

BOARD OF SUPERVISORS

GILA COUNTY, ARIZONA

Date: December 12, 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; Marian Sheppard, Chief Deputy Clerk; and, June Ava Florescue, Deputy County Attorney.

The Gila County Board of Supervisors met in Regular Session at 10:00 a.m. this date. June Ava Florescue led the Pledge of Allegiance, and Dixie Mundy delivered the Invocation.

Steve Stratton, Public Works Division Director, and Brent Cline, Public Works Roads Supervisor, made a special presentation to Art Alvarado, Public Works Roads Maintenance Worker. Mr. Stratton stated that this would be a joint presentation in conjunction with the Gila County Provisional Community College (GCPCC) and called on Margo Bracamonte, GCPCC Senior Dean. Ms. Bracamonte introduced Michael Pastor, Secretary of the GCPCC Board, and Steve Cullen, Dean of the GCPCC Globe and San Carlos Campuses. Ms. Bracamonte stated that these classes for an Equipment Operator I and CDL (Commercial Driver's License) Class B at GCPCC are truly a partnership between Gila County, Arizona Department of Transportation, City of Globe and the GCPCC, which makes the workforce development program very successful. She then presented a certificate for the completion of Equipment Operator I and CDL (Commercial Driver's License) Class B classes to Mr. Alvarado.

Chairman Sanchez thanked Ms. Bracamonte and staff for their efforts. Ms. Bracamonte thanked the Board for its continued support of the college. Mr. Stratton explained that Mr. Alvarado works for the Public Works Division and has been a laborer for the road crew. An opening for an Operator 2 position occurred in Mr. Stratton's department and Mr. Alvarado, because of this certification, qualifies for the position and will be promoted from within the department; hence, this special presentation as Mr. Stratton thought it was very worthwhile. The Board members expressed their appreciation to both the GCPCC and Gila County Public Works Departments.

A presentation was made by the Gila County Public Works Department and the Arizona Department of Corrections (ADOC) on their joint program of recycling and refurbishing discarded bicycles for distribution to disadvantaged youth. Mr. Stratton introduced some of the people from the ADOC as follows: Ron Credio, Deputy Warden; Michael McCarville, Acting Deputy Warden; and, Kimberly Feldhake, formerly with ADOC and who helped start the bicycle recycling program. Mr. Stratton also introduced some of the staff from the Public Works Department that included Dean Wiley, Solid Waste Department Operations Worker Senior; Candy Brooks, Solid Waste Department Accounting Clerk Specialist; and, Sharon Radanovich, Solid Waste Department Manager. Ms. Radanovich stated that she has the joy of displaying all of the bicycles. She stated that in this joint effort with ADOC, the discarded bikes are pulled from the landfills and sent out to the prison where the inmates refurbish them with new and used parts and they have some fabulous paint jobs with paint that was donated by NAPA Auto, a local business. She stated that the Solid Waste Department uses some of its recycling funds to pay for the parts and Tempe Bike Shop donates half of the price of the parts back to the Solid Waste Department. The bikes are then distributed to needy children in the community for Christmas through the CASA (Court Appointed Special Advocate) program as well as other agencies. Chairman Sanchez then called on the staff from the ADOC. Michael McCarville stated that the ADOC is glad to be a part of the program, which provides the opportunity for the inmates to

give something back to the community and the inmates are very proud of this program. Chairman Sanchez inquired as to the number of bicycles that were refurbished. Ms. Radanovich stated that there were 45 total refurbished bicycles.

At 10:26 a.m. Chairman Sanchez called for a brief recess for refreshments.

At 10:40 a.m. Chairman Sanchez reconvened the meeting.

A presentation and update were given on the following items: A) Forest fee payments in lieu of taxes; and, B) 2004-2005 financial audit of Gila County. Steve Besich, County Manager/Clerk, stated that John Nelson, Deputy County Manager; Richard Gaona, Finance Director; and, Dennis Miller, Financial Consultant to the County, did the hard work and research on these forest fees from the federal level down to the state level and because of their work a lot of money will be saved for many counties in Arizona. He called on Mr. Nelson and Mr. Miller to explain how the savings came about. Mr. Nelson stated that the County receives forest fees every year from the federal government for all activity on public lands and these funds are then required by federal law to be distributed between the schools and roads. He stated that money not used by the County for schools directly or used for roads is considered to be retained by the County and is deducted by the federal government from the County's next year's payment in lieu of taxes (PILT). Mr. Nelson stated that approximately 12-13 years ago Gila County distributed 90% to roads and 10% to schools as it was thought that roads were more important. No one was aware of how the law worked, how the PILT was calculated or the amount that was deducted as this was never disclosed to the local governments. He stated that 10-12 years ago Gila County changed its distribution to 90-95% for schools and 5-10% for roads in an attempt to maximize the total money coming into Gila County. Federal law requires that the forest fees have to be distributed between schools and roads, but it doesn't state the percentage for the distribution. He stated that Santa Cruz County funded its roads in the amount of \$10, but the federal government did not consider that amount a

distribution so it was disallowed. Mr. Nelson stated that Gila County has been distributing its funds at 95% for schools and 5% for roads for a number of years, which he believes is the lowest the County can go and still meet the federal requirements. He stated that the distribution worked quite well until funding for accommodation schools was addressed. The federal government determined that any money used by the Superintendent of Schools for accommodation schools was self-retained by the County and ordered the Arizona Auditor General to capture those amounts and begin deducting them from the County's PILT funding. Gila County became involved when it started an accommodation school. This change in PILT funding began with Greenlee and Navajo Counties and filtered down to Gila County when it was determined that accommodation schools are not exempt and funds would be deducted from next year's PILT payments. Mr. Nelson stated that it was at this point that he and Mr. Miller began to work on the issue, with Mr. Miller handling most of the contact work with the Arizona Auditor General's Office. Mr. Nelson then called on Mr. Miller to explain how the issue was resolved. Mr. Miller stated that no one is notified when deductions are made from the PILT payments so most of the counties in Arizona were distributing the forest fees at 50% for roads and 50% for schools and no one was aware that deductions were being taken from the PILT payments. In working for Navajo County at the time that the information was disclosed that the federal government was disallowing accommodation schools, Mr. Miller learned that it was by design that the federal government looks at its payments as a total of all forest fees received and all PILT going out to each county in the whole country. He stated that the reason Arizona has not been able to deduct the amounts that go to the County School Superintendent's Office for accommodation schools is because of the separation of the schools from the County. In most states the schools are part of the county, which have separate school boards. He explained that a meeting with the Arizona Auditor General was held with Mr. Nelson, Mr. Besich, Mr. Gaona, himself and their attorneys in attendance, but they were not given much hope because the accommodation school, even though administered by

the School Superintendent is not separate from the County and would not qualify. In order for payments not to be deducted from PILT, the accommodation schools have to be financially and politically independent from the County. Mr. Nelson began to inquire about a lawsuit filed by the Maricopa County School Superintendent against the Maricopa County Board of Supervisors and Ms. O'Dell, Gila County School Superintendent, was able to obtain a copy of same. The courts had ruled that the Maricopa County School Superintendent could start an accommodation school without the approval of the Maricopa County Board of Supervisors. Testimony in the case stated that a number of accommodation schools operated only on the fees received from the State and with no county funding. Mr. Nelson and Mr. Miller believed that this proved that accommodation schools are financially and politically independent of the County and that PILT should not be reduced. The Arizona County Supervisors Association (CSA) was requested to get involved as it was felt that Gila County should not be doing all the work for the other counties. CSA, upon review of the issue, took the position that Gila County was correct. Mr. Nelson and Mr. Miller forwarded the court ruling and the County's position to the Arizona Auditor General, who reviewed same and drafted a letter to the federal agency supporting Gila County's position. The Arizona Auditor General audits these payments and is showing the amounts as not retained for the year ending September 30, 2006. Mr. Miller stated that this effort resulted in the savings of \$120,000 this year for Gila County and will probably amount to more in the future, as well as resulting in a major savings for many of the other counties. It is possible that the federal agency would not agree with the Arizona Auditor General; however, this is highly unlikely. Mr. Miller concluded his presentation by stating that a great job was done on this issue and he wanted to make sure that the Board knew it was due to the efforts of the Gila County staff. Chairman Sanchez inquired if there is just one accommodation school in Gila County. Ms. O'Dell stated that Gila County took the lead in what she believes will recoup \$3.5 to \$4 million in forest fees for the State of Arizona that would have otherwise been deducted from PILT payments. She

stated that in Gila County a portion of the forest fees have been distributed to the school districts based on the percentage of acreage the districts have and another portion of those forest fees have been maintained in the School Superintendent's Office. She stated that there are some counties that use the majority of its forest fees to fund their accommodation school district. Ms. O'Dell stated that State law authorizes the county school superintendent to establish an accommodation school district and in the past 18 months she has established the Gila County Regional School District. She stated that although the name does not include the word "accommodation", it is an accommodation school district by State law. In that regard, the Globe Education Center and the Payson Education Center are under the auspices of the Gila County Regional School District, or the accommodation school district. Both of those schools are serving a range of students who are greatly at risk of succeeding in other school settings. She stated that the forest fees in the past year were very helpful in establishing the accommodation school district and especially in light of the fact that there is no taxing authority for properties and buildings and such, so many of the dollars have gone directly to leasing fees, utilities, etc. Supervisor Dawson inquired if prior to the accommodation school district being established in Gila County, was all the forest fee money designated for schools being distributed to the various school districts based on the percentage of forest in each district? Ms. O'Dell replied that it is her understanding that prior to her taking office, 50% of the total monies coming into the Gila County School Superintendent's Office were allocated to the school districts, but in prior years 100% of those funds used to go to the school districts based on the percentage of acreage owned by each school district. She stated that the former school superintendent made the determination to hold the other 50% of those funds in the School Superintendent's Office, which until this past year were used for special projects to help support school district activities. She gave the example of when the Pine-Strawberry School District was no longer able to afford a school librarian. Forest fee funds were used to assist the local Pine-Strawberry Library to put staff into the school district

library in order to keep the library open. Other special projects included funding textbooks for some schools districts along with technology projects. Supervisor Dawson inquired as to the amount of forest fees that were distributed to the local school districts over the past year. Ms. O'Dell stated that it was approximately \$200,000. Supervisor Dawson inquired as to what percentage the \$200,000 was of the total forest fees received. Ms. O'Dell replied that the information she had with her shows that \$310,000 of the basic forest fees money came to the Gila County School Superintendent's Office and \$160,000 of that amount was maintained in the School Superintendent's Office and \$120,000 of the \$160,000 was utilized for the accommodation school district, so that left \$160,000 that went directly to the school districts. Supervisor Dawson stated that did not add up and requested a printout of how the money is divided and how much is going to the accommodation school. Ms. O'Dell provided Supervisor Dawson with the information. Supervisor Dawson inquired of Mr. Miller if he knew what percentage of the forest fees received are given back to the State as the County only receives a percentage. Mr. Miller was unsure of the amount as it comes from the federal government and it is based on a formula for the total fees collected. The fees are divided among all the counties in the nation and it's based on acreage, but Mr. Miller did not know what the percentage was of the total collection. Mr. Miller stated that it's probably a small percentage because those fees are also used to maintain the forest. Ms. O'Dell inquired if she could respond to Supervisor Dawson's question. She stated that in 2000 she went to Washington, D.C. to assist in lobbying efforts to maintain the continuation of forest fee funding. She explained how the forest fee program was established 100 years ago when the federal government removed properties from the counties that previously would have generated property taxes for the counties. These removed properties were set aside as national forest reserves. The program was set up so that the affected counties would receive funding in return for the losses that would have occurred by not having those property taxes available. At the time that the program was put into effect, it was the intent that 80% of the funding

being returned to the counties would be generated by the receipts from forest activities. An additional 20% would be paid by the federal government to offset any other loss of potential economic development by the counties. Over time activities within the forest have decreased and the amounts paid to the counties has shifted with forest fees generating only 25% of the money and federal tax dollars funding the 75-80% of the balance. In 2000, federal legislation was passed and it was established with a formula in place to specifically identify how the money would come back to the counties. It is now formula driven and it does have to do with acreage and the types of activities that are occurring in the forests. Supervisor Dawson stated that she would like to know if Mr. Besich or other staff could find out the amount of money that is being generated. She stated that the Board is constantly receiving complaints from one organization or another about the increase in forest fees and she received a complaint this week that the fee had increased from \$60 to \$80 for an annual senior pass. She stated that these fees generate a lot of money and she understands that because of the management of the forest, the County is not getting the money that logging used to provide from the forest and for grazing fees because the ranchers have been told they can't put cattle on forest land. Supervisor Dawson stated that she would like to know the amount of money being generated by the federal government for forest fees and the amount of money being returned to the County. Chairman Sanchez called on Dan Adams, a resident of Payson, to comment. Mr. Adams stated that the County is doing well with the pittance it is getting of what it could be and should be getting if the forests were being utilized as they were when they were set up to be a land of many uses and the forest could generate revenue and provide sustainable amounts of timber and grazing areas. He spoke about a group known as the Forest Guardians in Santa Fe, New Mexico, who he believes is "crazier than the groups in Arizona" that is working to close the Santa Fe National Forest. If successful it could serve as an example to close the rest of the national forests throughout the country and eliminate all roads into the forests. Chairman Sanchez inquired from Ms. O'Dell about the total

amount that will be recovered statewide from the forest fees as a result of the County's efforts. Ms. O'Dell stated that it is her estimation that the actions taken by Mr. Nelson, Mr. Miller and County staff have saved the counties statewide \$3.5-\$4 million that had been designated to accommodation school districts and which the Auditor General had indicated needed to be repaid to the State by the counties. Chairman Sanchez indicated that this was very significant and thanked all those involved in the efforts. Supervisor Dawson stated that in regard to accommodation schools and because of the lawsuit, Maricopa County is going to attempt to eliminate the terminology for providing those funds and request legislation to give the county boards of supervisors more control. If successful, those funds will again be deducted. Mr. Miller stated that in conversations with Mr. Nelson, it is believed that the role for CSA and AACO (Arizona Association of Counties), as well as the County School Superintendents' Offices, is to watch and make sure that whatever the Legislature does in reaction to Maricopa County, that they draft any changes in such a way that it doesn't eliminate what Gila County has been able to accomplish. Chairman Sanchez moved on to address part B of the presentation in regard to the 2004-2005 financial audit of Gila County. Mr. Miller stated that the auditors have been very slow in trying to get the 2004-2005 audits completed because there is an extreme shortage of auditors and accountants throughout the State and the country. When the GASB 34 requirement was implemented, it placed a tremendous burden on counties and many are getting further behind. He stated that for Gila County's 2004-2005 audit, the Arizona Auditor General had contracted with Miller and Allen to conduct the audit. The firm of Walker and Armstrong had been assisting the County staff in preparing for the GASB 34 audit. He stated that just 2 weeks ago, after 4 months of numerous meetings and a few heated discussions with the managing partner, the County was able to get Miller and Allen out in the field to begin the audit so he was happy about that. Mr. Miller stated that the firm Walker and Armstrong have not completed all of its work, but in a phone call last night, Ronnie Attaway, a partner with Walker and Armstrong, has

assured him that the work will be finalized next week. He stated that Mr. Gaona, Gila County Finance Director, and his staff completed their work 4 months ago. Mr. Miller stated that he has been trying to get Miller and Allen to conduct the 2004-2005 and 2005-2006 audits back to back. There is an extreme shortage of staff at the Arizona Auditor General's Office; however, they have assigned one of their retired managers named Rita to assist the County in preparing for the 2005-2006 audit instead of having Walker and Armstrong do it. This individual will be able to remain on board and hopefully get the preparation done much faster. The cost to the County should be about half of the amount Walker and Armstrong would charge and he appreciates the Auditor General doing that on behalf of the County. He concluded by stating that there will be much progress in the next few months as hopefully both of these audits will be completed one right after the other. Supervisor Dawson inquired about the 2004 audit being done by Walker and Armstrong. Mr. Miller clarified that assistance for the preparation of the 2004-2005 audit is being provided by Walker and Armstrong, but for 2005-2006 the assistance will be provided by the Auditor General through their retired manager, which will be a big help to the County. The actual audits for 2004-2005 and 2005-2006 have been contracted to the firm of Miller and Allen by the Auditor General. Chairman Sanchez inquired of Mr. Miller if the firm of Miller and Allen was his firm. Mr. Miller replied that it was not. Supervisor Dawson inquired about a calendar projection. Mr. Miller stated that the Auditor General and the Chief of Financial Audit have agreed that as soon as the County has all of the finalized information, which is supposed to be here from Walker and Armstrong by the end of next week, a meeting will be held with Miller and Allen. Mr. Miller stated that the Auditor General has requested a time frame for the completion of both audits. Mr. Besich thanked Mr. Miller, Mr. Nelson, Mr. Gaona and their staffs for all of their hard work. Supervisor Dawson inquired about New World and getting the County's new computer software accounting program on line. She stated that in the billings this week there is a payment for training, which is a substantial amount that is being paid for training an employee who

the County had notice was leaving. She stated that it looked like the billing was for that individual for November training and inquired how much training was given before Mr. Gaona received knowledge that the employee was leaving Gila County. Mr. Gaona stated that New World has been training for 2 months in order for the County to get the general ledger, human resources and payroll programs running. Chairman Sanchez broke in and questioned whether Supervisor Dawson's question was related to the agenda item currently being addressed by the Board. Mr. Besich stated that staff could get back to the Board on the New World accounting system. Chairman Sanchez agreed with Mr. Besich and he reiterated that the agenda item being addressed is the 2004-2005 financial audit and he cautioned the Board to stay within that area of discussion. Supervisor Dawson requested that the Board receive a report on New World's current costs to date because as she totals it up, it's over \$600,000. Chairman Sanchez stated that those other items could be discussed with the County Manager and Finance Department. Supervisor Dawson stated that she wants New World costs to be a public agenda item. Chairman Sanchez stated that there is a process for getting items placed on the agenda and the Board should be well aware of that process. He apologized for stopping the discussion, but stated that the Board has to stick to its agenda and that's his responsibility as Chairman. Chairman Sanchez asked if there was any further information on the 2004-2005 financial audit. Mr. Gaona stated that the presentation was completed.

In addressing agenda item number 5, Mr. Gaona requested approval of forest fees to be allocated for school usage at 95% and road usage at 5%. He stated that as was indicated in the previous agenda item, the federal law requires that the forest fees are to be used for the benefit of the schools and the roads. He stated that the County completed an audit in September 2006 and the Arizona State Auditor General requested formal approval by the Board of how the County would be splitting its forest fees between the schools and roads. Mr. Gaona recommended that the Board approve a split of the forest fee funds at 95% for schools and 5% for roads. Upon motion by Supervisor

Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved that forest fees be allocated to school usage at 95% and road usage at 5%.

Steve Besich presented an update on the facilities planning in Gila County. He passed out a brochure to the Board from Stoneberg & Young, the company that will be providing financial advice on the facilities project, which shows some of their clients and previous work. Mr. Besich stated that he has proposals from a facilitator and a design consultant, both of which have been forwarded to the County Attorney's Office for review. Upon the County Attorney's review, contracts will be presented to the Board for approval on December 19, 2006. He stated that Santa Cruz County spent almost \$90,000 for the design consultant that was hired for its bond issue; however, Mr. Besich advised that the preliminary proposal he's received for this design consultant is well under that amount. He estimates that the entire process can be kept under \$100,000 with 3 components to the plan as follows: 1) the cost of reimbursing the Citizens' Facilities Planning Committee for mileage and per diem; 2) the cost for the facilitator; and, 3) the cost for the design consultant. Mr. Besich estimates that the proposed planning is a week behind schedule, but still within the target of beginning the first of the year. Chairman Sanchez thanked Mr. Besich for his update.

Mr. Besich requested the Board's consideration and appointment of members to the Gila County Citizens' Facilities Planning Committee. He stated that the facilities plan includes 9 appointments to the Gila County Citizens' Facilities Planning Committee by the Board of Supervisors and he's hoping the Board would appoint those 9 members to the Committee today. Mr. Besich stated that to date he has not received any recommendations for appointees from any of the municipalities or tribal governments so that is something the Board will have to consider in the future. Mr. Besich stated that he thinks that after a certain point if some of the municipalities don't want to avail themselves of the opportunity to appoint someone, it would be reasonable for the Board to solicit people from various areas of the County that are under-represented or non-represented, but the County will still have covered its bases by having

offered the opportunity to the municipalities and tribes. Mr. Besich stated that he received a call from the Town of Payson and it was indicated that the Payson Town Council would make an appointment at its December 14th meeting; however, he's not sure now if that is going to happen. Chairman Sanchez stated that his three appointees for consideration by the Board were as follows: Dan Adams from the Payson area; Linda Center, who works for K.I.K.O. Radio; and, Joe Rodriguez, a former sheriff of Gila County. Vice-Chairman Martin stated that she was recommending Ken Volz, a retired architect, who is also a construction and design analyst particularly for criminal justice centers; Christy Ford, who has previously served on the school board in Payson and has knowledge and experience working on successful bond issues; and, Harry Jones, who has an "economic analyst brain" that she would like to have in this conversation. Supervisor Dawson stated that she was proposing the nomination of Tom Moody, a retired employee of IBM, who lives in the local community; Tommie Rasmussen, who previously worked in the court systems as a criminal investigator and probation officer and is now an involved citizen; and, Richard Standage, who is retired from the Miami School District and lives in the local community. Chairman Sanchez thanked the Board members for their nominations and he asked for a motion on this agenda item. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously approved the appointments of the following to the Gila County Citizens' Facilities Planning Committee members: Linda Center, Dan Adams, Joe Rodriguez, Ken Volz, Christy Ford, Harry Jones, Tom Moody, Tommie Rasmussen and Robert Standage. Mr. Besich requested that the Board forward the appointees' mailing addresses and phone numbers to Marian Sheppard, Chief Deputy Clerk.

Jacque Griffin, County Librarian/Assistant County Manager, requested the approval of an amendment to Rule 13 – Classification Plan of Gila County's Merit System Rules and Policies. Rule 13 addresses the classification administration procedure. She stated that this is a continuation of the process that the Board began a year ago in addressing compensation and position

classifications for County employees. The consulting firm of Public Sector Personnel Consultants was hired to conduct a market salary survey of comparable Gila County positions and provide a new procedure for reclassifying existing positions and classifying newly created positions. The Board officially adopted the position classification and salary plan that was proposed by Public Sector. Ms. Griffin advised that all of the language contained in Section 13.3 - Classification of Administration was removed and new language was added as outlined in section 13.4; therefore, section 13.4 would be renumbered to 13.3 as well as existing sections 13.5 and 13.6. Section 13.3 basically states that if an employee's job needs to be reclassified or reevaluated and it's an existing position, Position Description Questionnaires (PDQ) may be submitted to the Personnel Department no earlier than February 1st and no later than March 31st of each year. The PDQs will then be forwarded to an independent professional consulting firm for an outside third party review and recommendation at the expense of the requesting department or elected official. The policy does not state the name of the professional consulting firm as that could change. The professional consulting firm would review the PDQs and either recommend a change because the nature of the duties have significantly changed or recommend no change. The timing would allow for the Finance Department to initiate any changes into the budget process. Supervisor Dawson inquired as to the name of the appointing authority. Ms. Griffin stated that the appointing authority would be the department head, who has the authority to assign additional duties as needed within the department. Mr. Besich clarified that the appointing authority could also be an elected official or the Board of Supervisors for departments under the Board. He stated it is kind of a misnomer because the department heads and himself make recommendations to the Board and the Board is the appointing authority when it approves the payroll authorizations. Supervisor Dawson stated that this starts getting skewed when it is put back under the Personnel Department's authority because it was supposed to go only to an outside consultant for classification

reviews. She inquired if she was missing the clarification that it stays outside of the County. Ms. Griffin showed Supervisor Dawson where it was listed at the top of page 11 of the Board packet, which she read as follows: “The PDQ will be forwarded to an independent professional consulting firm for review and recommendation...” Chairman Sanchez inquired about the method in which this new information will be disseminated to department heads and elected officials. Ms. Griffin replied that upon Board approval of this amendment, the Personnel Department will advise all elected officials and department heads of the timeline process. Mr. Besich requested that the Personnel Department e-mail the changes to everyone. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved the amendment to Rule 13 – Classification Plan.

Ms. Griffin requested the approval of a one-grade increase in salary for all regular status employees effective January 8, 2007, and to impose a freeze on all payroll actions effective January 8-21, 2007. She stated that this item also comes under the larger umbrella of the Board’s commitment and ongoing process for the evaluation and classification of all employee job positions. As information to the audience, she briefly reviewed the process undertaken by Public Sector Personnel Consultants which included conducting a market salary survey, presenting the survey results to the Board, and ultimately for the Board to adopt and implement position classifications for all employees and a salary plan. Ms. Griffin stated that at the time the position classification and salary plan was adopted by the Board, it was realized that the County did not have sufficient funds to fund the salary plan at 100% as recommended by Public Sector Personnel Consultants, which would have meant that every employee would receive at least the minimum of their salary range. The Board authorized funding the salary plan at 95% and at the same time the Board agreed to consider granting all employees a one-grade salary increase or approximately 2.5% in January 2007, providing that funds became available. If approved, this one grade increase in salary places all County employees at 97% of market within their grade as established by Public Sector Personnel

Consultants. Chairman Sanchez inquired about the purpose for the freeze on all payroll actions from January 8-21, 2007. Ms. Griffin explained that when the salary plan was first established in August or September 2006, each department had to complete and submit to the Personnel Department a payroll authorization form for all eligible employees in that department. Then they had to be checked very carefully by the Personnel Department and rechecked by the Finance Department. During the period of January 8-21, 2007, it is being requested that all routine changes be limited during that time period to allow these increases to be input into the payroll process and checked for accuracy. Supervisor Dawson stated that at the time of the survey there were 64 employees who were identified at or above the midpoint of their salary grade range; however, some employees were below the midpoint meaning they were down 1-3 salary steps. She had inquired about the cost of bringing those employees up, as well as bringing up the employees who are way below and was wondering why the County can't come up with better raises for those employees. She was concerned about increasing the gap between the ranges and losing employees to other companies. Ms. Griffin stated that a full explanation would require her 22 minute presentation; however, she briefly explained the process to the Board. Chairman Sanchez stated that he would like to bring the Board back to the agenda item request to approve a one-grade increase for all employees. Vice-Chairman Martin stated that she believes at the time the Board made the original decision it was decided to give this increase in January 2007 if funding was available. Vice-Chairman Martin stated it was the Board's attempt to fund the program at 100%, but initially it was funded at 95% across the board equally, and she was satisfied that the Board would now be increasing salaries to 97%. (For the record, the increase is closer to 97.5%.) Vice-Chairman Martin stated that she is anxious to see the program funded at 100% so the entire process can be reevaluated "as we go allowing the process to work." Mr. Besich stated that he feels the Board has been over this issue a number of times and it's always going to be complicated. Upon motion by Vice-Chairman Martin, seconded by Chairman Sanchez, by a

2-1 vote the Board approved a one-grade increase in salary for all regular status employees effective January 8, 2007, and imposed a freeze on all payroll actions effective January 8 through January 21, 2007. Supervisor Dawson voted nay.

At 12:03 p.m. Chairman Sanchez called for a brief recess.

At 12:13 p.m. Chairman Sanchez reconvened the meeting.

Mr. Besich requested ratification of the Chairman's signature on a State Lake Improvement Grant Fund Application to enable Gila County to third-party sponsor the San Carlos Recreation and Wildlife Department and serve as a pass-through entity for the proposed Talkalai Lake Project, with Gila County receiving 10% of the total project cost budgeted for project oversight. He stated that the County has done a number of lake improvement projects over the years at locations such as Soda Canyon, New Government Corral, and Mohave Point. He stated that tribal governments aren't eligible to apply for State lake improvement grant funds unless they have a third party sponsor. Mr. Besich explained that the County would receive 10% of the total project cost for project oversight, which includes County building inspectors checking to ensure the project is being built as contracted. For this grant application, the County has agreed to act as a pass-through entity, the San Carlos Apache Tribe will be responsible for running the project and the County will ensure that the Tribe will be in compliance with the grant requirements for a 10% fee. At this time it is only an application and until an award is made, it is unknown as to the amount of the funding that will be awarded for this project. Vice-Chairman Martin inquired if there is any liability for the County. Mr. Besich stated that when the grant money is accepted, it is agreed that the facility will be used in perpetuity forever, but he doesn't know what would happen if a tribal government decided to rip up a boat ramp, for example, because it's never happened. He also stated that the County has never had a problem with the grant administration. He stated that the State Lake Improvement personnel at the Arizona State Parks are always happy to make improvements and it is one of the easiest State agencies to work with. Vice-Chairman Martin inquired if

the proposed facility will always be open to the public or if there will be restricted access upon completion of the project. Mr. Besich stated that it is open to anyone buying a tribal fishing/camping permit. Chairman Sanchez stated that the permits are required because the project is under the jurisdiction and total control of the San Carlos Apache Tribe as far as access. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously ratified the Chairman's signature on a State Lake Improvement Fund Grant Application to enable Gila County to third-party sponsor the San Carlos Recreation and Wildlife Department and serve as a pass-through entity for the proposed Talkalai Lake Project, with Gila County receiving 10% of the total project cost budgeted for project oversight.

Mr. Stratton requested the award of Request for Sealed Bids Proposal No. 080106-1 for MC-800TR Tire Rubber Chip Seal Oil and to authorize the Chairman's signature on the Contract. He stated that Paramount Petroleum submitted the only bid and, at present, it is the only company that provides this type of oil. He stated that this is one of the oils used for chip sealing and recommended that the bid be awarded to Paramount Petroleum. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously awarded the Request for Sealed Bids Proposal No. 080106-1 for MC-800TR Tire Rubber Chip Seal Oil to Paramount Petroleum and authorized the Chairman's signature on the Contract.

Adam Shepherd, Undersheriff, requested the approval of Request for Statement of Qualifications (SOQ) No. 111506-1 and to authorize the advertisement of said SOQ for a multi-site VHF radio interoperability system implementation at the Sheriff's Office in Payson in compliance with the established Arizona Department of Homeland Security Grant No. 2005-GR-T5-0030. He stated that a grant application was submitted to the Arizona Department of Homeland Security several months ago. He introduced Jim Wortham, who is a communications engineer and a volunteer with the Sheriff's Office. He stated that Mr. Wortham has put in countless hours at his own expense in helping put this radio system together. Mr. Wortham advised that

he is retired from the City of Phoenix, but while employed there he was the architect for Maricopa County's 9-1-1 Emergency Operations System among other projects. Mr. Shepherd clarified for the record that this radio system will be implemented Countywide, not just in Payson as stated on the agenda. He explained how the implementation will improve communications within the Sheriff's Office, eliminating the need for the Sheriff's Office to act as the go between for 9 fire departments around the County, which are currently on individual communication systems. He stated that the total grant amount of \$220,000 has already been awarded by the Arizona Department of Homeland Security and the funds are now available for use. Some reductions were made in the grant award, so the equipment list had to be trimmed down. Mr. Shepherd requested that the Board approve the Request for SOQ No. 111506-1 and authorize the advertisement of same. Supervisor Dawson made the motion that the Board approve the Request for SOQ No. 111506-1 and authorize the advertisement of said SOQ for a multi-site VHF radio interoperability system implementation at the Sheriff's Office in Payson. June Ava Florescue, Deputy County Attorney, requested that the motion be amended to state that it will be implemented Countywide instead of just at the Sheriff's Office in Payson. Supervisor Dawson amended her motion to include that the system would be implemented Countywide. Vice-Chairman Martin seconded the motion, which the Board unanimously approved. Supervisor Dawson inquired if the system would reach Young and along the road to Young. Mr. Shepherd stated that it will reach Young and they are hoping it will reach the road. He stated that the current system has some limitations and the Sheriff's Office is trying to overcome those limitations; however, most of the communities on the east end of the County are controlled by the federal government through the reservations or the Forest Service so there are some obstacles that must be overcome in those areas.

Mr. Shepherd requested the approval of a Request for SOQ No. 112006-1 and to authorize the advertisement of said SOQ to implement a multiple convert surveillance system at the Sheriff's Office in Payson in compliance with

the established Arizona Department of Homeland Security Grant No. 2005-GE-T5-0030. He stated that funds for this SOQ will be awarded from the same Arizona Department of Homeland Security funding year as the previous item. He stated that Sheriff Armer requested that some remote surveillance equipment be ordered because of a limitation of staff. This system will include night vision, recording equipment and surveillance cameras, which will give the Sheriff's Office the ability to monitor remote areas without them having to be manned. He stated that in the last proposal, this was authorized by the State in the amount of \$108,000. Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously approved the Request for SOQ No. 112006-1 and authorized the advertisement of said SOQ to implement a multiple convert surveillance system Countywide (not just at the Sheriff's Office in Payson as noted in the agenda item). Mr. Besich wanted to let the Board know of the countless hours that Mr. Wortham spent on the Sheriff's Mobile Command Unit and stated that he's been an example of a real volunteer, somebody who really cares, and he wanted to publicly thank Mr. Wortham. Bill Taylor of KQSS Radio stated that he was very impressed with the Sheriff's Mobile Command Unit. Chairman Sanchez asked Mr. Taylor to pass that information on to the public.

Marian Sheppard, Chief Deputy Clerk, requested the review of a sealed bid for the purchase of tax parcel number 101-12-154-B-0. She stated that this property was deeded to the State of Arizona in 2002 and the minimum bid allowable for this parcel is \$2,049.17. She showed the Board a map and photos of the parcel, which is located in Winkelman, and stated that an older double-wide mobile home is located on the property. Ms. Sheppard then opened the sealed bid and stated that Jack Miller of Winkelman Holdings LLC submitted a bid in the amount of \$2,049.17, which is the minimum acceptable bid. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously accepted the bid from Jack Miller of Winkelman Holdings LLC in the amount of \$2,049.17 for the purchase of tax parcel number 101-12-154-B-0.

In addressing agenda item number 15, the Consent Agenda items, Supervisor Dawson made the motion to remove Consent Agenda item number 15D from the Consent Agenda and place it on the regular agenda for discussion as this was a new contract. Consent Agenda item number 15D is as follows: Approval of an Intergovernmental Agreement (IGA) between Gila County and Mohave County to provide funding to help maintain a Business Services Representative in Mohave County in the amount of \$5,000.00 for the period July 1, 2006, through June 30, 2007. Christina Throop, Deputy REPAC (Re-employment and Prelayoff Assistance Center) Program Manager, stated that REPAC would like to assist Mohave County with their Business Service Representative at a cost of \$5,000. She stated that Mohave County assists Gila County with the REPAC Program in Kingman and Bullhead City, so it is a great partnership. Mr. Besich clarified for the record that this is grant funding passing through from the Department of Labor to the Department of Economic Security to Gila County's Dislocated Worker Program. Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously approved an IGA between Gila County and Mohave County to provide funding to help maintain a Business Services Representative in Mohave County in the amount of \$5,000.00 for the period July 1, 2006, through June 30, 2007.

Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously moved Consent Agenda item number 15G to the regular agenda for discussion. Consent Agenda item number 15G is as follows: Approval to appoint Delmar Eugene Bohlmeier, Elaine Morton Bohlmeier, Patricia Alma Rollins, Douglas Lee Herbster, Josephine Q. Alvarez, Mildred I. Greenwall, Laverne Lester Greenwell, Robert Glen Hershberger as precinct committeemen to the Gila County Democratic Committee. Chairman Sanchez stated that he received a letter dated December 12, 2006, from some of the members of the Gila County Democratic Committee. He stated that the letter was received this morning and that several members of the group who signed the letter were present at today's meeting, namely: Mr. Albert Porto, Mr. Curtis

Jackson, Mr. Shaya Rodriguez and Mr. Matt Bishop. He then asked Dixie Mundy, Elections Department Director, if she would address this item. Ms. Mundy advised that this was the first time she had seen the letter. She stated that traditionally the county party chairman for both the Republican and Democratic Parties submit for Board appointment the name of persons registered in their party to be appointed to fill vacancies on the County Precinct Committee. She stated that a form is used, a copy of which was included in the Board's informational packet, for appointments to the Gila County Democratic Precinct Committee. Ms. Mundy stated that the chairman of the political party submits the forms to the Elections Department, which she forwards to the Clerk's Office for placement on the agenda. Upon approval by the Board, those persons are appointed to fill the vacancies that are not filled by election. She stated that is where the County presently stands with these 8 appointments. She stated that Mr. Whitely of the Gila County Democratic Party delivered some of the forms and others were received in the mail. All of the names were then placed on the Board's agenda for approval and that is where her involvement is placed. Chairman Sanchez inquired who Mr. Whitely was. Ms. Mundy stated that he was previously the Vice-Chairman of the Gila County Democratic Party and since Mr. Reza is no longer the Chairman, Mr. Whitely then moved into that position for this period of time so he would be the one to submit those recommendations. She stated that according to Arizona Revised Statutes 16-821, once a vacancy is determined, the county party chairman or designated person would then submit to the board of supervisors a request for appointment. Chairman Sanchez inquired if that is the reason the request is before the Gila County Board of Supervisors today. Ms. Mundy replied in the affirmative. For the record, Chairman Sanchez requested that Ms. Griffin read aloud the letter, which states (typed as presented to the County):

We the undersigned Precinct Committeeman do hereby protest and challenge any appointments brought before the board by the Gila County Democratic Party. We are requesting that the state Democratic Party

review these appointments for validity due to possible By-Law's violations by the County Party. Therefore, we are requesting that these appointments be tabled for review and inquiry at this time. Sincerely, Gila County Democratic Party Precinct Committeeman.

The letter was signed by Matthew Bishop, Shaya Rodriguez, Samuel Chacon, Curtis Johnson, Carmen Casillas, Albert Porto and Juliet Cisterna. Supervisor Dawson stated that because there is a problem with these appointments, she made the motion to table this agenda item. Ms. Florescue stated that for the record, Arizona Revised Statute 16-821 provides that either the county committee chairman or a committee designated in the bylaws would provide these recommendations to the county. She stated that in this case there is a vacancy as determined by statute, and if there is a question as to whether there is a properly seated county chairman for the Democratic Party or a proper committee, then tabling this item would be the appropriate action to be taken by the Board. Mr. Besich stated that for the Board's edification and additional information, a request to provide a copy of the Gila County Democratic Party's bylaws could be given to Ms. Mundy and the County Attorney's Office so the Board could read the specific requirements. He stated that this request will probably come back to the Board and hopefully the State Democratic Party will become involved and help "sift through the issues"; however, it would be to the Board's advantage to obtain a copy of those bylaws. Vice-Chairman Martin inquired if a new motion should be made that includes the fact that the Board is tabling this item in order to better understand the situation and is requesting copies of the bylaws from the Democratic Party and if there is a valid Democratic Party Chairman. Supervisor Dawson amended her motion to table this item subject to Gila County or the State Democratic Party providing the Board with a copy of the Democratic Party bylaws and certification of the County Democratic Party Chairman or the authorized person to act in that position. Vice-Chairman Martin seconded the motion, which was unanimously approved by the Board. Chairman Sanchez stated

that the item was tabled; however, a date would not be set until the Board received the requested information.

Upon motion by Vice-Chairman Martin, seconded by Supervisor Dawson, the Board unanimously approved Consent Agenda item numbers 15A-J, with the exception of 15D and 15G (addressed separately above), as follows:

- A. Authorization of the Chairman's signature on a Contract for Administration of Southwest Gas – Arizona Low Income Energy Conservation Bill Assistance Program between the Arizona Community Action Association and the Gila County Division of Health and Community Services, Community Action Program, in the amount of \$5,000.00 as monies not spent by December 31, 2006, will roll into the new 2007 Contract.
- B. Authorization of the Chairman's signature on a 2007 Contract for the Administration of Southwest Gas – Arizona Low Income Energy Conservation Bill Assistance Program between the Arizona Community Action Association and the Gila County Division of Health and Community Services, Community Action Program, in the amount of \$5,000.00 for the benefit of low-income clients that are serviced by Southwest Gas for the period January 1, 2007 through December 31, 2007.
- C. Acknowledge the cancellation of Contract No. E5205006 between the Department of Economic Security and Gila County REPAC, due to the subcontractor's lack of performance and increased costs and effective as of December 31, 2006.
- D. Moved to the regular agenda.
- E. Approval of Amendment No. 1 to Contract No. C076-06 between Gila County and the Arizona Department of Commerce, Energy Office, to increase Gila County's Low-Income Energy Assistance Program award in the amount of \$29,678.00.
- F. Approval to appoint William Powers, Barry Walker and Kenneth Hahn as precinct committeemen to the Gila County Republican Committee.
- G. Moved to the regular agenda.

- H. Approval of the November 2006 monthly departmental activity report submitted by the Globe Regional Constable.
- I. Approval of personnel reports/actions for the week of December 11, 2006, as follows:

Departure from County Service:

1. Deputy Probation Officer 1 – Probation – 12-08-06 – Juvenile Standard Fund - Shannon Ramirez – Hire 06-26-06 – Resigned for other employment
2. Administrative Clerk – Community Services – 12-01-06 – Grant Fund - Mary Miller – Hire 10-02-06 – Failure to complete probationary period
3. Bailiff/Interpreter – Superior Court – 10-16-06 – General Fund - Angela Torres – Hire 09-22-03 – Resigned for personal reasons
4. Laborer – Constituent Services II – 12-22-06 – Constituent Services II Fund - Ruben Avalos, Manuel Gonzales, Jr. – Temporary positions
5. Administrative Assistant – School Superintendent – 06-20-06 – General Fund - Janis Gordon – Temporary position

Hire to County Service:

6. Recorder’s Office Supervisor – Recorder – 12-18-06 – General Fund - Vonnie Dickison – replaces Sadie Dalton
7. Recorder’s Clerk – Recorder – 12-05-06 – General Fund - Vanessa Gonzalez – replaces Heather Poeling

Departmental Transfer:

8. Deputy Probation Officer 1 – Probation – 12-11-06 – A.I.P.S. to Juvenile Standard Fund – Jay Boyer – Replaces Susan Gerard

End Probationary Period:

9. Accounting Clerk – Community Services – 12-25-06 – Grant Fund
Karen George
10. Environmental Health Specialist Senior – Health Services – 11-27-06 –
Health Services Fund – Shane Stuler

Position Review:

11. Reclassification – Acting Chief Deputy Recorder to Chief Deputy Recorder – Recorder – 12-25-06 – General Fund – Sadie Dalton – Replaces Nancy Duke
12. Statutory Increase – Superior Court Judge – Superior Court – 12-25-06 – General Fund - Peter Cahill, Robert Duber II
13. Statutory Increase – Judge Pro Tempore – Superior Court – 12-25-06 – General Fund - Peter DeNinno
14. Statutory Increase – Justice of the Peace – Globe Regional Justice Court – 12-25-06 – General Fund – Patricia Nolan
15. Statutory Increase – Court Commissioner/Judge Pro Tempore – Superior Court – 01-01-07 – Court Commissioner Fund – Arthur Lloyd
16. Statutory Increase – Globe Constable – 01-01-07 – General Fund - Jesse Bolinger – Board approved salary as set by statute June 13, 2006.
17. Statutory Increase – Payson Constable – 01-01-07 – General Fund – Sam Brewer – Board approved salary as set by statute June 13, 2006.

Request Permission to Post:

18. Administrative Clerk – Community Services (CAP) – position vacated by Mary Miller

SHERIFF’S PERSONNEL ACTION ITEMS:

Departure from County Service:

19. 911 Dispatcher – Payson S.O. – 11-30-06 – General Fund - Annette Padilla – Hire 11-08-04 – Resigned for personal reasons

Hire to County Service:

20. Detention Officer – Globe S.O. – 12-11-06 – General Fund - DeAnn Young – Replaces Sherry Damiano

- J. Approval of the finance reports/demands/transfers for the week of December 11, 2006, (separate handout) as follows:
 \$464,156.24 was disbursed for County expenses by voucher numbers X154242 through X154294, X396193 through X396478. There were no hand-issued warrants. **(An itemized list of vouchers is permanently on file with the Board of Supervisors.)**

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 of Supervisors, Chairman Sanchez adjourned the meeting at 12:52 p.m.

Jose M. Sanchez, Chairman

ATTEST:

Steven L. Besich, County Manager/Clerk