

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

Date: April 13, 2010

**SHIRLEY L. DAWSON**  
Chairman

**JOHN F. NELSON**  
Clerk of the Board

**TOMMIE C. MARTIN**  
Vice-Chairman

By: Marilyn Brewer  
Deputy Clerk

**MICHAEL A. PASTOR**  
Member

Gila County Courthouse  
Globe, Arizona

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PRESENT: Shirley L. Dawson, Chairman; Tommie C. Martin, Vice-Chairman (via video conferencing); Michael A. Pastor, Supervisor; John F. Nelson, Interim County Manager/Clerk; and Marian Sheppard, Chief Deputy Clerk.

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

The Gila County Board of Supervisors met in a Work Session at 10:00 a.m. this date in the Board of Supervisors hearing room. Bob Gould led the Pledge of Allegiance.

At this work session, the Board included the division/department heads in a round-table discussion of the agenda items.

**Item 2 - Information/Discussion regarding the State of Arizona’s budget and Proposition 100, and the effect on Gila County budget policies.**

John Nelson, Interim County Manager/Clerk, briefed the Board on the impact of the State of Arizona’s budget to Gila County along with the trigger effect of Proposition 101 if it does not pass. He passed out a packet of information containing an Estimate of State Budget Transfers to Gila County for FY 2010 and FY 2011 (to date), Estimated County Impacts in the Enacted FY 2010 and 2011 Budgets, Gila County Total Sales Tax 12-Month Moving Average for FY June 2008-June 2009 and Gila County Total Sales Tax for FY 2008-2009 (Combined State Shared and Local ½ Cent). He reviewed the impact that the State of Arizona had in balancing its budget by passing on costs to all of the counties. The direct impact to Gila County was \$585,000. Everything done by the State last year will remain in effect for the current year with the additions of the State eliminating any lottery distributions to the counties, which will reduce Gila County’s share of revenues by \$550,000. This is a decrease in revenues that Gila County will receive next year of \$495,000. In addition to what the State did to Gila County last year, they are increasing Gila County’s

ALTCS (Arizona Long Term Care System) contributions by \$200,000, so it is basically a net increase of \$696,000 in the costs the State is shifting to Gila County for the upcoming fiscal year, along with the cost for the general election, which runs approximately \$300,000. The total costs that are not controllable by the Board that are being shifted to the County from the State will be \$996,000. Comparing that to what the voters approved 4 years ago was that property tax levies can be increased 2% per year, which would generate \$1.1 million for Gila County. That entire tax increase will go to the State for all the costs shifts and to fund the general election with nothing left for increased costs for the operations of Gila County. Mr. Nelson then focused on an issue that is even more disturbing and that is the trigger effects of Proposition 100 that the State has placed on the ballot for an election in May. In the event Proposition 100 fails, the State has 3 triggered impacts that will come back to Gila County taxpayers. The first one, the most significant, is that all adult prisoners with 1 year or less to serve on their sentence will be shifted from the State prisons to the county jails. The number of inmates shifted from the State prisons to Gila County would be 164. Mr. Nelson noted that the State says this would result in a \$63 million savings to the State and would cost Gila County \$630,000. However, as Mr. Nelson reviewed the figures, the actual cost to Gila County will be \$3.5 million to house these prisoners (164 prisoners X 365 days X \$60.00 day). The cost per day could go up to \$100/day at some prisons. In putting that into perspective, Mr. Nelson stated that the jail facility is only designed to house 154 prisoners and currently, in the last 180 days, the County has been forced to release 2,124 prisoners to keep the population manageable. Now the State wants to force another 164 inmates on Gila County. He also noted that there is a significant difference in a prison and a jail because a jail is set up to handle approximately 75% of the inmates that are presumed innocent and the other 25% are there for lesser crimes with a 60-day to a 120-day sentence. An average stay in the County jail is days or weeks; a prison sentence is in terms of years. He stated that 75% of the 164 prisoners that would be sent back to Gila County from the State prisons would be maximum security prisoners, which would be approximately 123 prisoners; however, the County jail maximum security area is only set up with 13 beds and at the current time there are already 18 prisoners there. Obviously Gila County will have to ship the prisoners out to some other area and pay to house them out of County revenues. The State has not taken a look at whether the counties can handle those prisoners, what type of prisoners they are, etc. Mr. Nelson stated that he is not sure how Gila County is going to be able to handle the situation while keeping the public safe. If the County is going to have to pay out \$3.5 million to other counties or to the State or to private prisons, the impact will be a severe cut-back on Gila County services, our public safety, public health, public welfare services, etc. On the other hand, if the County tries to house those 164 prisoners that would mean other inmates will have to be released. Chairman Dawson noted that some of the counties will be bankrupt because the cost for these prisoners will exceed their entire budgets. Vice-Chairman Martin stated that in Navajo County, they had extra jail beds

leased out, but the section leased out for State prisoners had to undergo substantial renovations to retrofit the facilities to accommodate the State prisoners, who had different rights from the county and federal prisoners. She questioned if these prisoners that could be returned to Gila County would also require different rights. Chairman Dawson also noted that not mentioned is the 1-year study that the State is doing regarding closing all State juvenile detention centers and returning those juveniles back to the counties, which would also be a significant expense to the County as well. Mr. Nelson stated that it appears that the State's plan to balance its budget for 2012 is to shift the juveniles back to the counties. However, Mr. Nelson stated that the one problem that concerns him is that the further the State gets into its budget problems and decisions, the conversation is always about shifting costs rather than talking to the counties about how things could be done better or more efficiently. Supervisor Pastor stated that the concern he has about the potential shift of prisoners is that these are not just prisoners with a 1-year sentence; these are prisoners who have been in jail for 10-15-25 years, career prisoners. He stated, "I think the public needs to be aware of the fact that we run a really big risk of putting our people and our communities in danger if we have to continue to early release prisoners. It's going to create problems for our law enforcement people. The courts are going to get jammed. These prisoners are not those being sentenced to 1 year." Mr. Nelson stated that the state has advised that 75% of the prisoners to be returned to the counties will be maximum security prisoners. He stated, "If there was a requirement to transfer costs, why wouldn't the state look at the severity of the crime, the violent nature of the person and determine what the counties could possibly handle in a jail system? No, instead they took some irrelevant thing as a period of time. Why? It makes absolutely no sense." Supervisor Pastor also noted that the push for not passing Proposition 100 is getting stronger and more vocal. He stated, "I would advise taxpayers of Arizona to be careful of what they vote for or against because you might not get what you think you are getting." Chairman Dawson noted that she has heard no discussions by the State on cutting costs for the Arizona Department of Public Safety (ADPS), but instead want to cut out photo radar and use ADPS officers to patrol the 101 and 202 freeways even though the cameras have proven they do work. The State needs to sit down and discuss cutting costs. Chairman Dawson was not sure how the County would address an additional \$3.5 million shift of costs to Gila County. Vice-Chairman Martin advised that the new administration at the ADPS is going to add extra patrols on Highway 60 all the way to Show Low, on Highway 87 to the top of the rim, and Highway 260 to the top of the rim and to expect on big weekends an ADPS officer every 10-15 miles on those 3 roads. So the State is not talking about cutting expenses, but rather how to generate more revenue. ADPS is also not giving any leeway in exceeding the speed limit. She also stated that the counties bail the State out every 3-5 years and it just gets worse. Upon inquiry from Supervisor Pastor whether the prisoner shift would be a one-time event, Mr. Nelson stated he did not believe that has yet been determined. Supervisor Pastor stated, "So we'll go into the prison

business instead of government business.” He also inquired whether Mr. Nelson has a Plan B for the County if the shift of prisoners does occur. Mr. Nelson stated, “This is so big, I’m just trying to get my arms around it.” He advised that the County’s general fund is approximately \$40 million. He stated, “From that you deduct the costs to Gila County for ACHCSS/ALTCS which is \$4-\$5 million, deduct insurance costs, jail costs and this would be a 25-30% cut to what is left. There are also sheriff’s deputies, jails, elections costs that can’t be changed and a \$3.5 million cost for additional prisoners would mean a cut of 100 employees from the County...This is sticker shock for me.” Mr. Nelson then provided the Board with a chart of Gila County Sales Tax Revenue and advised that the sales tax funds received by the County are continually dropping along with the State’s sales tax. In discussing tax rates, Mr. Nelson advised that Gila County’s current tax rate is \$3.75/per \$100 of assessed valuation. As the assessed valuations increased, the tax rate has been decreased by the Board. It was \$4.41 and is now \$3.75. However, because of the decrease in assessed valuation, to collect the same property tax levy next year the tax rate will have to increase from \$3.75 to \$4.10/per \$100 of assessed valuation. That tax rate of \$4.10 will not be a tax increase; it will just offset the decrease in assessed valuation. The 2% voter-approved tax levy increase will bring that rate to \$4.19, a 2% increase in the overall levy. That increase will generate \$1 million and that \$1 million will transfer directly back to the State of Arizona to cover the cost shifts from the State to Gila County and the cost of the upcoming special election by the State. Those costs do not include any shift of prisoners back to the Counties at an additional cost of \$3.5 million. The County will also have to cover its own cost increases incurred and the County is also preparing to open the new 40-bed women’s dormitory at the jail and those new costs will also have to be covered. Mr. Nelson advised that he is working on a draft of a letter from the Chairman, with the approval of the County Attorney’s Office, explaining the State and County financial situation to County employees. The Board also discussed all supervisors from around the State being present at the upcoming County Supervisors Meeting to show a force to the governor, who will be speaking, to let her know how serious these issues are for all the counties. Vice-Chairman Martin also suggested having each county lay out all of the costs of the State’s impact to each county similar to what Mr. Nelson had drawn up for Gila County showing that the taxpayers are not going to realize any savings. She believes the taxpayers need to know what these shifts are really going to cost them. In fact it will be even more expensive for the taxpayer by shifting these costs to the counties. Supervisor Dawson stated that the total shift to the counties is almost \$134 million, which could bankrupt several counties. Discussion also ensued on the counties telling the governor that the shift of prisoners will not work and committee meetings need to be held on how to solve this problem. The Board also discussed the possibility of the State closing its juvenile probation centers, which has been postponed for a year by the State, and sending those kids to the county’s juvenile detention centers for even further costs to the counties. No action was taken by the Board.

**Item 3 – Information/Discussion regarding an update on the selection process for the County Manager position.**

Mr. Nelson stated that the Personnel Department reviewed 200-300 applications and selected the top 15 candidates for the County Manager position. After reviewing those 15 applications, Mr. Nelson and Berthan DeNero, Personnel Director, selected the top 6 candidates. Mr. Nelson is now in the process of putting together an interview panel consisting of 3 internal people from the County--Mr. Nelson, Ms. DeNero and Jacque Griffin, Assistant County Manager--and 3 county managers from other counties, who will conduct telephone interviews to select the top 3 candidates next week. The final 3 candidates will have a face-to-face interview with the Board of Supervisors with the possibility of having a new County Manager hired by the first part of June. No action was taken by the Board.

**Item 4 - Discussion of the Gila County strategic planning process to include: A. Ice breaker; B. SWOT (strength, weakness, opportunity, threats) analysis for the following: (all County departments/divisions and elected officials' offices) and C. Continue with goal setting for the following: (all County departments/divisions and elected officials' offices).**

Berthan DeNero began the strategic planning process by passing out a 4 sheets consisting of the following: 1) possible goals for Gila County prepared by Ms. DeNero; 2) goals from the "quality of life" previous Board work session discussion; 3) creating goals by areas of concern; and 4) Maricopa County's goals. Each Board member silently reviewed the information provided. After a lengthy discussion, the Board reviewed and compiled a list of goals that will be adopted at the next regular meeting. The goals are as follows: 1) Assure that Gila County is a safe, healthy and attractive place in which to live, work and play; 2) Provide regional leadership in critical public policy areas; 3) Continue to improve citizens' satisfaction with the quality and cost effectiveness of services provided by the County; 4) Support environmental concerns of natural and historic resources balanced with the needs of development and recreation; 5) Continue sound financial management and build the County's fiscal strength while limiting the tax burden; 6) Provide constant and clear public information of all the County's activities and direction; 7) Actively seek to increase and coordinate volunteerism and active citizen participation that strives for the good of the County as a whole; and 8) Maintain a quality workforce and equip them with the workspace and resources they need to do their jobs safely and well. Mr. Nelson recommended that Ms. DeNero draft the goals, distribute them for comments, bring them to the Board for adoption at the next meeting, send them to the various divisions/departments for planning and bring those plans back to the Board for adoption. No action was taken by the Board.

**Item 5 - 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 6 - 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.**

Vice-Chairman Martin and Chairman Dawson briefly presented information on current events.

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

**APPROVED:**

  
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Shirley L. Dawson, Chairman

**ATTEST:**

  
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John F. Nelson, Interim County Manager/Clerk