

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

Date: April 17, 2012

**TOMMIE C. MARTIN**  
Chairman

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

**SHIRLEY L. DAWSON**  
Vice-Chairman

By: Marilyn Brewer  
Deputy Clerk

**MICHAEL A. PASTOR**  
Member

Gila County Courthouse  
Globe, Arizona

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PRESENT: Tommie C. Martin, Chairman (via ITV conferencing); Shirley L. Dawson, Vice-Chairman; Michael A. Pastor, Supervisor; Don McDaniel, Jr., County Manager; 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 a regular session at 10:00 a.m. this date in the Board of Supervisors hearing room. Pam Fisher led the Pledge of Allegiance and Reverend Joe Hittle of the Calvary Chapel in Payson delivered the invocation.

**Item 2 – PRESENTATIONS:**

**2A. Public recognition of 5 employees for March's "Spotlight on Employees" Program, as follows: Paula Horn, Malinda Benedetto, Mark Gann, JoNelle Greenwalt and Ginger Horta. (Erica Raymond)**

Erica Raymond, Human Resources Assistant, presented gift cards as recognition awards to 3 employees for March's "Spotlight on Employees" Program as follows: Paula Horn, Malinda Benedetto and Mark Gann. JoNelle Greenwalt and Ginger Horta were also scheduled to receive awards, but will be rescheduled for next month as they were unable to attend today's meeting. Each Board member thanked the employees for their dedicated work.

**2B. Presentation of the 2011 financial audit findings by Dennis Osuch, partner of CliftonLarsonAllen.**

Joseph Heatherly, Finance Director, thanked the many employees in the various departments throughout the County who helped prepare the information for the 2011 financial audit. He noted that the Board had received copies of all of the audit reports for review. He stated that there were 22

findings for the 2011 audit and 5 of those were a carryover from the previous audit; however, many of the findings have already been corrected during the past year. He advised that the 2012 audit will probably be completed by December. He then introduced Dennis Osuch, partner of CliftonLarsonAllen, who reviewed the 2011 financial audit findings with the Board. Mr. Osuch began with the Single Audit Report in which many of the findings were a carryover from last year and he noted that because of the starting date of the audit review, it would have been impossible for the Finance Department to have corrected those issues before the audit was completed. He advised that of all the programs reviewed, the auditors issued an unqualified opinion, which means that they were able to give a clean opinion that the records were in compliance with the federal programs. However, 2 of the programs were issued a qualified opinion, meaning that they weren't necessarily in compliance or the auditors were not provided with enough information in order to provide an opinion and both related to contracts that the County had with the Arizona Department of Transportation. In the Single Audit Report, there were 2 types of audit reports; one is on the government auditing standards and the other one is the O & B Circular Report, which showed each issue as either a material weakness (a weakness in internal controls that largely relates to financial reporting) that could result in non-compliance or a lessor significant deficiency. Mr. Osuch then moved on to review the Annual Financial Report noting that for the 2011 year, all governments were required to adopt the Governmental Accounting Standards Board (GASB) 54, which is a new fund balance reporting model so that the fund balances in the financial statement are reported differently for purposes of transparency. He explained how this GASB 54 requirement changed the reporting procedures for some special revenue funds. He also noted that another specific change was that the Gila County Landfill Fund was removed from the General Fund and is now being reported as an Enterprise Fund, which will give the County a better picture of the operations of the landfill. Mr. Osuch stated that from past conversations with the Board, there had been a concern about really understanding what the landfill closure and closure liability was and what amount of assets were set aside to repay that and by presenting it as an Enterprise Fund, it very clearly now shows the financial position of the landfill. He stated that the landfill's current liability is approximately \$4.4 million set aside to pay for the landfill closure and post-closure care costs with a current liability of \$2.7 million, leaving \$1.7 million in funds that are invested in excess of the current liability. The liability will continue to grow until the County reaches the landfill closure and post-closure and a note was included in the Financial Statement disclosing the estimated total cost. He stated that currently the County is well ahead of that current liability. He also mentioned the HURF (Highway Users Revenue Fund) Report, which is compliance related to those funds. Mr. Osuch also noted that a letter was issued to management with some items that the auditors didn't feel merited the attention of the Board; however, they felt there were some areas that could bring some improvement to the Finance Department. In conclusion, Mr. Osuch recommended that the County put in place a Financial Audit Committee to help in the oversight of the financial reporting process for

external reporting purposes. It would provide an opportunity to have some oversight related to the audit without all of management being involved in it to have some type of segregation there so that prior to the auditors issuing any type of report, the Financial Audit Committee could go through the audit reports, make inquiries and address any type of issues to discuss some of the key areas of concern other than what management might have as well as new issues that may have come up or other County concerns. He advised that the auditing firm has one more report to issue, the Annual Expenditure Limitation Report, which should be completed today and issued within the next week or two. Mr. Osuch thanked Mr. Heatherly and staff and each of the departments for their cooperation in getting the information out in a timely manner in order for the audits to be completed. Vice-Chairman Dawson stated that in regard to the current funds accrued to date of \$1.7 million for the landfill that are in excess of the current liability, if the County is looking at a deficit next year for its overall budget, she inquired whether the County would have to contribute additional funds annually to the landfill account since it is ahead of the amount required. Mr. Osuch stated that the County should continue to contribute to the Landfill Fund annually, particularly since there are plans for expansion of the landfill within the next 2-3 years, which will incur some additional expenses so that post-closure costs will increase once the expansion occurs. He also explained that the County had been using a line of credit to maintain that required amount of money in the landfill closure and post-closure account and just this past year, the County was actually able to eliminate that line of credit and still maintain the required amount. He explained that if the General Fund were to take a hit, the Landfill Fund would not really assist the County by not contributing to the post-closure care costs. Supervisor Pastor added that the Landfill Fund generates its own revenue and those funds are restricted and may only be utilized for landfill maintenance whether it's expansion, modification or closure. Chairman Martin stated that to her separating the Landfill Fund showing those excess funds from the General Fund is proof of fine management at the landfill and having the ability to take care of future needs. Vice-Chairman Dawson also inquired about the recommended Financial Audit Committee and if other counties have a committee of this type. Mr. Osuch replied that some counties have this type of committee and others don't. He stated that his firm's recommendation is that the best practices would say to have a Financial Audit Committee so there's another level besides management to go to during the audit and prior to the audit. He recommended that the Financial Audit Committee consist of the following: 1 or 2 people from the Board of Supervisors, 1 management person, and an outside person, and most of those people should have some type of accounting or financial background so they would know the right questions to ask or know the right information or direction to give to the audit firm. Each Board member commented that pursuing the formation of a Financial Audit Committee was a good idea and that perhaps management could provide assistance in setting up same. Each Board member thanked Mr. Osuch and his staff for the audit presentation. **(A copy of the audit is available on the Gila County website, Finance Department section.)**

### **Item 3 – PUBLIC HEARINGS:**

#### **3A. Public Hearing - Information/Discussion/Action to approve Order No. LL-12-03, a liquor license application submitted by Karen Spaulding for a new Series 12 restaurant license at the Bar Eleven Ranch and Grill located in the Lake Roosevelt area.**

Marian Sheppard, Chief Deputy Clerk, stated that this is a liquor license application for a new restaurant license for the Bar Eleven Ranch and Grill, which is located at 808 W. A-Cross Road in the Roosevelt Lake area. She advised that the County has an internal review process whereby the Health Department and the Building Permitting Department go out to the establishment to review and see that the applicant is also meeting health permitting requirements as well as building permitting. Both of the departments recommended the Board's approval as did Ms. Sheppard as she has not received any written comments opposed to this application. Chairman Martin opened the public hearing and called for comments from the public; none were received. She closed the public hearing and entertained a motion. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously approved Order No. LL-12-03, a liquor license application submitted by Karen Spaulding for a new Series 12 restaurant license at the Bar Eleven Ranch and Grill located in the Lake Roosevelt area.

### **Item 4 - REGULAR AGENDA ITEMS:**

#### **4A. Information/Discussion/Action to adopt Proclamation 12-03 proclaiming the week of April 22-28, 2012, as National Crime Victims' Rights Week in Gila County.**

Liz Fetterman, Victim Witness Advocate for Gila County, introduced her assistant, Brenda Van Haren. She stated that April 22-28, 2012, begins National Crime Victims' Rights Week, a time to honor crime victims in our nation's progress in advancing their rights. This year's theme is "Extending the Vision, Reaching Every Victim" and celebrates the vision behind that progress and the ideal of serving all victims of crime, a vision that began 30 years ago. Ms. Fetterman provided some background information on how the vision began and now with 10,000 victim service agencies, every state has enacted victims' rights laws and 32 states have constitutional victims' rights amendments with all states having crime victims' compensation funds. She provided additional details on the still greater need to reach those victims that go unreported and do not receive the needed services. Ms. Fetterman then requested that Ms. Van Haren read aloud the Proclamation. Each Board member thanked Ms. Fetterman and staff for their work in assisting these victims. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously adopted Proclamation 12-03 proclaiming the week of April 22-28, 2012, as National Crime Victims' Rights Week in Gila County. **(A copy of the Proclamation is permanently on file in the Board of Supervisors' Office.)**

**4B. Information/Discussion/Action to adopt Proclamation No. 12-04 proclaiming April 22-28, 2012, as the Week of the Young Child™ in Gila County and to encourage all citizens to work to make a good investment in early childhood in Gila County, Arizona.**

Ann Tolman, Vice-Chairman of the Gila Regional Partnership Council, introduced Latoya Beatty, Regional Director for the San Carlos Apache Tribe Regional Council. Ms. Tolman stated that the Gila Regional Partnership Council of First Things First has joined with the schools in the Head Start Program in the area along with other stakeholders to proclaim and celebrate April 22-28, 2012, as the Week of the Young Child™. She stated that the purpose of this week is to focus attention on the needs of these young children and their families and to recognize the early childhood programs and services that meet those needs. She then provided information on how the Week of the Young Child™ began. Packets of additional information were provided to the Board. Ms. Tolman then read aloud the Proclamation. Each Board member thanked Ms. Tolman, Ms. Beatty and staff for their work in early childhood education. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously adopted Proclamation No. 12-04 proclaiming April 22-28, 2012, as the Week of the Young Child™ in Gila County and encouraged all citizens to work to make a good investment in early childhood in Gila County, Arizona. **(A copy of the Proclamation is permanently on file in the Board of Supervisors' Office.)**

**4C. (Motion to adjourn as the Gila County Board of Supervisors and convene as the Gila County Library District Board of Directors.) Information/Discussion/Action to approve a three-year License Agreement between the Gila County Library District and Recorded Books, LLC for a OneClickdigital subscription plan for digital audio books for all library users in Gila County from July 1, 2012, through June 30, 2015, at a cost of \$5,000 per year for a total not to exceed amount of \$15,000, and authorize the Chairman to sign the Agreement. (Jacque Griffin)**

Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board adjourned as the Gila County Board of Supervisors and convened as the Gila County Library District Board of Directors.

Jacque Griffin, Assistant County Manager/Librarian, stated that this item follows along the path of working to provide additional access and resources of information to all the residents of Gila County. The Library District currently provides a rotating collection of approximately 1,045 audio books to the 8 libraries. The District currently purchases 68 books per year at a cost of \$2,400. Recorded Books, LLC is the gold standard for library audio books and for about 3 years this company has been working diligently at taking their entire collection of books and digitizing them. With this subscription, County residents will have unlimited access to 2,900 titles if they have a digital reader

that has audio capability. Vice-Chairman Dawson commented that she sees this as a way for students going to college to be able to get away from the huge cost of purchasing books in the future. Chairman Martin stated that she appreciates the Library District staying ahead in this field and she would like to see this promoted more in the upcoming months as she isn't sure that a lot of people are aware of this opportunity. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously approved a three-year License Agreement between the Gila County Library District and Recorded Books, LLC for a OneClickdigital subscription plan for digital audio books for all library users in Gila County from July 1, 2012, through June 30, 2015, at a cost of \$5,000 per year for a total not to exceed amount of \$15,000, and authorized the Chairman to sign the Agreement.

**4D. Information/Discussion/Action to approve the renewal application on behalf of the Gila County Library District for the "First Things First Community-Based Literacy Grant" (FTF-RC004-11-0272-01-Y2) in the amount of \$85,000 for fiscal year July 1, 2012, through June 30, 2013. (Motion to adjourn as the Gila County Library District Board of Directors and reconvene as the Gila County Board of Supervisors.)**

Ms. Griffin stated that this is a grant renewal to continue the First Things First program that is also known as "Every Child Ready to Read" or the "Dolly Parton Imagination Library," where children from the age of birth to 5 years old are given the opportunity to receive a monthly book in the mail for them to read. There are currently 1,380 children in Gila County that are receiving monthly books and this grant application, if approved, will allow the Library District to continue this program. She noted that one significant change is that last year the Library District contracted with the 8 libraries to provide outreach advocates in the communities; however, this year the Library District is going to hire temporary, part-time employees so there is more control of where these employees go and to ensure that they get out into the communities, particularly during the summer months. Chairman Martin stated that she appreciates this particular program to go along with the Proclamation for the Week of the Young Child™ as she believes they go hand in hand, along with the Health Department programs for the healthy child birth to age 5—the full spectrum. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously approved the renewal application on behalf of the Gila County Library District for the "First Things First Community-Based Literacy Grant" (FTF-RC004-11-0272-01-Y2) in the amount of \$85,000 for fiscal year July 1, 2012, through June 30, 2013.

Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board adjourned as the Gila County Library District Board of Directors and reconvened as the Gila County Board of Supervisors.

**4E. Information/Discussion/Action to authorize the posting of Gila County Notice of Public Auction for Used Highway Guardrail in the**

**Arizona Silver Belt for thirty days beginning April 18, 2012, to May 16, 2012.**

Steve Stratton, Public Works Division Director, stated that from time to time the Arizona Department of Transportation has projects in the local area and when they have the “out-of-spec” guardrail they pull off the projects, they give it to the County. The County then utilizes it to repair existing guardrail; however, the County cannot use it on new projects because it is out of specification. He stated that at this time the County has an abundance of it and would like to auction off 2,000 lineal feet, leaving the County with approximately 900 lineal feet to repair existing guardrail. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously authorized the posting of Gila County Notice of Public Auction for Used Highway Guardrail in the Arizona Silver Belt for thirty days beginning April 18, 2012, to May 16, 2012.

**4F. Information/Discussion/Action to adopt Resolution No. 12-04-02, which authorizes the execution of an Intergovernmental Agreement IGA/JPA 11-028I between Gila County and the State of Arizona, Department of Transportation, for pedestrian rest shelters in the Pine/Strawberry area of Gila County.**

Steve Sanders, Public Works Division Deputy Director, stated that in July 2010, the Board authorized submitting a grant application to the Arizona Department of Transportation (ADOT) - Transportation Enhancement Program for pedestrian rest shelters in the Pine/Strawberry area. The grant was approved and the County was awarded approximately \$478,000 for the project, which will be used to place 11 pedestrian rest shelters around various locations in Pine and Strawberry--6 in Pine and 5 in Strawberry. He stated that currently there are homemade bus shelters which are used by children who wait for the school bus and it is predominantly at those locations that the shelters will be replaced. ADOT will be administering and handling the majority of the project with input from the County. The County will be required to provide a 5.7% match on the money in addition to a \$5,000 review fee to ADOT to administer the project, so the total cost to the County is approximately \$35,000. Chairman Martin thanked Mr. Sanders for his work on this project and stated that “Take Pride in Pine,” the group that set up the original shelters, would like to be included in the conversation regarding this project. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously adopted Resolution No. 12-04-02, which authorizes the execution of an Intergovernmental Agreement IGA/JPA 11-028I between Gila County and the State of Arizona, Department of Transportation, for pedestrian rest shelters in the Pine/Strawberry area of Gila County. **(A copy of the Resolution is permanently on file in the Board of Supervisors’ Office.)**

**4G. Information/Discussion/Action to authorize the advertisement of Invitation for Bids No. 033012-1 for MC-800 liquid asphalt for Gila County road repair and maintenance.**

Mr. Stratton stated that this is a request to advertise for bids for another chip seal oil that the County utilizes. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously authorized the advertisement of Invitation for Bids No. 033012-1 for MC-800 liquid asphalt for Gila County road repair and maintenance.

**4H. Information/Discussion/Action to review all bids submitted for Invitation for Bids No. 012312-1 for the purchase of 4 new 3/4 ton 4x4 trucks; award to the lowest, responsible and qualified bidder; and authorize the Chairman's signature on the award contract for the winning bidder.**

Mr. Stratton stated that these 4 trucks will be used for the Road Department and will be paid for with road funds—HURF and the half-cent excise tax. These 4 trucks will replace various vehicles, 1986 to 1994 models with mileage from 110,000 to 174,000. He advised that the low bid received was from McSpadden Ford in the amount of \$23,951.60 per vehicle. Supervisor Pastor inquired about utilizing ½-ton trucks as opposed to ¾-ton trucks. Mr. Stratton replied that when utilizing 4-wheel drive vehicles, it is recommended to go with ¾-ton trucks particularly in this application because of the loads they will be carrying. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously accepted the bid for Invitation for Bids No. 012312-1 from McSpadden Ford in the amount of \$23,951.60/vehicle for the purchase of 4 new 3/4 ton 4x4 trucks; and authorized the Chairman's signature on the award contract.

**Item 5 – CONSENT AGENDA ACTION ITEMS:**

**5A. Authorization of the Chairman's signature on Amendment No. 1 to Contract No. 061311-1 between Gila County and Wright Asphalt Products Co. for MC-800TR chip seal oil, to extend the contract for 12 months from April 6, 2012, to April 5, 2013.**

**5B. Approval of Amendment No. 3 to Contract No. A11PC00100 between the Bureau of Indian Affairs and Gila County, on behalf of the Gila County Juvenile Detention Center, to extend the period of performance from March 31, 2012, to March 31, 2013, and increase the contract amount by \$25,000 for a total contract amount of \$100,400 for payment coverage of continuing detention services.**

**5C. Authorization for the Gila County Attorney's Office to electronically submit a FY 2013 Grant Application to the Arizona Criminal Justice Commission Drug, Gang, and Violent Crime Control Program, in the**

**amount of \$67,727 to renew grant funding and approve any required match funding requirement up to 25% from the General Fund.**

**5D. Approval to adopt Resolution 12-04-01 naming one road in Gila County to be called N. Byrne Lane.** (This item was tabled to the next Board meeting.)

**5E. Approval to accept the updated and corrected membership list for the Gila County Cooperative Extension Advisory Board.**

**5F. Approval to reappoint David (Smokey) Slaughter to the Northern Gila County Range Commission for a new three-year term beginning March 31, 2012, and ending March 30, 2015.**

**5G. Approval of a Special Event Liquor License Application submitted by the Gila County Rodeo Committee to serve liquor at the Gila County Copper Dust Stampede Rodeo on May 12-13, 2012.**

**5H. Approval of the March 27, 2012, and the April 3, 2012, BOS meeting minutes.**

**5I. Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the weeks of March 17 to March 23, 2012, and March 24 to March 30, 2012.**

Copies of the contract reports are permanently on file in the Board of Supervisors' Office.

**5J. Approval of finance reports/demands/transfers for the weeks of April 10, 2012, and April 17, 2012.**

**April 10, 2012**

\$302,782.88 was disbursed for County expenses by check numbers 244768 through 244931.

**April 17, 2012**

\$1,731,732.46 was disbursed for County expenses by check numbers 244932 through 245080. **(An itemized list of disbursements is permanently on file in the Board of Supervisors' Office.)**

Supervisor Pastor stated that he received a request just prior to the start of the meeting from the Byrne family in regard to Consent Agenda action item 5D. They are requesting that the name N. Byrne Lane be changed to N. Byrne Road, if possible. Michael O'Driscoll, Health and Emergency Services Division Director, stated that he would be happy to resubmit this item with the

requested change. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously continued Consent Agenda action item 5D to the next Board meeting.

Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously approved Consent Agenda action items 5A through 5J, with the exception of item 5D.

**Item 6 - 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.**

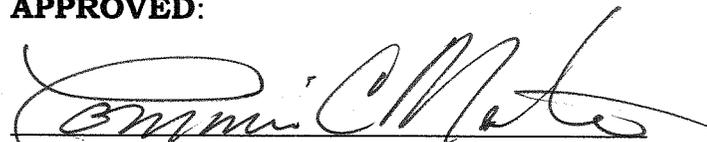
There were no requests to speak from the public.

**Item 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.

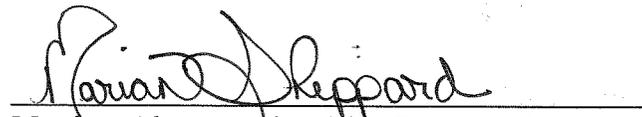
There being no further business to come before the Board of Supervisors, Chairman Martin adjourned the meeting at 11:25 a.m.

**APPROVED:**



Temmie C. Martin, Chairman

**ATTEST:**



Marian Sheppard, Chief Deputy Clerk