

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

Date: March 18, 2014

MICHAEL A. PASTOR
Chairman

MARIAN E. SHEPPARD
Clerk of the Board

TOMMIE C. MARTIN
Vice-Chairman

By: Marian E. Sheppard
Clerk of the Board

JOHN D. MARCANTI
Member

Gila County Courthouse
Globe, Arizona

PRESENT: Michael A. Pastor, Chairman; Tommie C. Martin, Vice-Chairman (via telephone); John D. Marcanti, Supervisor; Don E. McDaniel Jr., County Manager; Bryan B. Chambers, Deputy Attorney Principal; Jacque Griffin, Assistant County Manager/Librarian; Marian E. Sheppard, Clerk of the Board.

Item 1 – CALL TO ORDER - PLEDGE OF ALLEGIANCE - INVOCATION

The Gila County Board of Supervisors met in a regular session at 1:00 p.m. this date in the Board of Supervisors' hearing room. Don McDaniel led the Pledge of Allegiance and Reverend Charles Proudfoot of the Community Presbyterian Church in Payson delivered the invocation.

Item 2 – PRESENTATIONS:

A. Information/Discussion: Update of legislative activity in Washington, D.C. by Patricia Power of Bose Public Affairs Group.

Patty Power provided an update on legislative activities by phone call. She updated the Board of Supervisors on 2 areas; forest and roads, and also PILT (Payment in Lieu of Taxes) and Resolution Copper. Her written summary is as follows:

Forests –

1. Shared 4FRI (Four Forests Restoration Initiative) update with 5 congressional offices – Representatives Kirkpatrick, Gosar, and Grijalva on the House side and Senators McCain and Flake on the Senate side, and with Robert Bonnie, USDA Undersecretary for Natural Resources (his jurisdiction includes the US Forest Service).

2. Discussed USFS funding for wildfire prevention activities with all of the above. There is a Senate bill, S. 1875, whose language is incorporated in the President's budget proposal for FY2015, that alters the way the federal budget jointly manages the Forest Service's wild land fire suppression and prevention budgets.
3. Voiced support for continued funding of the underlying regulatory work and funding necessary to allow the White Mountain Stewardship contract work to continue to support local forest industry.

Roads—

1. Expressed support in all legislative meetings for continued federal funding for all the County's federal road projects, including the Tonto Creek Bridge, Young Road, Houston-Mesa Road, and Control Road. All are eligible for funding from the Federal Lands Access Program authorized on the MAP-21 legislation that expires at the end of this fiscal year.
2. Had an in-depth discussion about MAP-21 reauthorization with Rep. Ann Kirkpatrick and her Legislative Director Ken Montoya. Rep. Kirkpatrick holds a seat on the House Transportation and Infrastructure Committee, and the Highways and Transit Subcommittee, where all federal road legislation originates. The main issue is that there is not sufficient funding in the MAP-21 created Federal Lands Access Program.
3. Met with staff in the US Department of Transportation's office implementing the Federal Lands Access Program to discuss how best to approach this program to continue funding for Control Road, Young Road, Houston-Mesa Road, and the Tonto Creek Bridge.

PILT -

Continued to voice support in the County's delegation for continued funding of PILT in a more predictable way OR let the people of the West once again live off of the federal lands ranching, logging, and mining. Looks more likely that PILT will continue to be funded, but the timing is in a tug and pull between PILT supporters.

Resolution Copper –

Continued to voice strong support for the land swap necessary to allow Resolution Copper to hire and mine. Seems to be at a standstill until the leadership moves in the Senate are complete and settled. Lots of frustration all around.

The Board thanked Ms. Power for the presentation.

B. Public recognition of one employee for February's "Spotlight on Employees" Program, as follows: Clarissa Lynn Mata.

Erica Raymond, Human Resources Assistant Senior, read aloud a letter written by County Assessor Deborah Hughes nominating Ms. Mata, who has worked for the Assessor's Office for 9 years. Ms. Mata accepted the award and thanked Ms. Hughes for the nomination.

C. Presentation by Erin Collins of Erin Collins and Associates updating Member County Boards of Supervisors about Arizona Local Government Employee Benefit Trust for the 2014-15 plan year and beyond.

Erin Collins provided a background on the Arizona Local Government Benefit Employee Benefit Trust (AZLGEBT), which was formed in 1994 and of which Gila County joined the AZLGEBT in 1999. Mr. Collins advised that he is visiting all AZLGEBT participating counties to provide the county Boards of Supervisors with an update on all of the changes occurring within the AZLGEBT. He provided a PowerPoint presentation, which is electronically attached to this agenda item. Some highlights of the presentation are as follows:

AZLGEBT was formed to give control to counties versus insurance companies. County revenues are at sustained and historic lows. The Health Care Reform (HCR) has been the single most sweeping legislation since the passage of Medicare in 1965. HCR includes mandates for employers, individuals, insurance companies and self-insured programs such as AZLGEBT. It also includes additional taxes, fees and penalties.

Changes for 2014 –

- There will be coverage for dependent children to age 26 regardless of coverage option elsewhere.
- Maximum waiting period of 90 days.
- There will be some coverage for clinical trials.
- No annual dollar limits on Essential Health Benefits (EHBs); however, there is state by state flexibility on EHBs.
- Annual in-network out of pocket maximums cannot exceed specified limits; \$6,350 single, and \$12,700 family. This includes deductibles, co-pays, co-insurance and penalties.
- Employer testing for affordability. Employee cost or single coverage for least expensive qualified plan cannot exceed 9.6% of W-2 income for employees. (Note: This test is conducted on each individual employee.) The Plan must provide "minimum value" (Bronze Plan) at 60% actuarial value.

Mr. Collins also reviewed some significant changes for 2015 and beyond.

AZLGEBT is re-structuring to a multi-year process. For year 1 (2014-15), the benefit structures will be changed to incorporate mandates from HCR. The Trust Plan Administrator (TPA) is changing from Meritain to Gilsbar. A software program called Smartben will be implemented, which will move enrollment to a web based portal.

Additional benefits will be offered to increase an employee's choice. A high deductible health plan with a health savings account will be added for medical and prescriptions. A "see any dentist" option will be added under dental.

Employee communications will be improved by providing portal transition teams; periodically providing updates to the Boards of Supervisors; providing open enrollment meetings; and educational materials and telephone support will be added.

For 2015-16 and beyond, AZLGEBT will continue to respond to regulatory changes and it will modify and upgrade the portal. Consideration is also being given to add flexible spending accounts for medical services and possibly adding dependent care flexible spending accounts.

Mr. Collins concluded the presentation and answered a few questions of the Supervisors. Each Supervisor thanked Mr. Collins for the presentation.

Item 3 – PUBLIC HEARINGS:

A. Information/Discussion/Action to adopt Resolution 14-03-02 to name a previously unnamed section of road in Tonto Basin as N. Birch Place.

Steve Stratton, Public Works Division Director, advised that the property owner (Paula Gibson) approached the County with a request to obtain an address for two parcels of land she owns as she intends to build a house upon the property. It was determined that these parcels are located on an unnamed private road; therefore, notification letters were sent to owners of all affected properties informing them of the proposed name of N. Birch Place. County staff advertised a notice of public hearing and, to date, no objections to this road name have been received by the County; therefore, Mr. Stratton recommended the Board's approval.

Chairman Pastor opened the public hearing at this time; no comments were offered so he closed the public hearing and asked for a motion. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adopted Resolution No. 14-03-02. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

B. Information/Discussion/Action to adopt Ordinance No. 2014-01, which approves an application submitted by Michael Dahling (Planning and Zoning Department Case No. Z-13-02) to modify the zoning map contained in the Gila County Planning and Zoning Ordinance by allowing Assessor's tax parcel number 301-19-019B to be rezoned from TR (Transitional Residential) to C2 (Commercial Two) to allow the development of a restaurant with the sale of beer and wine and the development of five cabins for visitor use.

Robert Gould, Community Development Division Director/Planner, advised that the parcel contains two structures, of which one structure will be used for a pizza restaurant. The applicant, Michael Dahling, also wants to construct 5 cabins on the southern boundary of the property to be used by visitors. This property is located along State Highway 87 and is dedicated as a Multi-functional Corridor in the County's Comprehensive Master Plan (Plan). This designation is compatible with the requested C2 zoning, so no amendment to the Plan will be required. A public hearing was held by the Planning and Zoning Commission on February 20, 2014, at which time the Commission voted unanimously to recommend the Board of Supervisors' approval of this request, with 4 conditions. Adoption of this ordinance by the Board of Supervisors is necessary as this zoning change amends the Zoning Map contained in the Planning and Zoning Ordinance. Mr. Gould recommended the Board's approval of this zoning change with 4 conditions as outlined in proposed Ordinance No. 2014-01.

Chairman Pastor opened the public hearing; no comments were offered so he closed the public hearing and asked for a motion. Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously adopted Ordinance No. 2014-01. **(A copy of the Ordinance is permanently on file in the Board of Supervisors' Office.)**

C. Information/Discussion/Action to approve two liquor license applications submitted by Jason Conan Harris for the Creekside Steakhouse & Tavern located in Payson, as follows: 1) Order No. LL-14-01 for a person transfer of a Series 7 beer and wine license with an interim permit to operate; and 2) Order No. LL-14-02 for a new Series 12 restaurant license with an interim permit to operate.

Marian Sheppard, Clerk of the Board, advised that two separate liquor license applications were submitted by Jason Harris for the Creekside Steakhouse & Tavern. She explained the guidelines for a Series 7 license and a Series 12 license. Ms. Sheppard stated that the County has an internal review process to ensure that all County permitting requirements are being met by the applicant. The Building Permitting Department reviewed the application and has issued no objections. The Health Department also does not object to the Board approving these applications; however, it was noted that department is working

with the applicant regarding the installation of ADA (Americans with Disabilities Act) bathrooms.

Chairman Pastor opened the public hearing; no comments were offered so he closed the public hearing and asked for a motion. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adopted Order No. LL-14-01 for a person transfer of a Series 7 beer and wine license with an interim permit to operate; and Order No. LL-14-02 for a new Series 12 restaurant license with an interim permit to operate.

Note: These applications will be returned to the State Department of Liquor Licenses and Control for final approval.

Item 4 – REGULAR AGENDA ITEMS:

A. Information/Discussion/Action to approve the Master License and Services Agreement with Harris Systems USA, Inc. for the RealWare software utilized by the County Assessor's Office in the amount of \$28,523.78 for the first full year of maintenance (July 1, 2014, to June 30, 2015), and to authorize the Chairman's signature on the Agreement.

Deborah Hughes, Gila County Assessor, advised that by executing this agreement, it will continue the software maintenance agreement previously provided to Gila County by Colorado CustomWare, Inc. for the RealWare software system. Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously approved the Master License and Services Agreement with Harris Systems USA, Inc. for the RealWare software utilized by the County Assessor's Office in the amount of \$28,523.78 for the first full year of maintenance (July 1, 2014, to June 30, 2015), and authorized the Chairman's signature on the Agreement.

B. Information/Discussion/Action to adopt Resolution No. 14-03-05 for a roadway exchange between Freeport-McMoRan Miami Inc. and Gila County, and to authorize the Chairman's signature on a quit claim deed for said roadway exchange.

Steve Sanders, Public Works Division Deputy Director, advised that numerous public roads in the lower Miami and Claypool area have never been formally dedicated to the County. The roads were built outside of the platted rights-of-ways on mine-owned property. At the same time many mine-owned homes were built in platted rights-of-ways dedicated to the County. Some platted rights-of-ways cannot be used for roads due to the topography of the area. Mr. Sanders advised that in the mid-1980s, Inspiration Consolidated Copper Company approached the County about dedicating rights-of-ways in the lower Miami and Claypool area. In 2009, Freeport McMoRan asked the County to take the lead on this effort to which the County agreed. Mr. Sanders stated that this has been a 3-year process to get to this point. He proceeded to show

a picture of the subject area and advised that the area outlined in yellow is being given to Freeport and the area in orange is being given to the County. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adopted Resolution No. 14-03-05 for a roadway exchange between Freeport-McMoRan Miami Inc. and Gila County, and authorized the Chairman's signature on a quit claim deed for said roadway exchange. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

C. Information/Discussion/Action to adopt Resolution No. 14-03-06 for a roadway exchange between Freeport-McMoRan Miami Inc. and Gila County, and to authorize the Chairman's signature on a quit claim deed for said roadway exchange.

Mr. Sanders advised that this agenda item has the same background as in agenda item 4B (above.) Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously adopted Resolution No. 14-03-06 for a roadway exchange between Freeport-McMoRan Miami Inc. and Gila County, and authorized the Chairman's signature on a quit claim deed for said roadway exchange. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

D. Information/Discussion/Action to adopt Resolution No. 14-03-07 for a roadway exchange between BHP Copper Inc. and Gila County, and to authorize the Chairman's signature on a quit claim deed for said roadway exchange.

Mr. Sanders advised that this item is the same as 4B and 4C, except that the roadway exchange is between the County and BHP Copper Inc. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adopted Resolution No. 14-03-07 for a roadway exchange between BHP Copper Inc. and Gila County, and authorized the Chairman's signature on a quit claim deed for said roadway exchange. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

E. Information/Discussion/Action to approve Intergovernmental Agreement No. 021814 (Economic Development Grant) between Gila County and the Tonto Natural Resource Conservation District, whereby the County will disburse \$30,000 to the Tonto Natural Resource Conservation District to oversee the administration of the Regional Payson Area Project operations of two brush pits in northern Gila County, whereby residents may take and dispose of natural or green materials surrounding their properties, thereby minimizing the effect of potential forest fires near their properties.

Jeff Hessenius, Finance Division Director, advised that this agreement will benefit the citizens of northern Gila County in the ability to remove natural or green materials from their properties. He provided some background information as follows: In 2009, Gila County entered into a Challenge Cost Share Agreement with the United States Department of Agriculture, Tonto National Forest which allowed both entities to work together on projects for improved fire management activities on Forest Service and public lands. With the approval of Modification No. 1, the agreement was extended until September 30, 2010, and Modification No. 2 extended the agreement until September 30, 2011. After grant funding provided by the federal government was exhausted, Gila County continued to partner with the U.S. Forest Service and Regional Payson Area Project to offer brush pit services to the residents of northern Gila County. By entering into this agreement with the Tonto Natural Resource Conservation District (Tonto NRCD), Gila County will contribute \$30,000 in the form of an economic development grant to the Tonto NRCD for the benefit of the public by ensuring that the brush pits will continue to be available for northern Gila County residents. The Tonto NRCD will, in turn, provide the County with a quarterly deliverables report with an accounting of how the economic development grant funds were spent.

Vice-Chairman Martin clarified that the brush pits belong to the Forest Service and the County pays to ensure that garbage is not dumped at the brush pits. She has received many phone calls requesting that the brush pits remain open. She further advised that a small dozer is hired to pile up the wood, and the local fire department takes responsibility for burning it.

Chairman Pastor advised that Linda O'Dell, School Superintendent, submitted a public participation form regarding this item. Dr. O'Dell advised that she wanted to address this agenda item as a private citizen as she lives in Pine. She and her husband utilize the brush pits to clear their land of unwanted brush as do many of the other full- and part-time residents of the area.

Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously approved Intergovernmental Agreement No. 021814 (Economic Development Grant) between Gila County and the Tonto Natural Resource Conservation District for the purposes as stated in this agenda item.

F. Information/Discussion/Action to review the bid submitted for Invitation for Bid No. 123113 for the purchase of SBS polymer chip seal oil; award to the lowest, responsible and qualified bidder; and authorize the Chairman's signature on the award contract for the winning bidder.

Mr. Hessenius advised that on February 18, 2014, the Board authorized the advertisement of this Invitation for Bid. It was advertised in the official newspaper of the County for 2 consecutive weeks; it was emailed to 4 vendors

and 2 construction publications; and it was posted on the Gila County website. Only one bidder responded. Mr. Hessenius recommended that the Board award a contract to Wright Asphalt Products Company as that company has met all of the bid requirements. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously awarded a contract to Wright Asphalt Products Company for the purchase of SBS polymer chip seal oil as outlined in Invitation for Bid No. 123113, and authorized the Chairman's signature on the award contract.

G. Information/Discussion/Action to review the bid submitted for Invitation for Bid No. 010314 for the purchase of CRS-TR tire rubber modified asphalt emulsion; award to the lowest, responsible and qualified bidder; and authorize the Chairman's signature on the award contract for the winning bidder.

Mr. Hessenius advised that the County followed the same bid process as was stated in the previous agenda item. On January 21, 2014, the Board of Supervisors authorized the advertisement of this Invitation for Bid. It was advertised for 2 consecutive weeks in the official newspaper of the County with a bid due date of February 12, 2014. On February 12, 2014, Addendum No. 1 was issued, which extended the bid due date February 19, 2014. This Invitation for Bid was emailed to 3 vendors and 2 construction publications, and posted on the Gila County website. He recommended that a contract be awarded to Wright Asphalt Products Company as that company has met all of the bid requirements. Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously awarded a contract to Wright Asphalt Products Company for the purchase of CRS-TR tire rubber modified asphalt emulsion as outlined in Invitation for Bid No. 010314, and authorized the Chairman's signature on the award contract.

Prior to asking for a motion to approve the Consent Agenda, Chairman Pastor announced that Consent Agenda item 5D was removed from the agenda (at the request of Superior Court Administration).

Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously approved Consent Agenda action items 5-A through 5-L excluding 5-D, which was removed.

Item 5 – CONSENT AGENDA ACTION ITEMS: (Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed and voted upon as a regular agenda item upon the request of any member of the Board of Supervisors.)

A. Approval of a Partnership Agreement between the Gila County Board of Supervisors and the Gila/Pinal Workforce Investment Board as required by the Gila/Pinal Workforce Investment Area Business Plan for the period

July 1, 2014, to June 30, 2017, which will specify the relationship between said entities as required by the Workforce Investment Act of 1998.

B. Approval of a Request for Release of Funds between Gila County Housing Services and the Arizona Department of Housing, which will allow Housing Services to request a release of funds for multiple contracts and multiple years if said contracts are awarded.

C. Approval of a Contract Application between Gila County d/b/a Gila Employment and Special Training Program (GEST) and the Arizona Department of Economic Security, Rehabilitation Services Administration (ADES/RSA), whereby Gila County will submit documents to apply for a contract to provide Rehabilitation Instructional Services to qualifying individuals residing in Gila County. If all requirements are met, the ADES Office of Procurement may issue a contract.

D. Approval of the appointment of Justice of the Peace Pro Tempore for Globe Regional Justice Court, Michael Carragher, for a term of (11) months (February 1, 2014, through December 31, 2014).

E. Approval of the reappointment of Judge Gary V. Scales and Judge Judith A. Joseph as Judges Pro Tempore for the Superior Court in Gila County for the period of July 1, 2014, through June 30, 2015.

F. Approval of a request by the Greater Grace Fellowship/Classic Celebration's non-profit organization to the use the Payson Complex grounds for a "Springfest" on April 26-27 2014; the first annual "Memorialfest" on May 24-26, 2014; and the first annual "Autumnfest" on October 4-5 2014.

G. Approval of a request by the Gila County School Superintendent to use the Pinal Mountain Little League Complex to hold its Arizona Water Festival "Project WET" event on March 27, 2014.

H. Acknowledgment of the resignation of William Sturges from the Alhambra Domestic Wastewater Improvement District governing board and the appointment of Nancy Sturges to complete Mr. Sturges's term of office ending on December 31, 2016.

I. Acknowledgment of the January 2014 monthly activity report submitted by the Payson Regional Justice of the Peace's Office.

J. Approval of the February 18, 2014, and February 25, 2014, Board of Supervisors' meeting minutes.

K. Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the weeks of February 17, 2014, to February 21, 2014; and February 24, 2014, to February 28, 2014.

L. Approval of finance reports/demands/transfers for the weeks of March 11, 2014, and March 18, 2014.

March 11, 2014

\$424,352.53 was disbursed for County expenses by check numbers 260226 through 260355.

March 18, 2014

\$2,295,285.08 was disbursed for County expenses by check numbers 260356 through 260506. **(An itemized list of disbursements is permanently on file in the Board of Supervisors' Office.)**

Item 6 – CALL TO THE PUBLIC: Call to the Public is held for public benefit to allow individuals to address the Board of Supervisors on any issue within the jurisdiction of the Board of Supervisors. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(H), at the conclusion of an open call to the public, individual members of the Board of Supervisors may respond to criticism made by those who have addressed the Board, may ask staff to review a matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.

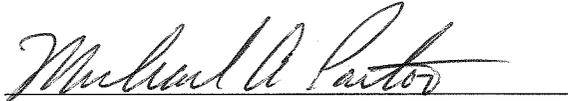
Pam Mason of Pine Arizona, advised that on January 17th, a request was made of County staff to place an agenda item on the Pine-Strawberry Water Improvement District (PSWID) meeting for its Board of Directors (BOD) to order a financial and managerial audit of the PSWID, and to schedule a meeting to present the election results to the citizens before the May 2014 election. She advised that the “clock is ticking.” She inquired if the PSWID BOD has yet contracted with a person/company to conduct the audit. She also cited the Arizona Revised Statute which pertains to minutes or a recording of the meetings.

Item 7 – At any time during this meeting pursuant to A.R.S. §38-431.02(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 the County Manager presented information on current events.

There being no further business to come before the Board of Supervisors,
Chairman Pastor adjourned the meeting at 2:55 p.m.

APPROVED:



Michael A. Pastor, Chairman

ATTEST:



Marian Sheppard, Clerk of the Board