that the Board has to assure that when people are hired that there is a fair and equitable advertising program, that people are given the opportunity to apply for positions and that the most qualified people are hired. Chairman Sanchez stated that the County has a policy in place regarding nepotism. He advised that the County has a process in place to address a complaint being made on any County employee. He also advised that the County's hiring process for bringing in qualified and responsible people is a good one and that this salary plan also addresses job postings, clearing up the language of job descriptions and identifying the qualifications for each position. He believes that Public Sector Personnel Consultants has conducted a very thorough study. Vice-Chairman Martin made the motion to: 1) accept the final report submitted by Public Sector for the Market Study Salary Survey that was conducted for Gila County; 2) tentatively adopt the salary recommendations made by Public Sector as outlined in the final report to be funded at a level of 95 percent; 3) implement the salary changes as outlined in the final report in September 2006; 4) implement a 2.5 percent step increase for all employees in January 2007; and, 5) officially adopt Public Sector's final report in conjunction with the adoption of the County's 2006-2007 fiscal year budget on August 1, 2006. (For the record – Public Sector's final report was placed on the August 1st agenda; however, the Board tabled the item.) The motion was seconded by Chairman Sanchez. Supervisor Dawson stated that she would be voting “nay” because she feels that there are unanswered questions that will undermine the validity of this survey report and those questions need to be answered before this survey report is accepted. The motion passed by a 2-1 vote. Supervisor Dawson voted “nay.”

Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board convened as the Gila County Library District Board of Directors in order to address agenda item number 2, the adoption of the tentative 2006-2007 fiscal year budget for the Gila County Library District. Jacque Griffin, County Librarian/Assistant County Manager, stated that the Gila County Library District budget is adopted separately from the remainder of the budget process because it is a special taxing district. Supervisor Dawson questioned if there are any grants in addition to the requested \$944,987 funding amount. Ms. Griffin stated that if there were grant funds, the \$944,987 includes the expected estimated grant awards. If the Library District receives other grant awards during the year, the entire Gila County budget process has room for additional grant funding so it wouldn't affect the bottom line of the budget as a whole. She stated that the Library District only spends the amounts taken in for grants. Supervisor Dawson inquired if the Library District is aggressively applying for grants to improve the systems of the County libraries. Ms. Griffin replied that the Library District is probably not "aggressively" applying for grants; however, last year the County received \$33,000 in grants and it is estimated that the County may receive up to \$45,000 this year. Supervisor Dawson stated that spending less than \$1 million on the libraries in Gila County is a crime and she believes there are many grants available to help improve the libraries. Supervisor Dawson stated that she is very impressed with the libraries' utilization of the funds, but the inadequacies of the County libraries with the exception of Payson's library, under-serve the people of the County. Ms. Griffin agreed that the libraries have significant needs, including the amount of space the libraries have relative to the services they are attempting to provide. She stated that conversations are being held with the libraries that are attempting to address those issues and there are not a lot of grants for construction. Ms. Griffin stated that in her opinion the Tonto Basin Library is the most in dire need as the building is a collection of old construction trailers that are falling apart and there is a lack of available space. She noted that the County does not own the library buildings and the

land on which the buildings are located. She advised that the County can only assist the libraries in helping to find ways to improve their space. Supervisor Dawson made the motion to adopt the tentative 2006-2007 fiscal year budget for the Gila County Library District. Supervisor Dawson added that she wanted to encourage the County Librarian to assist all of the libraries in obtaining grants in order to improve services. Vice-Chairman Martin seconded the motion. Chairman Sanchez inquired about the Library District being a special taxing district. Ms. Griffin explained that the Gila County Library District is a special secondary taxing district. Mr. Besich explained that the County has one Library District that supports the community and municipal libraries and the municipalities support those libraries as well. Ms. Griffin stated that the cities and towns support the libraries, the San Carlos Apache Tribe supports the San Carlos Library and the County matches the funds of those municipalities and the Tribe. Chairman Sanchez inquired if the \$819,199 proposed budget amount listed under "Property Taxes" will come from property taxes. Ms. Griffin replied in the affirmative and stated that additional funding is provided to the libraries within Gila County, which is above the County's Property Tax contribution of \$819,199. Chairman Sanchez spoke about the Board's tour last year to all of the libraries and stated that the library employees are a very dedicated group of people providing services that are important to the communities, and the County should go after any additional available grant funding. Vice-Chairman Martin stated that in reference to the Payson Library facility, the Friends of the Library, a non-profit organization of volunteers, raised the funds to build that facility. Ms. Griffin stated that the funds were raised over a period of 15 years and when the funds reached \$1.2 million, the Town of Payson provided additional tax funds to construct the building and then the Friends of the Library furnished the library. She stated that the County doesn't fully fund the operations of the libraries, but matches the contributions of the cities' and towns' operating costs. Chairman Sanchez stated that there was a motion and a second. The

Board then voted unanimously to adopt the tentative 2006-2007 fiscal year budget for the Gila County Library District in the total amount of \$944,987.

Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board reconvened as the Board of Supervisors.

Richard Gaona, Director of Finance, requested the adoption of the tentative 2006-2007 fiscal year budget for Gila County. He stated that this year instead of having each department individually present their requests to the Board, the requests were submitted by the elected officials and department managers to the Finance Department and attempts were made to accommodate all of the requests. Mr. Gaona then called on John Nelson, Deputy County Manager, to provide an overview of the 2006-2007 fiscal year budget. Mr. Nelson stated that this budget has been "crunched down" to the very end because of various things happening such as the Public Sector Market Study Salary Survey and recent actions taken by the State legislature that affected Gila County. He stated that the budget process is basically a two-step process and the first step of that process is to adopt a tentative budget. He stated that the adoption of the tentative budget does three things. 1) Approves a maximum expenditure ceiling for Gila County. For this year, the total budget amount is \$75,179,234. 2) Sets a maximum tax rate for Gila County that will not be exceeded during the year. The tax rate that is being proposed is \$4.3488. Mr. Nelson stated that the State legislature intervened with counties in the legislative session and rebased all maximum tax levies so that on existing property, taxes can only be increased by 2 percent. What the legislature did was to go back to last year's levy, increase that 2 percent and divide by the new assessed valuation of that property, which decreased the property tax rate. That isn't a self-imposed property tax decrease, but rather a legislative one. 3) Allows the publication of the truth in taxation notice in the official County newspaper with an invitation for the Board to receive public comment during the truth in taxation hearing. Mr. Nelson stated that pages 1, 2 and 25 of the budget document will be published in the newspaper for two consecutive weeks prior to the truth in taxation hearing. Page 25 is the truth

in taxation notice that must be published since there is a proposal to increase property taxes on existing property from last year by 2 percent. Mr. Nelson then presented the highlights of the proposed budget. He stated that there has been a continuation of the funding for all programs that have been previously approved by this Board. Other additions include an increase for the Assessor's Office to \$42,000 for Gila County's assessed valuation system costs, which was increased by the Arizona Department of Revenue; increased costs for the General Election, which is upcoming in November, from \$150,000 to \$200,000 because of the many new regulations and rules this year, as well as new voting machines; the addition of employees added into this budget that weren't in last year's adopted budget, which includes an increase of a 1/2 full-time employee (FTE) in staff in the Purchasing Department, a contracts coordinator previously approved by the Board, and the Recorder's Office increased by 1 FTE previously approved by the Board. There were also recommendations by Public Sector, as requested by the Board in a staffing needs analysis, for the court system staffing needs, which includes 1 FTE for the Payson Justice Court, 1 FTE for the Globe Justice Court; and, a personnel analyst for the Superior Court. Another recommendation from Public Sector that was based on findings throughout the court system and the County was that the County could do much better if staff was properly trained. With a 20 percent County employee turnover, training becomes an issue and it has been requested that a \$30,000 training consultant be hired. In the Community Development Division significant changes have resulted in 4 FTEs reclassified from Health and Flood Control to bring those departments into one consolidated department, hopefully picking up efficiencies there and the addition of 2 FTEs for code enforcement approved by the Board. The Public Fiduciary added 1 FTE based on the case load requirements by the ALC Office of the Supreme Court, which requires that there be a specific number of fiduciaries per so many clients. Mr. Nelson then addressed the staffing needs of the Sheriff's Office. He stated that last year 5 new detention officers were approved for July 1st of this year so those positions have been added to the budget, plus the 5 that came on half

way through the year. There was a mismatch last year for the 3 school resource officers budgeted in a grant fund, which are listed in the budget under Payson and Globe safe schools. The Sheriff had these positions charged to the general fund budget and then billed the grant funds to bring the revenue back, but even though the revenue and expenditures were the same, it does show as an increase in expenditures. Mr. Nelson then addressed items that were included and not included in the budget. He stated that one of the projects being proposed this year for the capital improvements program is the structural problem with the courthouse windows for the back of the courthouse, which will need to be redesigned and replaced at an estimated cost of \$350,000 and is included in the budget. He stated that jail facilities are not included in the capital improvements program, which is a significant issue. Mr. Nelson stated that the Sheriff has proposed various solutions including moving the Sheriff's Office, expanding the jail, or doing remodels; however, whatever is done with the jail facilities cannot be financed out of the current revenue stream. The County jail needs a major overhaul or needs to be replaced, which Mr. Nelson believes is something that the Board seriously needs to consider. He stated that the jail facility is going to require some other type of funding method--either a jail district, a jail bond, or something different than just normal revenues directed in that area because the cost is just too high. Mr. Nelson inquired if the Board had any budget questions. Supervisor Dawson stated that she understood the reasons for placing water and natural resources under the capital improvements category; however, she questioned the reason lobbyists were included under this category. Mr. Nelson advised that the Board approved a contract to hire lobbyists during the previous Board meeting and it was his understanding from the Board that additional items should not continue to be added to the budget; therefore, the funding for the lobbyists would come from reducing spending for water, reducing spending for natural resources, and any additional funding that is needed would come from the District I Supervisor's constituent services account. He stated that is the reason that costs for lobbyists were "lumped" with those groups under the

capital improvements category. Mr. Nelson stated that he hasn't yet been provided with the details as to the amount of funding which will be reduced for water or natural resources or the amount that will have to be charged to constituent services. As of this time, Mr. Nelson has listed those items under capital improvements to show the indication of that commitment, but he doesn't have a firm funding plan for how much from each of those 3 areas are going to fund the lobbyist contract. Supervisor Dawson questioned if the Arizona Auditor General would allow lobbyists to be placed in the capital improvements category. Mr. Nelson advised that the Arizona Auditor General would not allow lobbyists to be capitalized; however, funding them for a one-time allocation of funding is acceptable for budgeting purposes. Supervisor Dawson stated that she would appreciate Mr. Nelson providing the Board with a statement in writing from the Arizona Auditor General showing that would be acceptable. Mr. Nelson stated that he would provide a written statement for the Board. Supervisor Dawson inquired as to the number of detention officers being provided for the Sheriff's Office as she did not believe the Sheriff's Office was still being fully funded. Mr. Nelson stated that this budget provides for more detention officers and deputies on the street than ever before, and he believes the issue is recruiting and filling the vacant positions. He stated that hopefully if the Public Sector Market Study Salary Survey is funded at 95%, those vacancies can be reduced; however, if they are not reduced other solutions will have to be addressed. Supervisor Dawson inquired about the request for a resident deputy at Young. Mr. Nelson replied that there is sufficient funding in this budget to allow that to happen, but he could not answer questions about being able to fill vacancies or the Sheriff's prioritization. Chairman Sanchez called on Sheriff Armer to address the issue. Sheriff Armer addressed Supervisor Dawson's question about the additional detention officers by stating that 5 new positions were funded on September 1, 2005, 5 new positions were funded on January 1, 2006, and 5 more new positions will be funded in the new budgetary year, so the total of 15 new detention officers brings his department up to a level that has contributed to

alleviating problems and issues in the jail. He stated that issues with the vacancies in law enforcement for deputies is a separate issue because at the end of this month, there will be 11 vacancies because of the inability to attract applicants to those positions and the loss of employees from those positions are due to higher-paying jobs elsewhere. He stated that the salary survey funding will help, but competitive salaries in other areas are \$40,000 for entry level positions; however, this is an issue that is Statewide. In addressing Supervisor Dawson's question about the resident deputy position for Young, Sheriff Armer stated that there is one applicant who is a certified peace officer in a state other than Arizona, which means that in order to be certified and function as a peace officer in Arizona the applicant has to challenge the waiver exam. The Sheriff's Office is currently awaiting the completion of a background check on the applicant. Sheriff Armer advised that he is also looking at some type of incentive to draw an applicant to that isolated area. Supervisor Dawson advised that she had spoken with Sheriff Armer about her desire for a boys and girls club and also questioned if the life of the jail facility could be extended by moving the 9-1-1 program out of the facility. Supervisor Dawson's understanding from the Sheriff is that the life of jail could be extended up to 7-10 years by moving out the 9-1-1 program and the administrative offices at a cost of \$1-\$1.2 million. Sheriff Armer stated that based upon the growth in the jail population over the last 6-8 years, those figures can be projected into our growth for the next 6-8 years. He believes that if all of the administrative services, which would include dispatch, records, detectives and the balance of administration, were vacated from the jail facility it would provide that many years of additional service in the jail. Sheriff Armer advised that the actual costs would have to be estimated and obtained from outside experts, as he is not an expert in that field. He emphasized that those changes would be strictly temporary, short-term stop gaps that might extend the use of that facility a few more years, but it does not serve as a long-term solution. A replacement for the facility would require an alternate source of funding and other counties have accomplished that through jail improvement districts with financing from

an increase in sales tax, which is something that doesn't happen immediately and includes starting the whole process of engineering and architectural studies. Sheriff Armer believes the issue needs to be addressed very soon, maybe as early as the November election to get some kind of an idea about a jail improvement district. Supervisor Dawson advised that in order for this to be included in the November election, it had to be finalized by August 1st. She stated that is not a possibility for this year, but it's something that the Board needs to be addressing in this year's budget as far as making preparations for the upcoming year and how to address the current crisis of the jail and future planning. Supervisor Dawson stated that she realizes that's not something Sheriff Armer can accomplish without the Board or without support from the administration of this County, so she's anxious to see that issue placed on the Board agenda and see it addressed rather than having the federal government dictating to the County the manner in which this issue will be addressed.

Chairman Sanchez stated that in the very near future he would like to have the Board sit down with the elected officials and department heads to look at a comprehensive capital improvement plan for the entire County in order to get actual costs that the Board can be addressing in the next couple of years.

Supervisor Dawson stated that she understood when the Board approved the New World accounting software program it was approved in the amount of \$300,000; however, the estimated expenses in 2005-06 were \$225,000 for the computer system with an additional \$200,000 in this year's budget, which comes to \$425,000. Supervisor Dawson stated that she understood when meeting with New World that the \$300,000 figure was going to provide training, travel and all of New World's expenses. The purchase of the software was \$180,000 and the other money was for support and for a one-year additional follow-up on implementation of the program. Her concern is that the County bought the program and it isn't implemented, so approximately \$225,000 was expended and the figures Mr. Gaona showed her earlier today were \$331,000. Supervisor Dawson stated that the money was obligated before the County could even start to implement this program and now \$425,000 is being put

into the system. Mr. Gaona stated that the figure from New World approved by the Board for fiscal year 2005-2006 was \$310,000. He passed out an informational sheet to the Board, which reflected the costs for the New World system. He stated that the tentative schedule has shifted because of New World's scheduling delays and he noted to the Board that some of the invoices dated from April and May have been withheld for payment because of those delays. He stated that travel for New World's training consultants was not included in the contract. He noted the costs in the maintenance agreement, which reflect that the maintenance expenses through June 30 for \$69,800 were paid in April 2006, and there will be ongoing charges for future years. Those expenses were not provided for and are included in capital improvements in the amount of \$200,000 for the upcoming fiscal year, not \$400,000. Mr. Gaona explained the upcoming schedule for training. Supervisor Dawson stated that when the Board discussed buying the New World accounting system and spending \$310,000, that wasn't an easy thing she agreed to since the County still had a \$180,000 Solomon software package sitting downstairs that hadn't been implemented. The Solomon program was discarded and then the County bought the New World system and Supervisor Dawson stated that now she can see clearly that this program is not anywhere near \$300,000, but it's going to cost \$600,000 very easily, very rapidly and it has not yet been implemented. She inquired as to an implementation date. Mr. Gaona replied that there is a tentative implementation date of July 1, 2007. He advised that the County is anticipating implementing the system in March 2007 and if the schedule is pushed really hard it could be moved up to January 2007. He advised that when the schedule was first discussed, the system was scheduled to be implemented in August 2006. Supervisor Dawson stated that the Board approves large expenditures in order to save money and then it comes back as a continuing expense. She then addressed the new county phone system, which was supposed to save the County a lot of money; however, the phone system was budgeted in 2004-2005 in the amount of \$185,000, in 2005-2006 in the amount of \$185,000 and in the proposed budget it is also \$185,000.

Her concern is if the new phone system is supposed to be saving money, the County should be spending less each year, not the same. Mr. Gaona stated that software programs are an ongoing expense because the systems must be continually updated in order to ensure that the accounting system does not become stagnate. He explained that by going with the New World system, one advantage is that the same program is being used by many other counties in Arizona as well as across the nation, which will help reduce the costs for updates. He also stated that the current 15-year-old accounting system cost over \$200,000 for updates. Supervisor Dawson stated that she appreciated Mr. Gaona's comments; however, she now had the Board meeting minutes for January 17, 2006, which stated that the Board agreed to the New World system at a total cost of \$388,000, which included maintenance for the second and third years. It showed that maintenance for the second year was \$42,000, not \$200,000. Mr. Gaona agreed and stated that the \$42,000 was reflected on the informational sheet he provided. Supervisor Dawson inquired of Mr. Nelson if ALTCS (Arizona Long Term Care System) was going to be increased by \$1 million this year because ALTCS was budgeted at \$4.5 million for 2005-2006, and for this year the budget shows \$4.4 million. Mr. Nelson stated that the decrease reflected from last year to this year is a \$500,000. In discussions at the legislature, the numbers were \$1.2 million and \$900,000, which changed as ALTCS discussions kept changing; however, these are the final figures, and without that legislation the County would have had an increase of \$500,000 to \$600,000 as opposed to now having a decrease of \$500,000. Supervisor Dawson stated that she had other budget questions but would not ask them at this time. She advised the Board of an e-mail she received from a State legislator in which he "slapped" around the county supervisors throughout the State saying that no matter what amount of relief is provided by the State legislature to counties, the supervisors will continue to tax the taxpayers to the maximum allowed. Supervisor Dawson stated, "That's what we are doing today is proposing that we tax the taxpayers to the 'max' or at least set that as the tax rate and you [Mr. Nelson] published that immediately

in the Payson Roundup. You [Mr. Nelson] were quoted with that and I just thought I was going to get a call from that legislator saying 'I told you so; that no matter what the state of Arizona does to try to help counties, the counties are going to continue out of necessity or out of greed or whatever to tax its people to the maximum. And although it is a tax rate decrease, because of the property valuation increase, it is an increase on everyone's tax bill.'" Mr. Nelson stated that to fund this budget, a 2% tax increase is being proposed and that is why the truth in taxation notice is being published and the Board always has the authority to reduce that amount. Chairman Sanchez inquired about the amount of Gila County's maximum allowable tax levy per the Arizona Constitution. Mr. Nelson replied that Gila County's maximum tax levy for this year would have been \$25.3 million; however, only a \$17.9 million levy is being proposed. Chairman Sanchez inquired if Gila County is, therefore, not at its constitutional ceiling. Mr. Nelson replied that the County is not at its constitutional ceiling. He stated, "We are not proposing the constitutional ceiling, but we are proposing that we follow the State law for the maximum." Mr. Nelson stated that he thinks there will be a new constitutional amendment being offered to the voters in the November General Election, which he is 100 percent confident will pass and it will be the new levy limit. He stated that one of the interesting changes being made by the State legislature is to adopt the "tried and failed federal government way" of budgeting called "spend it or lose it" and those counties that didn't levy to the maximum are now being penalized. If the legislature is going to take a "spend it or lose it" philosophy, Mr. Nelson advised that the Board is going to have to take that into account. Vice-Chairman Martin made a motion to adopt the tentative 2006-2007 fiscal year budget for Gila County in the amount of \$75,179,234, which sets the primary property tax rate at \$4.3488, and allows the County to publish a truth in taxation hearing notice of a tentative tax increase. The motion was seconded by Chairman Sanchez. The motion passed by a 2-1 vote. Supervisor Dawson voted "nay" stating that she understands the need for publishing the notice, "...but I believe that there is a need for looking at the taxpayers of Gila and not

putting more burden on them and this budget does put more burden on them even though it is keeping the tax rate lower.” **(A copy of the tentative 2006-2007 fiscal year budget for Gila County is permanently on file in the Board of Supervisors’ Office.)**

Steve Sanders, Public Works Division Deputy Director, requested the approval of Project Agreement No. 06-RO-11031200-031 under Forest Road Agreement No. 05-RO-11031200-001 between U.S.D.A. (United States Department of Agriculture) Forest Service, Tonto National Forest and Gila County for the Canyon Creek Hazard Tree Removal Project. He stated that this tree removal project consists of some dead standing trees that are left over from the Rodeo/Chedeski fire north of Young basically along the Canyon Creek Fish Hatchery. The public does use these roads and Gila County does maintain these roads in agreement with the U.S. Forest Service. There are ranches and recreation places in the area and there is a concern that these trees could fall on traveling motorists or block the roads. The U.S. Forest Service has agreed to pay Gila County \$35,000 to cut the dead standing trees along the 3 roads listed that have the potential to fall onto the roads. County staff has driven the area and looked at the trees and feels the job can be done to the satisfaction of the U.S. Forest Service and not interrupt any services to the rest of the County citizens. The project will begin after September 1st and has to be completed by December 31st. Supervisor Dawson commented that this project is result of a lack of Forest Service management because the trees could have been salvaged had they been salvaged immediately after the fire; however, she is glad that some action is finally being taken on this issue. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved Project Agreement No. 06-RO-11031200-031 with the U.S.D.A. Forest Service, Tonto National Forest.

Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved Consent Agenda item numbers 6A through 6K. Upon motion by Vice-Chairman Martin, seconded by Chairman Sanchez, the Board approved Consent Agenda item number 6L by a 2-0 vote; Supervisor

Dawson abstained from voting because of a conflict of interest. The Consent Agenda items are as follows:

- A. Approval of the Qwest Enhanced 9-1-1 Service Agreement between Gila County and Qwest Corporation to be billed the tariff rates in effect for all service monthly rate elements.
- B. Approval of Modification No. 1 to Financial and Operating Plan for Cooperative Agreement between the Gila County Sheriff's Office and the U.S.D.A. Forest Service, Tonto National Forest (Agreement No. 06-LE-11031200-006) providing authority to utilize Sheriff's Office Deputies to provide additional law enforcement support on National Forest System lands during extreme fire conditions effective the date of the last signature of the Agreement through September 30, 2006.
- C. Approval of Amendment No. 6 to Intergovernmental Agreement (Contract No. HG354349) between the Arizona Department of Health Services Tobacco and Education Program and the Gila County Division of Health and Community Services, Tobacco Free Environments Program, amending the scope of work, special terms and conditions and price sheet of the Agreement for the period of July 1, 2006, through June 30, 2008.
- D. Approval of Amendment No. 4 to Intergovernmental Agreement (Contract No. HG354179) between the Arizona Department of Health Services and the Gila County Division of Health and Community Services to terminate the Agreement based upon federal funding cuts of which said funds were used for the Public Health Physical Activity Program. (Amendment begin date is May 25, 2006.)
- E. Approval of Amendment No. 2 to Contract I.D. No. 0006-0444 between the Pinal-Gila Council for Senior Citizens, Area Agency on Aging Region V, to amend the Contract dated July 1, 2005, to render services from July 1, 2006, through June 30, 2007, in accordance with the amended Contract operating budget and new service levels of which said Contract provides for minor home repairs for seniors and the disabled.

- F. Approval of the Change Order for the APS Energy Wise Low-Income Weatherization Program and updated Energy Wise Weatherization Program Agreement in the amount of \$144,999.00 for the period of July 1, 2006, through December 31, 2007. (A grant award from APS)
- G. Approval of the Weatherization Low-Income Assistance Agreement (Commerce Contract No. C077-06) between the Arizona, Department of Commerce Energy Office and Gila County in the amount of \$22,800.00 through June 30, 2007. (A grant award from Southwest Gas)
- H. Approval of a Weatherization Low-Income Assistance Agreement (Commerce Contract No. C076-06) between the Arizona Department of Commerce Energy Office and Gila County in the amount of \$78,380.00 through June 30, 2007. (A grant award from the U.S. Department of Energy and the Arizona Department of Economic Security)
- I. Approval of the June 2006 monthly departmental activity reports submitted by the Globe Regional Justice of the Peace and Payson Regional Constable.
- J. Approval of personnel reports/actions for the week of July 17, 2006, as follows:

Departure from County Service:

- 1. Clerk III – Recorder – 06-02-06 – General Fund - Connie Alvino – Hire 11-29-04 – Resigned for personal reasons
- 2. Director – Computer Services – 07-20-06 – Computer Services Fund - Jeremy Goodman – Hire 07-05-98 – Resigned for other employment

Hire to County Service:

- 3. Investigator – County Attorney – 07-24-06 – General Fund - William Murphy – Replaces Art Stone

Temporary Hire to County Service:

- 4. Clerk – Constituent Services II – 07-10-06 – Constituent Services Fund - Claudia Bertoldo
- 5. Laborer – Constituent Services II – 07-10-06 – Constituent Services Fund - Carl Russell, Thomas Hinderberger

End Probationary Period:

6. Animal Control Officer II – Rabies Control – 07-10-06 – Rabies Control Fund - Dustin Van Zwol

7. Training Specialist II – Community Services – 07-10-06 – Grant Fund - Tina Chaffin

Position Review:

8. Anniversary Date Increase – 06-26-06 – Mark Kaufman

SHERIFF’S PERSONNEL ACTION ITEMS:

Departure from County Service:

9. Deputy Sheriff – Globe S.O. – 08-01-06 – General Fund - Edward Morgan – Hire 07-16-01 – Resigned for personal reasons

Departmental Transfer:

10. Deputy Sheriff (Sgt.) – Globe S.O. – 07-17-06 – General Fund - Danny Alexander – from special detail to regular Patrol Sergeant

11. Administrative Assistant to Clerk II Part time – Globe S.O. – 07-10-06 – General Fund – Toni McEuen

K. Approval of the finance reports/demands/transfers for the week of July 17, 2006, (separate handout) as follows: \$549,924.80 was disbursed for County expenses by voucher numbers X151923 through X151925, X151927 through X151929, X151931, X151933 through X151935, X151938, X151941, X151943 through X151948, X151950 through X151951, X151957 through X152016, X152018 through X152024, X390028 through X390061, X390063 through X390084, X390086 through X390103, X390105 through X390201. The hand-issued warrant listing is as follows: voucher number X151830 in the amount of \$270,716.27 and voucher number X390025 in the amount of \$93,776.69. **(An itemized list of vouchers is permanently on file with the Board of Supervisors.)**

L. Approval of a payment for services to Fly-A-Way Travel in the amounts of \$292.60, \$292.60, \$292.60 and \$292.60.

At this time each Board member and the Chief Administrator were presented the opportunity to give a brief summary of current events as allowed by A.R.S. §38-431.02(K). No action was taken by the Board.

There being no further business to come before the Board, Chairman Sanchez adjourned the meeting at 12:05 p.m.

Jose M. Sanchez, Chairman

ATTEST:

Steven L. Besich, County Manager/Clerk