

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

Date: August 25, 2009

SHIRLEY L. DAWSON
Chairman

STEVEN L. BESICH
Clerk of the Board

TOMMIE C. MARTIN
Vice-Chairman

By: Marilyn Brewer
Deputy Clerk

MICHAEL A. PASTOR
Member

Gila County Courthouse
Globe, Arizona

PRESENT: Shirley L. Dawson, Chairman; Tommie C. Martin, Vice-Chairman (via video conferencing); Michael A. Pastor, Supervisor; Jacque Griffin, Assistant County Manager/County Librarian; Marian Sheppard, Chief Deputy Clerk; and Bryan Chambers, Chief Deputy County Attorney.

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 in the Board of Supervisors hearing room. Steve Stratton led the Pledge of Allegiance and Reverend Joe Hittle of the Calvary Chapel of Payson delivered the invocation.

Chairman Dawson noted that due to road construction, Craig Sullivan, who would be presenting agenda item number 2, would be arriving late so the Board moved on to agenda item number 3.

Item 3 - Information/Discussion/Action to adopt Resolution No. 09-08-04 in support of the San Carlos Apache Telecom Inc./Triplet Mountain Communications Inc. (SCATUI/TMCI) project to provide ten (10) miles of fiber optic connectivity between State Route 77 and the Pinal Substation in Gila County, Arizona.

Jeff McCormick, Public Affairs Representative for SCATUI/TMCI, provided some handouts of a presentation to the Board in regard to augmenting the broadband infrastructure in Globe and throughout the southeastern corner of Arizona. He explained that TMCI, a wholly-owned subsidiary of SCATUI, was created for the specific purpose of expanding SCATUI's ability to provide communication services not only to the San Carlos Apache Reservation, but to rural communities off of the Reservation and TMCI has applied for a federal stimulus funding package of \$18.6 million. Current services provided on the Reservation include ADSL Internet and cable television. Services in

development will include broadband Internet and Internet protocol television, both on and off the Reservation. Broadband is the transmission of data through a network of fiber optics (glass or plastic fiber that transports light; the light carries data) and these higher bandwidths allow the rapid transport of data, video, music and voice, known as high-speed Internet and Internet protocol television. This new type of communication is essential for economic development. In order to facilitate and expedite the providing of broadband, TMCI plans to lease existing fiber optics that runs from downtown Phoenix through Superior into the Pinal Substation in Globe. TMCI also plans to lease existing fiber optics that run from downtown Tucson, through Benson and Wilcox into Thatcher. SCATUI/TMCI owns fiber optics from Thatcher across the Reservation to State Route 77. The only portion missing is an 8-10 mile gap, known as the middle mile, from State Route 77 to the Pinal Substation that is needed to complete the 20-community fiber optics ring. A license agreement with Globe is essential for completion and the ability to provide this broadband. This project is not intended to compete with any Internet service providers, but will provide the necessary infrastructure to allow those ISPs to serve the individual homes and businesses. It will also provide jobs for all 20 rural communities and diversify the region's economic base. Following completion of the missing 8-10-mile gap, Phase 2 of the project will provide for the fiber optics to run from Superior down State Route 177, known as the Copper Corridor, and provide those services to various communities including the Hayden-Winkelman area of Gila County. Bill Marshall, Interim Director of Southern Gila County Economic Development Corporation, provided some additional details. Included in the handout to the Board was an engineering chart, which is the network design showing the individual stops at the various communities included in the fiber optics ring. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Martin, the Board unanimously adopted Resolution No. 09-08-04 in support of the SCATUI/TMCI project to provide ten (10) miles of fiber optic connectivity between State Route 77 and the Pinal Substation in Gila County, Arizona. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

Item 2 - Update on the activities of the County Supervisors Association (CSA) by Craig Sullivan, CSA Executive Director, including a discussion of recent legislative activities.

Craig Sullivan, CSA Executive Director, gave a PowerPoint presentation to the Board providing an update on the recent activities of the State Legislature, which affect the State of Arizona, and cities, towns and counties within Arizona. He also focused on the activities that specifically affect Gila County. CSA is a research and advocacy group that supports all 15 counties at the State Capitol and helps the supervisors advance the interest of its constituents. Some of the proposed State budget cuts presented that will impact Gila County include the elimination of the Summer Youth Program in the amount of \$5,287; Gila County's Highway Revenue User Funds shifted to the Department

of Public Safety--\$242,250; 10% reduction in County lottery revenues--\$55,004; 100% Cost Shift to Gila County for Restoration to Competency--\$195,281; and 80.75% of the Justice of the Peace salary shifted to Gila County--\$37,682, for a total estimated fiscal impact to Gila County of \$535,504. He also reviewed some of the policy flexibility in the proposed State budget as well as other policy items. He briefed the Board on some of the major leadership/governor proposals; however, the plan has yet to pass the Senate. Those include a permanent tax reduction by a repeal of the state equalization property tax, a reduction of personal income tax and corporate income tax; a ballot referral for a temporary sales tax increase and state spending cap; and a temporary suspension of Proposition 105, which relaxes limitations on legislative power to reduce spending established by initiative or referendum. He reviewed some CSA-initiated legislation that was enacted, which included HB2236 County Operation-Management; HB2581 Library Districts-County Reimbursement and SB1297 Flood Control Districts-remainder parcels. He also reviewed CSA-initiated legislation that was not enacted. A discussion ensued on the statewide photo radar program and it was noted that counties will continue to process photo radar tickets without compensation from the State. Revenue from photo radar tickets is far less than expected (low payment rate) while court costs continue to rise, and exemption from Judicial Productivity Credits is included in pending FY2010 budget proposal. Also presented were bills pertaining to county taxing authorities; select bills impacting county authorities; and a legislative recap. Mr. Sullivan concluded his presentation by encouraging the Board to attend the next CSA Legislative Policy Summit to be hosted by Yuma County on October 27-29, 2009, and he reminded the supervisors that each county's legislative proposals are due by September 7, 2009. Each Board member thanked Mr. Sullivan for the fine job he and his staff do in assisting the counties at the State legislative sessions.

Item 4 – Public Hearing – Presentation of information regarding Gila County incurring a long-term financial obligation in the principal amount of not to exceed \$8,000,000 to obtain funds for County infrastructure improvements and to obtain public comment on same.

John Nelson, Deputy County Manager, stated that this is the time set aside for a public hearing on the County's proposed \$8 million bond issue. Long-term financial obligations statutorily require following a very strict schedule, which includes the following: On July 31, 2009, a press release was issued to all media in Gila County announcing that a public hearing would be held today and inviting comments from the public that may either be hand-delivered, mailed to the Chief Deputy Clerk of the Board or electronic comments may also be submitted through the County's website. A notice was also published in the official County newspaper, the Arizona Silver Belt, on August 5, 2009, noticing the public hearing with the same criteria for submitting comments. He stated that to date no comments have been received from the public either in writing

or electronically, which Ms. Sheppard, Chief Deputy Clerk, verified. He encouraged anyone that would like to make a comment on the proposed \$8 million bond issue to please do so before September 15, 2009. The Board is prevented from taking any action on this item for at least 15 days after today's public hearing, so at the Board's September 15th meeting, adoption of a resolution approving this long-term debt will be considered. If the Board gives a favorable approval of the resolution, the bond issue will be closed on or about October 13, 2009. Mr. Nelson stated that Arizona Revised Statutes require the Board to discuss 2 items during the public hearing, namely: the need for the proposed bond projects and the reason the County needs long-term financing. He broke down the need for the proposed projects into 4 major areas, as follows: 1) one new facility is needed, which will be a 40-bed women's jail facility dorm to be constructed next to the current jail facility in order to be in compliance with the U. S. Department of Justice regulations; 2) a need to relocate facilities into one new Public Works Division complex in order to have all services located in one area for management efficiency; 3) moving County departments from rented/leased space into County-owned space vacated by the Public Works Division; and 4) refinance current debt at a lower interest rate. Mr. Nelson then addressed the need for long-term financing. He stated that in managing the County's facilities needs, there are 3 options. The first option would be to purchase new facilities outright by a cash purchase; however, that would deplete all of the County's reserves, which he believes would be fiscally irresponsible. The second option would be to rent, rent to own, or lease/purchase facilities, which is always more expensive than getting tax-exempt interest and building the facilities. The third option being proposed today would be long-term debt financing. Mr. Nelson stated that he believes this would be the most cost-effective method of managing the County's facilities needs. Supervisor Pastor inquired if the proposal would allow the County to get out of all rentals/leases of property. Mr. Nelson stated that the County would need to lease 1-2 properties in outlying areas. He stated that in looking at the County's financial plan particularly for the General Fund, based on refinancing current debt and getting out of lease payments, the County will have no more expenditures going out of its General Fund to pay off the proposed debt than it does right now for current debt plus lease payments and it would result in a savings of \$32,000/year. At this time, Chairman Dawson opened the public hearing portion of the meeting and called for public comments. Bessie Dooley, a resident of Claypool, stated that she was opposed to the bond issue because it will put the County into more debt. She also noted that the County will be paying almost as much interest as it is borrowing. She stated, "We do need the women's detention, but what about the money we already have for that? The automotive—why not wait until we have the money? The economy is too unstable right now. As far as refinancing, it's going to cost you as much in points and interest." Chairman Dawson thanked Ms. Dooley for her comments. She stated, "The bond issue isn't something that just popped up. We've carefully been looking at what's going on and what potential we have. The finances in the State of Arizona are

going to be bleak unless we get things like Resolution Copper Company operating and see a generation of income into the State instead of paying legislators to not come up with resolutions.” She cited the example of the low bids received for the County’s WIC (Women, Infants and Children) building that is currently under construction and believes it is a wise time to build. She also mentioned the need to look to the future and that the County courthouse building needs to have the land adjacent to it (that is currently occupied by the Public Works Division) available for future growth. “We are hoping we have chosen the right road and we certainly welcome public input on these requests.” Mr. Nelson stated that he understands the public comment about the uncertain times. “Nobody knows where the economy is going to go; however, Gila County bonds will be rated as secure and with that need for the investor to have security, interest rates are at an all-time low. We will probably never see construction costs this cheap again, so not only do we have a flight to safety with the investor bringing our interest rates way down, we also have a very favorable construction market and I do believe with the unstable economy, Gila County will appreciate the construction jobs we will bring with this bond issue.” Chairman Dawson closed the public hearing. No board action was taken.

Item 5 – Information/Discussion/Action to approve an Intergovernmental Agreement for Cooperative Purchasing between the City of Globe and Gila County pursuant to A.R.S. §11-952 and §41-2632 to conserve resources and reduce procurement costs.

Steve Stratton, Public Works Division Director, stated that this Agreement, if approved, will be offered to all cities and towns within Gila County. Supervisor Pastor inquired if this would also be available to the school districts. Mr. Stratton was not sure it would pertain to the school districts and would defer that question to the County Attorney’s Office. Supervisor Pastor also inquired as to who would be overseeing this Agreement and if it would have to be overseen by the County for the other cities/towns. Mr. Stratton replied that the County would not be overseeing other Agreements; it would simply be beneficial to the other cities/towns. The County has done the work setting up the Agreement and the cities/towns would not have to go through the process, but would simply piggyback onto the County’s Agreement. Upon motion by Vice-Chairman Martin, seconded by Supervisor Pastor, the Board unanimously approved an Intergovernmental Agreement for Cooperative Purchasing with the City of Globe.

Item 6 – Information/Discussion/Action to authorize the advertisement of Request for Sealed Bids No. 070109-1 for construction of the Gila County Women’s Dormitory.

Mr. Stratton stated that this request is for the Board to authorize advertising the Request for Sealed Bids. This makes no commitment on funds, but simply

allows the County to advertise, do the walkthrough of the project with prospective bidders and then receive the bids. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Martin, the Board unanimously authorized the advertisement of Request for Sealed Bids No. 070109-1 for construction of the Gila County Women's Dormitory.

At 11:19 a.m., Vice-Chairman Martin stated that she would be leaving the Board meeting to attend a meeting with U. S. Senator Jon Kyl.

Item 7A - Information/Discussion/Action to adopt Resolution No. 09-08-05 authorizing Gila County to enter into a line of credit with Great Western Bank for the issuance of letters of credit for the purpose of financial assurance required by ADEQ for Russell Gulch Landfill and Buckhead Mesa Landfill.

Sharon Winters, Recycling and Landfill Management Department Manager, stated that the County is required by the Arizona Department of Environmental Quality (ADEQ) to carry a letter of credit for financial assurance to keep on deposit for the closure of the County's 2 landfills in Globe and Payson. The new amount required by ADEQ for closure, and maintenance of the 2 landfills for a period of 30 years is \$4,653,669. Over the last 10 years, the County's Recycling and Landfill Management Department has saved a total of \$3,688,695. To make up the shortfall, the County is requesting a letter of credit in the amount of \$964,975 with Great Western Bank. The cost of the letter of credit is \$9,649. She noted that representatives from Great Western Bank were present at the meeting to answer any questions. Chairman Dawson inquired if Ms. Winters had contacted other Banks for bids. Ms. Winter replied that the current provider was charging 1.5% interest and she had done some research for a cheaper rate. By going with Great Western Bank, the County will save approximately \$5,000. Mr. Stratton also noted that since the County's audits are more current, within the next year the County may become self-insured and not be required to have these letters of credit. Upon motion by Supervisor Pastor, seconded by Chairman Dawson, the Board unanimously adopted Resolution No. 09-08-05 authorizing Gila County to enter into a line of credit with Great Western Bank for the issuance of letters of credit for the purpose of financial assurance required by ADEQ for Russell Gulch Landfill and Buckhead Mesa Landfill. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

Item 7B - Information/Discussion/Action to approve financial documents with Great Western Bank for Promissory Note No. 15525121972 in the amount of \$465,118 for Buckhead Mesa Landfill and Promissory Note No. 15525121964 in the amount of \$499,857 for Russell Gulch Landfill, which are held by financial assurance per ADEQ requirements. Great Western Bank will provide a letter of credit during this agreement until the maturity date of 08/25/10.

Ms. Winters stated that this agenda item is to approve the financial documents and to also approve the Promissory Note with Great Western Bank. Upon motion by Supervisor Pastor, seconded by Chairman Dawson, the Board approved the financial documents with Great Western Bank for Promissory Note No. 15525121972 in the amount of \$465,118 for Buckhead Mesa Landfill and Promissory Note No. 15525121964 in the amount of \$499,857 for Russell Gulch Landfill, which are held by financial assurance per ADEQ requirements. Great Western Bank will provide a letter of credit during this agreement until the maturity date of 08/25/10. On behalf of the Board, Chairman Dawson thanked Ms. Winters for the excellent work she does for the County.

Item 8 - Information/Discussion/Action to approve Gila County Order No. LL-09-02, an application for a Series 12 restaurant liquor license with an interim permit to operate submitted by Katie L. Parks for Circle P Ranch, Inc. d/b/a Circle P Ranch Restaurant and Southwestern Bar and Grill located in Pine, Arizona.

Marian Sheppard, Chief Deputy Clerk, stated that the County has a review process for liquor license applications in which the Building Permitting Department goes out to the location and reviews the site. She advised that Joe Mendoza, Community Development Division Deputy Director, reviewed the site and noted that there was an issue; however, included in the Board packet was an e-mail from Mr. Mendoza advising that the issue had been addressed and he recommended approval of the application. She stated that no objections to the application were received and she also recommended the Board's approval. If approved by the Board, it will then be forwarded to the Arizona Department of Liquor Licenses and Control for final approval. Upon motion by Supervisor Pastor, seconded by Chairman Dawson, the Board approved Gila County Order No. LL-09-02, an application for a Series 12 restaurant liquor license with an interim permit to operate submitted by Katie L. Parks for Circle P Ranch, Inc. d/b/a Circle P Ranch Restaurant and Southwestern Bar and Grill located in Pine, Arizona.

Item 9 - CONSENT AGENDA ACTION ITEMS:

- A. Approval of an application submitted by Cindy Fitch to temporarily extend the premises/patio of the Creekside Steakhouse and Tavern located in Payson, on October 10, 2009, during which time a car show will take place.**

- B. Approval of an application submitted by Tamara Lynn Morken to temporarily extend the premises/patio of HTNB Ventures, LLC d/b/a Rimside Grill & Cabins in Pine, AZ for the following dates: August 23, 2009 – Country and Western Steak Fry fundraiser event; September 26-**

27, 2009 – Octoberfest; and October 10, 2009 – Justice McNeely Quad Ride fundraiser event.

- C. Approval to renew a MMCAP (Minnesota Multi-State Contracting Alliance for Pharmacy) Facility Membership Agreement with the Gila County Division of Health and Community Services to continue purchasing vaccines and medications at a discount group rate of which said Agreement will remain in effect until such time as either party provides 30 days' written notice to terminate the Agreement.**
- D. Approval of Amendment No. 12 to a Management Operating Agreement between Gila County and ARAMARK Correctional Services, LLC, to increase meal pricing at the Gila County Jail for the adult and juvenile population and to increase laundry service from \$500 per week to \$550 per week for the for the period August 18, 2009, through August 17, 2010.**
- E. Approval of Amendment No. 2 to an Intergovernmental Agreement (Contract No. HG861159) between the Arizona Department of Health Services and Gila County to continue providing Commodity Supplemental Food Program services for the period October 1, 2009, through September 30, 2010.**
- F. Approval of an Agreement for Distributed Public Assistance Program Implementation between Gila County Housing Services Department and Arizona Public Service Company in the amount of \$46,000 to provide approximately 6 solar hot water systems to qualified low-income APS customers within Gila County during the period July 1, 2009, through December 31, 2009.**
- G. Approval of a FY 2009-2010 Law Enforcement and Boating Safety Fund Participant Agreement (Project No. 20903) between the Gila County Sheriff's Office and the Arizona State Parks Board in the amount of \$153,767.04 for the period July 1, 2009, to June 30, 2010.**
- H. Approval of the July 2009 monthly departmental activity report submitted by the Payson Regional Constable.**
- I. Approval of the personnel reports/actions for the week of August 25, 2009.**

Departures from County Service:

1. Rachel Garcia – Clerk of Superior Court – Court Clerk – 07-30-09 – Cost of Prosecution Clerk Superior Court Fund – DOH 03-10-08 – Resigned
2. Nicole Goebel – Probation – Administrative Clerk – 08-28-09 – Diversion/Consequences Fund – DOH 10/06/08 – Resigned

3. Karen Reves – Finance – Temporary Payroll Specialist – 08-21-09 – General Fund - DOH 12/04/00 – Temporary Position
4. Cole Rampelotto – Public Works Engineering – Temporary Surveyor Assistant – 08/13/09 – Public Works Fund – DOH 06/01/09 – Temporary Position
5. Daniel Nyberg - Public Works/Automotive Equipment Maintenance – Automotive Service Worker – 08-13-09 – Public Works Fund – DOH 07/07/08 –Resigned
6. Frank Owens – Probation – Chief Probation Officer – 08-05-09 – General Fund - DOH 11/27/06 – Resigned
7. Charles Schreck – Probation – Juvenile Detention Officer – 08-16-09 – General Fund – DOH 01-29-08 – Resigned
8. Monique Usher – Community Development – Building Safety Assistant/Administration Clerk – 08-14-09 – General Fund – DOH 04-29-09 - Resigned
9. Ron Watts – Community Development – Building Safety Inspection Senior – 08-30-09 – General Fund – DOH 03-24-03 – Retirement

Hires to County Service:

10. Jennifer Rainville - Health and Community Services – Public Health Nurse I – 09-14-09 – Health Service Fund – Replacing Lisa Saige – Position vacant as of 01/12/09

Temporary Hires to County Service:

11. Karen Reves – Clerk of Superior Court – Clerk – 08-24-09 - Cost of Prosecution Clerk Superior Court Fund

End Probationary Period:

12. Jami Anderson - Health and Community Services – Community Health Assistant – 09-08-09 – 98% WIA Fund – 2% Commodity Supplement Food Program Fund

Position Review:

13. Antoinette Gonzales – Public Works/Facilities Management –Custodian Lead – 08-06-09 – Facilities Management Fund – 90 day disciplinary probation period
14. Anthony Torrez – Juvenile Detention – Juvenile Detention Officer – 03-05-07 – General Fund – Adjustment in pay
15. Vivianna Hernandez - Community Development – Administrative Clerk – 09-14-09 – For purposes of Workers Compensation only
16. Carlos Ozuna - Community Development – From Floodplain Coordinator – To Surveyor/Floodplain Coordinator – 08/31/09 – General Fund

SHERIFF’S PERSONNEL ACTION ITEMS

Hires to County Service:

17. Phylis Stowe - Sheriff’s Office/Globe – 911 Dispatcher – 08-31-09 – General Fund

J. Approval of finance reports/demands/transfers for the week of August 25, 2009. (separate handout)

\$2,026,153.54 was disbursed for County expenses by check numbers 220168 through 220352. **(An itemized list of disbursements is permanently on file in the Board of Supervisors' Office.)**

Upon motion by Supervisor Pastor, seconded by Chairman Dawson, the Board unanimously approved consent agenda items 9A-9J.

Item 10 - CALL TO THE PUBLIC: Call to the Public is held for public benefit to allow individuals to address issue(s) within the Board's jurisdiction. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to criticism, or scheduling the matter for further discussion and decision at a future date.

There were no requests to speak from the public.

Item 11 - 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 Jacque Griffin, Assistant County Manager/Librarian, on behalf of Steve Besich, County Manager/Clerk, who is ill, presented information on current events.

At 11:32 p.m., Chairman Dawson recessed the meeting until the 1:30 work session.

At 1:36 p.m., Chairman Dawson reconvened the meeting for a work session.

Item 12 - Discussion of the Gila County strategic planning process to include: A. Ice breaker; B. Value statements; and C. Strategies/goals

Berthan DeNero, Personnel Director, began the strategic planning work session with an ice breaker called development of high performance teams in which the Board participated. She then passed out an update of the value statements, which the Board had completed in a prior work session. The Board began this session with the value word "empowerment" and after group discussion, the completed value statement read as follows: We lead by empowering our people. The next value word discussed was "excellence" and the completed value statement read as follows: We strive for excellence in all we do. At 2:43 p.m. Vice-Chairman Martin rejoined the meeting. A third word "honesty" was discussed and after group discussion the work honesty was not used. The next

value word "inspire" was discussed and the completed value statement read as follows: We seek to inspire our people and treat them with respect and trust and lead through competence, creativity and teamwork. Discussions began on the value word "participatory;" however, before the value statement could be completed, the meeting had to be adjourned as the Board had another meeting to attend. No action was taken by the Board on this item.

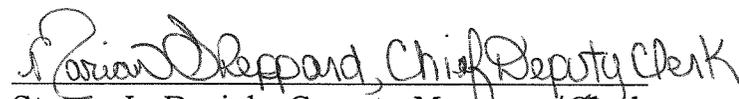
There being no further business to come before the Board of Supervisors, Chairman Dawson adjourned the meeting at 2:57 p.m.

APPROVED:



Shirley L. Dawson, Chairman

ATTEST:



Steven L. Besich, County Manager/Clerk