

**BOARD OF SUPERVISORS MINUTES
GILA COUNTY, ARIZONA**

Date: April 15, 2008

JOSÉ M. SANCHEZ

Chairman

STEVEN L. BESICH

Clerk of the Board

TOMMIE C. MARTIN

Vice-Chairman

By: Marian Sheppard
Chief Deputy Clerk

SHIRLEY L. DAWSON

Member

Gila County Courthouse
Globe, Arizona

PRESENT: Tommie C. Martin, Acting Chairman; Shirley L. Dawson, Member; Steve Besich, County Manager/Clerk; Marian Sheppard, Chief Deputy Clerk; and, Bryan Chambers, Chief Deputy County Attorney.

Chairman Martin announced that Chairman Sanchez was ill and would not be present at the meeting.

Item 1 – Call to Order – Pledge of Allegiance – Invocation

The Gila County Board of Supervisors met in Regular Session at 10:00 a.m. this date. Supervisor Dawson led the Pledge of Allegiance and Reverend Bill Marshall of the Miami Church of Christ delivered the Invocation.

Item 2 - Information/Discussion/Action regarding information compiled by the Payson Future Facilities Committee.

Steve Besich, County Manager/Clerk, introduced Leon Keddington, who is the Chairman of the Payson Future Facilities Committee. Mr. Keddington then introduced other Committee members who were present: Rex Hinshaw and Rod McKinnon. Mr. Keddington, Mr. Hinshaw and Mr. McKinnon each participated in the presentation. A summary of the presentation is as follows: Purpose and Objectives - This Committee was formed to study the Gila County jails issue and to make recommendations in the aftermath of last year's referendum to: explore ways to create new facilities on an acceptable Payson site without imposing new taxes; study all alternative sites and make recommendations; and, study all financing options and possibilities and make recommendations. (Note to the reader: On November 6, 2007, qualified electors of Gila County voted against incurring debt by the issuance of a general obligation bond and imposing a jail excise tax to improve infrastructure for the County jails and the court system.) All of the Committee members' names and occupations were reviewed as well as the names of Committee guests and advisors. The Committee has recommended three sites in order of

preference, as follows: Site 1 – Garcia/Messinger Property; Site 2 – Pugel Property; and, Site 3 – Martinson Property. Information was presented and discussed for each site. Site 1: property size – 10.73 acres; asking price - \$2.66 million; build ability – clay soils; infrastructure – drainage channel; location – good; distance from Payson Police Station – good; eminent domain? – no; acquisition issues – short time frame; and, miscellaneous – town/county participation, economic revitalization and Main Street anchor. Site 2: property size – 13.5 acres; asking price - \$3.75 million; build ability – some grading and tree preservation; infrastructure – storm water detention; location – good; distance from Payson Police Station – good; eminent domain? – no; acquisition issues – short time frame; and, miscellaneous – town/county partnership. Site 3: property size – 14 acres; asking price - \$2.4 million; build ability – major grading; infrastructure – storm water detention; location – fair; distance from Payson Police Station – good; eminent domain? – no; and, acquisition issues – short time frame. The project was categorized into the following phases: Phase 1A – Payson courts and jails; Phase 1B – Globe jail and operations center; Phase 2A – remaining Globe courts and Phase 2B – Payson administration (non-court related). Project costs and financing recommendations were presented and discussed. The “Next Steps” slide was last presented. The County to select and purchase a site; secure financing by engaging an expert on municipal leasing and issuing an RFP (Request for Proposals), structure the financing and budget appropriation; proceed with the preliminary design and construction of the site; and, issue an RFP for excess land/revenue flow. Mr. Keddington concluded the presentation by stating that Phase 2 could be done at a later date. Supervisor Dawson advised that unlike other counties, Gila County provides duplicate County services both in Globe and Payson. She agreed that adequate holding facilities and cells are needed in Payson; however, she feels strongly that a 96-bed facility is not needed in Payson. Mr. Keddington replied that the number of beds could be scaled to any size the Sheriff and Board deems to be adequate. She also inquired as to the reason the option of closing Colcord Street was not mentioned as it was proposed during the bond election. Supervisor Dawson expressed her appreciation to all of the Committee members and others who have contributed to these proposals. Chairman Martin reiterated that sentiment and she cautioned moving forward in any manner without the public’s input and approval. Mr. Besich also thanked Mr. Keddington and the other Committee, members and he stated, “I agree that we are never going to be successful until we come together with some sort of an agreement and step forward together.” Supervisor Dawson’s motion was as follows: “I propose that we instruct our management to work with the Payson Future Facilities Committee in bringing back to us a refined address on the recommendations for County facilities, both in Payson and in Globe.” Chairman Martin seconded the motion, which passed.

Item 3 - Information/Discussion/Action to consider submitting a Community Assessment form and a letter of support to the Arizona Department of Housing in support of the San Carlos Housing Authority’s

grant application to obtain Low Income Housing Tax Credit Program funds that will be used to build a low income housing development in San Carlos, Arizona.

Steve Besich advised that there would be no reason for the County to not support this effort and he recommended the Board's approval. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board authorized the Chairman's signature on the Community Assessment Form. For the record, Supervisor Dawson's motion included authorization to submit a letter of support as was listed on this agenda item; however, the completed form is the only document that is needed.

Item 4 - Public Hearing - Information/Discussion/Action to adopt Resolution No. 08-04-04 to approve Planning and Zoning Department Case No. CUP-08-01 filed by Randy Slapnicka, a representative of Landmark B & R, LLC, to construct and utilize a 195 foot commercial communication tower on Gila County Assessor's tax parcel number 303-10-098P, a 5.19± acre located in Christopher Creek.

Bob Gould, Community Development Division Director, presented this request for a Conditional Use Permit (CUP). This subject site comprises 5.19 acres and this site and all of the other properties in the Christopher Creek Community are within the GU (General Unclassified) zoning district. Two citizen participation meetings were held to present information on this case and no response was received at the meetings; however, a couple of letters were submitted by citizens with a concern that there would not be a bright light or strobe light erected on the tower that would affect their view and that a 12-month time frame be established for this CUP and thereafter the property would revert to the GU zoning. County staff and the Planning and Zoning Commission recommends the Board's approval of this request with three conditions: 1) tower height is not to exceed 195 feet, 2) CUP authorized for 18 months with a reversion to the original GU zoning, and 3) no lighting will be allowed on the tower unless it is required by a federal agency, such as the FCC (Federal Communications Commission). Chairman Martin opened the public meeting. No comments were offered; therefore, the public meeting was closed. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board approved Planning and Zoning Department Case No. CUP-08-1 with the 3 conditions as stated above. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

Item 5 - Public Hearing – Information/Discussion/Action to adopt Gila County Grading and Drainage Ordinance No. 08-01.

Steve Sanders, Public Works Division Deputy Director, advised that the County previously did not have an Ordinance to address grading issues; however, the County previously has followed the Uniform Building Code (UBC) for grading requirements and regulations. He advised that there is a section contained

within the Gila County Floodplain Management Ordinance which outlines requirements and regulations pertaining to drainage issues. Any such regulations contained in the County's Floodplain Management Ordinance are regulated by FEMA (Federal Emergency Management Act) and the State of Arizona. Mr. Sanders advised that most of the language pertaining to drainage has been removed from the Floodplain Management Ordinance and it will now be addressed in this Ordinance to provide greater latitude and flexibility for the manner in which drainage issues are handled. The grading portion of the Ordinance provides specific information on grading issues such as penalties and required hearings for anyone that does not adhere to the Ordinance. He stated, "It's a huge document that goes through a step by step of various proposals. We worked with the County Attorney for a number of months on the language, making sure that everyone is comfortable with everything. It has been reviewed by staff a number of times and we feel comfortable that it will help the public with grading and drainage whereas before it was very vague." Chairman Martin opened the public hearing at this time. Michael Pastor, a resident of Globe, questioned whether previous grading and/or drainage performed on properties will be "grandfathered" and not affected by this Ordinance or how the situation would be handled. Mr. Sanders deferred to Bryan Chambers, Chief Deputy County Attorney, on the date this Ordinance would go into effect; however, no reply was offered by Mr. Chambers. Mr. Besich asked Mr. Sanders to elaborate on his response. Mr. Sanders advised that previously grading and drainage permits were issued based on regulations outlined in the UBC; and that Code does not include penalties which are included in this Ordinance. That is the primary difference. George Ewing, a resident of Tonto Basin, wanted confirmation that the requirements for grading and drainage would basically remain the same except the addition of a penalty clause in the new Ordinance, which was affirmed. He requested a copy of the Ordinance which was immediately provided to him. He has a "problem with someone telling him what he can and cannot do on his own land." Supervisor Dawson replied that the problem affects the Board when a property owner does whatever he wants on his land and sells that land. The new property owner expects certain standards to be met with grading, drainage, etc. and when those standards are not met, the complaints come directly to the Board and other County staff. Mr. Ewing acknowledged Supervisor Dawson's concern and he emphasized that he has always complied with County requirements; however, he was concerned as to whom the responsible party would be when, for example, a land owner or developer meets County standards and the new property owner is "still not happy." He also said that he has a problem when he has "to pay the County money to move my own dirt...and it can be thousands of dollars." Steve Stratton, Public Works Division Director, stated, "This Ordinance will not inhibit developers or law abiding citizens; it is intended to take care of people that don't follow the rules in the past. George will do what he has always done." Chairman Martin offered a copy of the Ordinance to Mr. Pastor. Mr. Sanders advised that the Ordinance will be published in the official newspaper of the County as well as being posted on the County's website. Chairman Martin asked whether there was any further

public comment and there was none so she closed the public hearing and asked for a motion. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board adopted Gila County Grading and Drainage Ordinance No. 08-01. **(A copy of the Ordinance is permanently on file in the Board of Supervisors' Office.)**

Item 6 – Motion to convene as the Gila County Flood Control Board of Directors. Public Hearing – Information/Discussion/Action to amend the Gila County Floodplain Management Ordinance.

Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board convened as the Gila County Flood Control Board of Directors.

Steve Sanders advised that some language pertaining to grading and drainage has been removed from this Ordinance, due to the new Grading and Drainage Ordinance, and some other language has been changed which will provide County staff more flexibility working with floodplain issues. Previously language used in this Ordinance was taken directly from State statutes. County staff has worked with staff from the Arizona Department of Water Resources; FEMA, Region 9; and, the County Attorney's Office to ensure that all State and Federal requirements continue to be met. He referred to a summary report of the changes being made that was prepared by Darde de Roulhac, Chief Engineer, Gila County Flood Control District. Chairman Martin opened the public hearing at this time. George Ewing advised that the properties in the Tonto Basin area continually have issues with floodplains which have negatively affected property values. With the new floodplain criteria, Mr. Ewing advised that there are houses which are not now in a floodplain; therefore, he believes that the County needs to re-assess and reduce the value of those properties. He referred to the requirement to have floodplain insurance, which was not necessary two years ago. He stated, "The County owes the public an explanation of what changed the criteria...My people are blaming the County, not FEMA." Steve Stratton addressed an example cited by Mr. Ewing and he advised that the purpose for amending this Ordinance is to allow County staff more flexibility. He stated, "There are issues we fight against FEMA." He then provided some examples. Mr. Sanders added that in 2004, FEMA mapped the Tonto Basin area, which was previously an unmapped area. FEMA has published the maps and studies, which are available to the public. Chairman Martin concluded the discussion by stating, "This is a case in point. We need to get the story out as to what is really happening and why, so folks know what and why it's coming to them." Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board approved the changes that were submitted for the Gila County Floodplain Management Ordinance. **(A copy of the Ordinance is permanently on file in the Board of Supervisors' Office.)**

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

Item 7 – Information/Discussion/Action to authorize the advertisement of Request for Bids No. 021908-1 for the purchase of CRS-2 and CRS-2LM chip seal oil to be used by the Public Works Consolidated Roads Department at various locations within the Copper and Timber Regions.

Steve Stratton advised that due to the cost of terminal blends of oil his Division is trying to be more specific regarding the types of oil being purchased by the County in an effort to save money. Over the past couple of months he has presented various requests to advertise requests for bids for the purchase of oils and Mr. Stratton stated that this would be the last one. Upon reviewing all bids, Mr. Stratton advised that the next step in the process will be for him to present recommendations to the Board to award contracts for the purchase of these oils. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board authorized the advertisement of Request for Bids No. 021908-1.

Item 8 – Information/Discussion/Action to approve Professional Agreement No. 6500.341.529/12-2007, Old State Route 188 Roadway Reconstruction Project, that is between Gila County and the Pinal Creek Group (PCG) whereby PCG will fund 50% of the Project to improve drainage on Old State Route 188 at Murray Wash at Pinal Creek.

Steve Sanders advised that there is a problem with water drainage across Old State Route 188 and he requested the Board’s authorization of this Agreement in order to begin the Project. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board approved Professional Agreement No. 6500.341.529/12-2007.

Item 9 - Information/Discussion/Action to adopt changes to the Gila County Merit System Rules and Policies, as follows: Revise Rule 17 – Promotion, Demotion and Transfer and add Rule 27 – Education Assistance Program.

Prior to the presentation of information for this agenda item, Chairman Martin apologized to Birdie DeNero, Personnel Director, and Marian Sheppard, Chief Deputy Clerk, that she did not do her “homework” and that she needed time to think further about the issue before voting; therefore, no Board action was taken on this agenda item. Ms. DeNero presented information pertaining to Rule 17 revisions. A summary of the information she presented is as follows: Progress Promotion – 1) does not require a vacancy, 2) specific criteria is required, and 3) the promotion must be approved by the County Manager, Personnel Department and the Board of Supervisors. Ms. DeNero presented an example using Consolidated Roads Department positions. The specific criteria for a progressive promotion would be as follows: 1) the employee must receive a 3.0 rating or higher on their annual performance appraisal, 2) no “at fault” accidents may have occurred in the previous six months, 3) the employee must have a Class “B” commercial driver’s license with tanker endorsement, and, 4) the employee must demonstrate that he/she meets all of the requirements to

operate a 10-wheel truck, motor grader, loader and backhoe. The benefits received with these revisions being made to the policy would be: 1) added value to the County, 2) increases employee retention, 3) a powerful tool to motivate employees, and 4) a powerful tool to reward employees. Marian Sheppard presented information pertaining to the newly proposed Rule 27, a policy which outlines the requirements in order to qualify for reimbursement of continuing education related expenses. She advised that information regarding Rule 17 and Rule 27 was presented and discussed at the Board's February 12, 2009, work session. As a result of that discussion, one of the Board members expressed a concern with the cap on the annual educational reimbursement amount and the scale for reimbursement, which is based on grades. She then referred to a page contained in the Board's informational packet which lists 3 options for the policy. Before reviewing the options, Ms. Sheppard advised that she reviewed policies from 7 Arizona counties and 1 private company, Phelps Dodge Miami, Inc. In comparing the reimbursement amounts Ms. Sheppard advised that the other counties either offered a much lower annual reimbursement so she did not offer any other options than the annual cap of \$5,250. She also expressed her opinion that establishing a set amount will make it easier when the Finance Division prepares the annual County budget. The options pertaining to the grading scale are as follows: OPTION 1 (The same as proposed to the BOS during the February 12, 2008, work session.) Maximum calendar year reimbursement is \$5,250 per employee. The amount of reimbursement for which an employee may qualify is dependent upon the grade received for each course. For undergraduate coursework an employee will be reimbursed as follows: A=100%, B=75%, C=50%. For graduate level coursework: A=100% and B=75%. CLEP examination fees will be reimbursed at 100%. For courses taken for a pass/fail credit, a pass credit = 100% reimbursement. OPTION 2 (The same as Maricopa County.) In order to encourage employees to begin their college education, Gila County will reimburse 100% for tuition, books and enrollment fees for 100 and 200 level courses taken through Gila Community Colleges for grade "C" or better. Graduate Courses – A-100% and B-80%. Any grade lower than a "B" for a graduate course is not considered a passing grade and won't be reimbursed. All other approved classes will be reimbursed using the following schedule: A-100%; B-80%; C-60%; and, Pass=100%. OPTION 3 (A grade "C" or better, which is the same as Pima, Santa Cruz, Apache, Greenlee & Mohave Counties.) Undergraduate courses in a degree program must be completed with a grade of "C" or better, or "pass" if it is a pass/fail option to qualify for reimbursement. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board tabled this agenda item.

Item 10 - Information/Discussion/Action to adopt Resolution No. 08-04-01, a resolution of the Board of Supervisors urging the United States Congress to repeal the Federal Lands Recreation Enhancement Act.

Chairman Martin addressed this agenda item. This Resolution was presented to the Board on April 1, 2008, and after a lengthy discussion at that time Chairman Sanchez tabled the item because he felt that a resolution of this type, which would be presented to the President of the United States, U.S. Senate, U.S. House of Representatives, etc., would be better received if all Board members supported this Resolution. Also at that time Chairman Martin was not comfortable with the language contained in the Resolution and she offered to present a revised resolution at a future Board meeting. Chairman Martin today advised that her original intent was to present the Board with a revised resolution but after meeting with some Congressional delegates during a recent trip to Washington, D.C., she isn't certain how best to approach this issue or what should be the Board's next step. The Board entered into a very lengthy conversation on this topic. Michael Pastor, a resident of Globe, and Velma Hodson, a resident of Roosevelt Lake, spoke in favor of adopting this Resolution. In ending the discussion Chairman Martin advised that she would continue to work on this issue. Supervisor Dawson made a motion to adopt Resolution No. 08-04-01; however, the motion died for a lack of a second. Later in the meeting Chairman Martin requested the Chief Deputy Clerk to include in the minutes the names of those individuals who submitted Public Participation Forms for this item. The following individuals submitted Public Participation Forms in favor of this issue: Bessie Dooly, Patricia Joanne Warden, Joe E. Dooly, Barbara J. Brunson, Derrel C. Warden (not sure of first name as it was hand-written), George Andrew Brunson, Chris Heath (not sure of last name as it was hand-written), and Crystal Reynolds. E. Ann Ferguson submitted a Public Participation Form in opposition to this issue. **(A copy of the Resolution WHICH WAS NOT ADOPTED is on file in the Board of Supervisors' Office.)**

Chairman Martin asked for a motion to move consent agenda item 11E to the regular agenda item. Upon motion by Supervisor Dawson, seconded by Chairman Martin, consent agenda item 11E was moved to the regular agenda for discussion.

11E. Approval to appoint the following individuals as precinct committeemen to the Gila County Democratic Party: Shirley Newman, Larissa Ramos and Linda V. Eastlick.

Chairman Martin advised that the appointment of Shirley Newman would be tabled at this time due to some unfinished paperwork and she asked for a motion to appoint Larissa Ramos and Linda V. Eastlick. Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board appointed Larissa Ramos and Linda V. Eastlick as precinct committeemen to the Gila County Democratic Party.

Item 11 - CONSENT AGENDA ACTION ITEMS:

- A. Approval of Amendment No. 9 to an Intergovernmental Agreement (Contract No. E6306015) between the Gila County Health and Community Services Division and the Arizona Department of Economic Security to increase the Contract reimbursement ceiling to \$385,269 (\$234,466 for Case Management services and \$150,803 for Community Service services) for the period July 1, 2008, through June 30, 2009, and to change the Scope of Work and Special Terms and Conditions sections of the Contract.**
- B. Approval of a request by the Gila County Sheriff's Reserve Posse to use the Fairgrounds Exhibit Hall for the Posse's annual Valentine's Dance to be held on February 14, 2009, with a waiver of fees.**
- C. Approval for the Gila County Racing Committee to conduct the annual Horse Racing Meet at the Gila County Fairgrounds on the weekends of September 27-28 and October 4-5, 2008; October 3-4 and October 10-11, 2009; and, October 2-3 and October 9-10, 2010.**
- D. Approval of a Service Agreement between the Gila County Division of Health and Community Services and the Payson Humane Society, Inc. to continue providing shelter and care of animals within the control of Gila County Rabies Control in the amount of \$2,600 per month for the period July 1, 2008, to June 30, 2009.**
- ~~E. Approval to appoint the following individuals as precinct committeemen to the Gila County Democratic Party: Shirley Newman, Larissa Ramos and Linda V. Eastlick.~~ (Voted on separately as a regular agenda item.)**
- F. Ratification of the Board of Supervisors' approval for the County Attorney's Office to electronically submit a fiscal year 2008-2009 Drug Prosecution Grant Application in the amount of \$72,063 with a 25% match requirement – said grant has been in place for many years. (BOS approval is required to comply with Grants Administration Policy No. BOS-3-2005.)**
- G. Approval of the February 2008 monthly departmental activity report submitted by the Clerk of the Superior Court and the March 2008 monthly departmental activity reports submitted by the Globe Regional Justice of the Peace and Payson Regional Constable.**
- H. Approval of personnel reports/actions for the week of April 15, 2008.**
Departure from County Service:
1. Deputy Probation Officer 1 – Probation Department – 03-28-08 – Juvenile Intensive Probation Supervisor Fund – JoAnn Rivera – DOH 10-29-07 – Resignation

2. Deputy Probation Officer 2 – Probation Department – 03-28-08 – Juvenile Standards Probation Fund – Jolene Stever – DOH 03-20-06 – Resignation

Hire to County Service:

3. Building and Grounds Maintenance Worker – Fairgrounds Department – 04-14-08 – General Fund – Joshua Becker – Replacing Ronnie Sanchez

Departmental Transfers:

4. Building and Grounds Maintenance Worker – Fairgrounds Department – 04-14-08 – General Fund – Ernest Marcanti – Replacing Fred Casillas

End Probationary Period:

5. Volunteer Coordinator – Health/Emergency Preparedness Department – 04-14-08 – Bio Terrorism Program Fund – Leana Asberry
6. Account Clerk Specialist – Finance Department – 04-28-08 – General Fund – Tammy Dover
7. Animal Regulation Enforcement Officer – Health and Community Development Department – 04-14-08 – Rabies Control Fund – Jerry Garlinghouse
8. Animal Regulation Enforcement Officer – Health and Community Development Department – 04-14-08 – Rabies Control Fund – Anthony S. Puskaric
9. Legal Secretary Senior – County Attorney – 04-28-08 – Attorney’s Justice Enhancement Fund – Barbara Shepherd
10. Building Maintenance Technician Senior – Public Works-Facilities Management Department – 04-14-08 – Facilities Management Fund – Billy Stevens
11. Communicable Disease Specialist – Health/Emergency Preparedness Department – 04-14-08 – Bio Terrorism Program Fund – Betty Vanta
12. Road Maintenance/Equipment Operator – Public Works/Consolidated Roads Department – 04-14-08 – Public Works Consolidated Roads Fund – Richard Whittington
13. Finance and Purchasing Specialist – Purchasing – 04-28-08 – General Fund – Misti Williams

Position Review:

14. Allocating new grant funding –MCH Program Coordinator – Health and Community Services Department – 04-14-08 – From Maternal and Child Health Fund 73% To 61.5% - From Health Start Program .93% To 1% - From Teen Pregnancy Prevention Service 18.57% To 30% - Paula Horn
15. Hired in wrong classification – From Juvenile Detention Officer Trainee To Juvenile Detention Officer – Probation Department – 02-19-08 – General Fund – Charles Frank Schreck
16. Position was underfilled - From Accounting Clerk To Accounting Clerk Specialist – Finance – 04-14-08 – General Fund – Sylvia Martinez

Request Permission to Post:

17. Automotive Service Worker – Public Works/Consolidated Roads – Vacated by Justin McNeil

SHERIFF’S PERSONNEL ACTION ITEMS

Departure from County Service:

18. Administrative Clerk (Part Time) – Sheriff’s Office/Globe – 03-31-08 – Meth Initiative IGA Fund – Darlene Duncan – DOH 12-06-07

Hire to County Service:

19. 911 Dispatcher – Sheriff’s Office/Payson – 04-14-08 – General Fund – Bernice M. Ortiz – Replacing Shalane Hickman
20. 911 Dispatcher – Sheriff’s Office/Payson – 04-14-08 – General Fund – Heidi D’Arcangelo – Replacing Cathy Pirtle

I. Approval of the finance reports which lists disbursements that will be issued during the week of April 15, 2008. (separate handout)

\$783,987.98 was disbursed for County expenses by check numbers 207591 through 207728. **(An itemized list of disbursements is permanently on file in the Board of Supervisors’ Office.)**

Upon motion by Supervisor Dawson, seconded by Chairman Martin, the Board approved Consent Agenda items 11A through 11I with the exception of 11E.

Item 12 - At any time during this meeting pursuant to A.R.S. §38-31.02(K), members of the Board of Supervisors and the Chief Administrator may present a brief summary of current events. No action may be taken on issues presented.

Each Board member and Mr. Besich presented information on current events.

At 12:24 p.m., Chairman Martin recessed the regular meeting and stated that the work session would begin at 1:30 p.m.

Chairman Martin reconvened the meeting at 1:37 p.m.

Item 13 - Work Session on Strategic Planning

Item 13A - Gila County School Superintendent’s Office operations and activities, including the Gila County Education Service Agency and financing mechanisms.

Linda O’Dell, School Superintendent, introduced the following staff members who attended the meeting: Debra Moya, Chief Deputy School Superintendent, and Julia Vasquez, Administrative Assistant. She handed out an informational packet to the Board. She first reviewed an organizational chart that was categorized into two areas; statutory activities (those activities required or authorized) and discretionary activities. The services being provided were listed with the names and titles of those individuals responsible for providing specific services. She explained that discretionary services are non-County funded and the statutory services are County funded. Supervisor Dawson and Dr. O’Dell entered into a conversation on adult education services as Supervisor Dawson believes that the Gila Community College should be running this program

instead of the School Superintendent's Office. Dr. O'Dell asked Ms. Moya to provide the history on the Gila County Education Service Agency. The following is an excerpt from the Board of Supervisors' March 18, 2008, meeting minutes which accurately provides the information regarding the Gila County Education Service Agency, as follows: *"She stated that for many years the County School Superintendent's Office had a school that provided services for special education students in the area. In 2002 the State Legislature authorized county school superintendents' offices to establish themselves as education service agencies and it was specifically put into legislation that the County's School Superintendent's Office be legally identified as a local education agency provider in order to apply for grants from the ADOE and other funding sources. The County School Superintendent's Office has a federal identification number that has been in place for many years. The Program used to be called Special Services, but is now called the Education Service Agency and additionally out of that arm of the County School Superintendent's Office, the juvenile detention and jail education programs are operated. This structure was in place when Dr. O'Dell came into office and is a similar structure that is found in every county school superintendent's office in the State. The Education Service Agency handles those services that are above and beyond the services of the County School Superintendent's Office that are legally required by statute. When looking at budgeting and staffing from the County's side for the School Superintendent's Office, those services and employees are managing the legal requirements of the State, which include the fiscal operations, monitoring teachers' certifications, overseeing the home schooling program, handling elections and several other small activities, with the primary function in legislation having to do with fiscal management."* Dr. O'Dell then reviewed a spreadsheet entitled "Gila County School Superintendent Education Service Agency," which outlined the activities/programs provided for public schools in Gila County with applicable statutes and funding sources. She explained each section of the spreadsheet, as follows: fiscal services for public schools in Gila County; school elections and governing board appointments; miscellaneous required and public services; and, detention education (juvenile and jail). Supervisor Dawson asked Dr. O'Dell to explain the relationship and the services provided to the juvenile detention facility at San Carlos. She also cited an example of a juvenile who was incarcerated at the San Carlos juvenile detention facility and did not receive any education services. Dr. O'Dell offered to look into that situation. She also explained that although the law only requires that education services be provided to all prisoners under 18 years of age and prisoners with disabilities through the age of 22, her Office has sufficient funds to provide education services to any incarcerated person who does not have a GED or high school diploma. She added that the Sheriff also contributes funds for those services. She then proceeded to explain service programs being offered such as special education services. Next, the small district service program was explained which is formula funded for school districts with less than 600 students. Dr. O'Dell advised that each school district within Gila County that has less than 600 students receives about \$10,000 per year. Her Office holds the money and invoices are presented for the money. Dr. O'Dell

reviewed accommodation schools, which in Gila County accommodation schools are under the umbrella of the Gila County Regional School District. This year's operational budget for the Gila County Regional School District is approximately \$565,000, which is based on student numbers and other entitlement grants for the District. Of that amount, approximately \$200,000 in grant funds was provided by the U.S. Department of Education. Dr. O'Dell proceeded to explain the problems that occurred with the Gila County Regional School District funds. Supervisor Dawson asked Dr. O'Dell to explain a statement she made to the newspaper when she stated that monies were not paid by the accommodation school to federal or state agencies. Dr. O'Dell explained that there were 2 issues. She stated, "...One, had to do with someone who found a weak link in how to access money in one of two checking accounts and that person has been charged with fraudulent schemes. The issue relative to the IRS and also the State Department of Revenue was, and I hesitate to use the word, but incompetence." She advised that the monies were actually set aside in bank accounts; however, they were not transmitted to the receiving agencies. The same person who was charged with fraudulent schemes was also responsible for not transmitting the funds to the appropriate agencies. Supervisor Dawson advised that last year she strongly supported legislation to have a county accommodation school board. Dr. O'Dell clarified that she also supports the establishment of an accommodation school board and she advised that the issue at the Legislature is how that board would be selected. She served on a committee to help make that decision. Supervisor Dawson questioned when the accommodation schools would be closed and Dr. O'Dell advised that the school year ends in May; however, she may offer a summer school session in June and July. Dr. O'Dell also advised that she will be meeting with Judge Peter Cahill to discuss the students who won't be readily accepted into the public schools because of previous experiences. She stated, "Part of the reason the Globe Education Center (one of two accommodation schools in the Gila County Regional Education District) has been shut down is because of staff members who wouldn't, couldn't or didn't hold students to a higher level of accountability. If not, then you take drastic action as I did." Chairman Martin asked how the \$500,000 remaining balance would be reallocated and Dr. O'Dell replied, "I haven't had time to look into that at this time." She stated that Payson community members are asking her not to close the schools and if she finds an opportunity to provide services in a different setting, she would consider not closing the schools. Chairman Martin advised that 3 people had submitted Public Participation Forms to speak on this issue. Robert Pastor, Director of Liberty High School, was most concerned that school bus transportation for Liberty students continues to be provided. In discussing the matter with Dr. O'Dell, she advised that she would continue providing school transportation for those students until the end of this school year, but only at the availability of the school's lone bus driver who also busses Globe Education Center students. Mr. Pastor also offered to assist in taking some of the Globe Education Center students; however, no more than 75 students are allowed to be enrolled at Liberty High School. Jason and Margaret Swedick, residents of Miami, advised that their son is attending the

Globe Education Center and doing very well, and they also expressed a concern about the busing issue. Chairman Martin asked Dr. O'Dell as to the status of the school buses when the schools are closed and Dr. O'Dell stated, "I don't know." Chairman Martin concluded the discussion on this agenda item and called for a 5 minute recess at 2:54 p.m. She reconvened the meeting at 3:04 p.m. **(A copy of Ms. O'Dell's handouts are on file in the Board of Supervisors' Office.)**

Item 13B - Gila County Sheriff's Office facilities

Sheriff John Armer advised that his Office has many problems and needs; however, today he would only discuss the most critical needs. The most critical issue being faced by the Sheriff's Office at present is overcrowding in the jails and with the State's current budget shortfall and the proposal by the State to shift inmates from the Arizona Department of Corrections to county jails, the Sheriff's stated, "As I have been saying all along, with a stroke of a pen we can almost double the population of our facility. If it doesn't happen this year, it may in future years." He advised there is a "horrendous" problem with insufficient housing for female inmates. He referred to a handout provided to the Board entitled "Budget Needs and Discussion." The most critical needs that were listed with anticipated costs are as follows: 1) provide adequate space for female inmates or enter into a contract for space at other facilities - \$1,400,000; 2) purchase a new generator, panel and wiring for the Globe facility - \$180,000; 3) replace the main jail control panel - \$80,000; 4) purchase a fire panel and control system for the Globe facility - \$100,000; and, 5) move all Sheriff's non-custody operations or jail administration to a new off-site location - \$1,400,000. Jim Eskew, Jail Commander, advised that he and Mr. Besich met with the Governor's Office last Friday regarding the State's proposal to shift inmates. They requested that Gila County be taken out of this issue due to the dire situation in the Gila County jails. If the overcrowding situation continues, Mr. Eskew advised that the Sheriff's Office will have to consider taking drastic measures to include home arrest and releasing individuals charged with a misdemeanor and only retain those people charged with a felony or consider some other measures. He advised that just under 2,000 inmates were released in the last six months. As of this date, there are only four empty beds. He stated, "I can't release them fast enough." Last year the Gila County jails housed an average of 37 females per day in 18 beds and Mr. Eskew advised that number is rising. He stated that only Yavapai County accepts female prisoners if it became necessary to find an alternate location to house Gila County female inmates. He stated, "We're in a situation where it will cost \$60 a day just to house females...that does not include transportation and medical, which you could add another \$60 per day or approximately \$120 per day per diem per female." He also stated that if the County sent 20 female inmates to another facility, it would cost the County \$2,400 per day or about \$1 million per year. Due to the emergency situation, Mr. Eskew proposed moving the existing administration offices to another location and then renovating the existing Globe jail to use the space currently occupied by the

administration offices. An architect would be hired to redesign the facility to accommodate additional housing for females. Mr. Eskew stated, "Another alternative is to increase the courts in Payson and put the Superior Court next to the Sheriff's Office and relocate the Justice Court next to the Sheriff's Office, which will prevent the Sheriff's Office from transporting prisoners across the street to court, which has been the most severe liability since that building was built. If those options are considered, I think there is a good possibility that current operations, as they stand in Payson, will probably remain pretty close the same. The main jail is here and I feel that it should be remodeled and enlarged. The initial phase, back in November when we were going to vote, was to replace one of the wings with a 96-bed tower. I propose we do that in phases; we remodel that facility and replace both of those wings, one at a time. It should take care of Gila County's needs for a good number of years." He also talked about replacing the main jail control panel which was "obsolete 15 years ago." A discussion ensued as to the new location of the administrative offices and Chairman Martin inquired as to the length of time it would take to accomplish the move. Mr. Stratton advised that if a modular building was purchased, similar to the County's Guerrero Building, it would take approximately 6 to 8 months until the administration offices could be moved. She then questioned the length of time it would take to renovate the jail facility and Mr. Besich replied that the whole process could be completed in one or one and one-half years. Supervisor Dawson proposed erecting a tent as an immediate, temporary solution and a lengthy discussion ensued on whether that was a feasible option. Sheriff Armer stated, "We have not closed off any options. We can put tents in the exercise yard, but exercise is mandated." Chairman Martin was mostly concerned about the situation with the female prisoners and she stated, "We need to look at something we could do that is not too expensive and for a short period of time...I am worried about waiting 18 months for the solution." Chairman Martin also advised that issue of the generator, control panel, fire panel and fire control system was also critical as they present a liability issue." Mr. Stratton advised that his staff is negotiating an agreement with an electrical contractor at a cost of \$5,000 to address all electrical-related issues with the generator, control panel, etc. and recommendations will be provided. At Chairman Martin's request, Sheriff Armer agreed to contact Navajo County as they are using modularity for jail facilities and he would later report that information to the Board. Supervisor Dawson feels that it is paramount that a suitable location is found for the administrative offices and she was in favor of closing Colcord Street in Payson to ensure the safe transportation of prisoners from the Payson jail to the Payson courts. In concluding the discussion the Board agreed that the County must move forward immediately to provide additional space for female inmates and take whatever measures are necessary with regard to the purchase of a new generator, control panel, fire panel and fire control system. The Board asked Sheriff Armer to prepare the necessary paperwork in order to present a formal request for Board action at a future meeting. Sheriff Armer agreed to proceed in that manner once Mr. Stratton has provided him with the information from the electrical contractor. In this way, the Board would be

presented with specific information and costs. Chairman Martin thanked Sheriff Armer and Mr. Eskew for their presentation and she announced that item 13D would be addressed next.

Item 13D - Budget policies – 2008/2009

Steve Besich reviewed a packet of information which contained the following page headings: General Fund Change in Fund Balance – FY 08 and Average FY 04 – FY 07; Gila County Local ½ Cent Sales Tax – 12 Month Moving Average – FY 2005-2006; Gila County State Shared Sales Tax – 12 Month Moving Average – FY 2006-2007; Gila County Local ½ Cent Sales Tax – FY 2007-2008; Gila County State Shared Sales Tax FY 2007-2008; Project Budget – FY 2008-2009; Funding Plan – FY 09 Budget Deficit; and the last page, which had no heading, outlined health insurance costs. He briefly reviewed all of the pages, which he stated were self-explanatory. He then provided detailed information on the projected budget. A summary of the fiscal year 2008-2009 projected budget is as follows: A projected revenue increase of \$600,000 is expected. Mandated cost increases are estimated at \$1,130,000, so the anticipated deficit prior to discretionary costs will be \$(530,000). Discretionary cost increases are expected to be \$750,000, which leaves a total anticipated budget deficit of \$(1,250,000). This total does not include the State “bail out”, Qwest lawsuit or department requests for budget increases. Mr. Besich stated, “The maximum property tax rate that could be levied is \$3.92 (per \$100,000 of assessed valuation). The TNT (truth in taxation) rate is \$3.76. If you’re shooting for a no truth in taxation notice, the rate would have to be \$3.75. At \$3.75, that’s just the 2% plus new construction which gives us \$600,000 more in property taxes for the year.” He next reviewed the mandated cost increases. It is anticipated that retirement costs for public safety will increase from 15.35% to 20.59%, an increase of \$115,000, and for elected officials the increase will go from 12.84% to 28%, an increase of \$165,000. Medical insurance is expected to increase by 12% or \$250,000. A cost of \$250,000 will be incurred by the County for the General Election; ALTCS (Arizona Long-Term Care System) costs are \$350,000 and the cost for the “State bail-out” is unknown at this time so it has not been factored into the budget as of yet. Discretionary cost increases include funds for the continuation of the employee salary plan; a grade increase in July 2008 has been factored in the amount of \$480,000 with a step increase in January 2009 in the amount of \$240,000. Departmental requests were not factored. Mr. Besich then reviewed the County’s “rainy day” fund. The projected fund balance is \$10,500,000 minus \$4,000,000 that is required for cash flow which equals a balance of \$6,500,000; however, an additional \$4,500,000 has been reserved from that amount for any natural disasters such as fires, floods, etc. The available balance of \$2,000,000 remains and if the \$1,250,000 is used in fiscal year 2009, the remaining balance will be \$750,000 for future years and for the State bail-out. Mr. Besich then reviewed anticipated cost increases for employee health insurance and he stated that insurance premiums have not gone up in three years. Premium amounts for single coverage and for family coverage will be based on salary ranges.

Item 13C - Gila County water issues

Steve Besich advised that he recently met with some representatives of Salt River Project and he stated “there appears to be progress on Blue Ridge (water) negotiations with the Town of Payson. An in-depth discussion ensued as to the water needs of the Town of Payson, Town of Star Valley and the communities of Pine and Strawberry and the discussions that have taken place with regard to Blue Ridge water. Chairman Martin stressed the importance of all involved agencies taking a regional approach to water issues so that when issues are presented to the Legislature, Congress, etc. “we are not going against each other but have a County package.” Supervisor Dawson presented the Chief Deputy Clerk with a memo dated April 15, 2008, from Martin Winandy to each Board member and Steve Besich, and a letter dated April 15, 2008, from Myndi J. Brogdon of Brooke Utilities, Inc. to the Board of Supervisors that she requested be entered into the record. She stated, “I’ve given Marian the continued thorn in the side of any of the people in Pine and Strawberry that relates back to the County paying for a consultant, a person, working on one side of what some of the taxpayers in Pine and Strawberry feel is not in their total best interest. I will continue to object to having somebody, who I feel is a very nice person, who has lost the trust of at least a good portion of that area and that will continue as long as we keep pushing this person down their throat and as long as he keeps testifying against one side or the other there’s going to be a continued fracture.” Chairman Martin stated about Mr. Harry Jones, the consultant, “More than anything else he is an institutional memory from before we came on this Board. He is not taking one side or the other. He keeps us all straight and he is not taking one side or the other.” She proceeded to state that the ongoing water issue in Pine has been present for 18 years and that she intentionally did not involve herself on a personal or professional level and then she continued to present information on that issue. Chairman Martin concluded the discussion by stating, “There are two issues regarding water; the first is to get that area into a regional mode so there is an understanding that water is a resource first and a commodity second. The second one is the Department of Water is still offering us to do a MRWRMS (Mogollon Rim Water Resources Management Study)-type study in southern Gila County. We need to see if this end of the County wants to participate in a MRWMS-type study.”

Chairman Martin briefly mentioned future work session items that could be discussed and there being no further business to come before the Board of Supervisors, she adjourned the meeting at 4:35 p.m.

APPROVED:

Tommie Martin, Acting Chairman

ATTEST:

Steven L. Besich, County Manager/Clerk