

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

Date: June 26, 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

PRESENT: Tommie C. Martin, Chairman (via ITV conferencing); Shirley L. Dawson, Vice-Chairman; Michael A. Pastor, Supervisor; Don McDaniel, Jr., County Manager; John Nelson, Deputy County Manager/Clerk; Marian Sheppard, Chief Deputy Clerk; and June Ava Florescue, 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. Michael Pastor led the Pledge of Allegiance and Reverend Kelly Woolridge of the Payson First Assembly of God Church in Payson delivered the invocation.

Supervisor Pastor introduced Julian Guerrero, who is a junior at Arizona State University and is getting a degree in political science. Mr. Guerrero came to volunteer to learn about county government so he's been going to the various divisions and departments to get a feel for government.

Item 2 – PRESENTATIONS:

2A. Presentation of information from U.S. Forest Service Incident Commander, Matt Reidy, and U.S. Forest Service Incident Management Team Liaison, Gordon Wigman, regarding the status of the Poco Fire located 6 miles northeast of Young, Arizona, with a report on Gila County's bladder/tank system and its role in the Poco Fire.

Matt Reidy, U.S. Forest Service Incident Commander, and Gordon Wigman, U.S. Forest Service Incident Management Team Liaison, presented an update on the status of the Poco Fire located 6 miles northeast of Young. Mr. Reidy stated that they had just spent 2 weeks on the Poco Fire suppression and it was turned over to the local fire-fighting team yesterday. Mr. Reidy stated that on behalf of the Northern Arizona Team, he wanted to express their thanks

because they were so impressed with Gila County due to the fact that the County had prepared and invested in key elements to suppress the fire such as the water bladders and tank systems that were critical in containing this fire due to the lack of water across the Mogollon Rim. On behalf of the Northern Arizona Team they presented a plaque to Chairman Martin on behalf of the Board and to Steve Stratton, Public Works Division Director, as a token of their appreciation. Mr. Reidy also had a number of certificates that he asked Mr. Stratton to present to his staff because without their help he wasn't sure they could have been successful. Mr. Wigman stated he was born and raised in Globe and anything they needed while fighting this fire was immediately provided by the County. Mr. Wigman said, "Gila County is top notch and I love to call Gila County home." Buck Wickham, a resident of Payson, stated that he was raised on top of the Rim and had been on a lot of fires in Gila County. He stated that the Wildfire Protection Plan adopted by the Board of Supervisors has made Gila County a safer place for those communities on top of the Rim and he commended Chairman Martin for the work she has done. Each Board member thanked the U.S. Forest Service staff as well as the Public Works Division staff, Emergency Services Division staff and the Sheriff's Office staff for the effort they put into protecting Gila County. Mr. Stratton also recognized several members of his staff.

2B. Public recognition of 2 employees for May's "Spotlight on Employees" Program, as follows: Merle Ray and Samson Arney.

Erica Raymond, Human Resources Assistant, presented gift cards as recognition awards to 2 employees for May's "Spotlight on Employees" Program as follows: Merle Ray and Samson Arney. Each Board member thanked the employees for their dedicated work.

ITEM 3 – PUBLIC HEARINGS:

3A. Public Hearing - Information/Discussion/Action to adopt Resolution No. 12-06-02 naming a previously unnamed road as N. Byrne Road.

Michael O'Driscoll, Health & Emergency Services Division Director, stated that a notice was posted for the naming of this road and no comments or objections were received. 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 Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously adopted Resolution No. 12-06-02 naming a previously unnamed road as N. Byrne Road. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

3B. Public Hearing - Information/Discussion/Action to adopt Resolution No. 12-06-04 renaming E. Horseshoe Lane as E. Spadafore Way.

Mr. O'Driscoll stated that no comments or objections were received for renaming this street. 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 adopted Resolution No. 12-06-04 renaming E. Horseshoe Lane as E. Spadafore Way. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

3C. Public Hearing - Information/Discussion/Action to adopt Resolution No. 12-06-05 renaming a portion of N. McLellan Drive to E. Pecos Drive. (A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)

Mr. O'Driscoll stated that no comments or objections were received for renaming this street. 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 Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously adopted Resolution No. 12-06-05 renaming a portion of N. McLellan Drive to E. Pecos Drive. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

3D. Public Hearing - Information/Discussion/Action to adopt Resolution No. 12-06-06 renaming a section of N. McLellan Drive as S. Camino Way.

Mr. O'Driscoll stated that no comments or objections were received for renaming this street. 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 adopted Resolution No. 12-06-06 renaming a section of N. McLellan Drive as S. Camino Way. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

ITEM 4 – REGULAR AGENDA ITEMS:

4A. (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 Grantee Agreement No. GRA-RC029-13-0533-01 that is between the San Carlos Apache Regional Partnership Council, Arizona Early Childhood Development and Health Board (First Things First) and the Gila County Library District, which is a "Community-Based Literacy Grant" in the amount of \$36,663 for the period August 1, 2012, through June 30, 2013.

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, advised that the Gila County Library District (District) has a First Things First literacy grant in place with the Gila Regional Council that allows the District to provide family-based early-literacy training and a book a month to children from birth to age 5 through the Imagination Library and the Dolly Parton Foundation. This Agreement will allow the District to provide the same program for the San Carlos Region because First Things First divides up the State of Arizona differently than counties. This Agreement will provide a similar program to those successful programs that have been held the past 2 years in the Globe, Payson, Pine, Strawberry and Hayden areas. Chairman Martin inquired if services provided under this Agreement would extend to the Tonto Apache Reservation. Ms. Griffin replied that the Tonto Reservation is included in the Gila Region, which provides these services for all of Gila County except San Carlos and a small portion of the White Mountain Apache Tribe. Chairman Martin stated this is one of the finest programs for children and thanked Ms. Griffin for her efforts on behalf of children. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously approved Grantee Agreement No. GRA-RC029-13-0533-01 that is between the San Carlos Apache Regional Partnership Council, Arizona Early Childhood Development and Health Board (First Things First) and the Gila County Library District, which is a "Community-Based Literacy Grant" in the amount of \$36,663 for the period August 1, 2012, through June 30, 2013.

4B. Information/Discussion/Action to adopt the tentative 2012-2013 fiscal year budget for the Gila County Library District. (Motion to adjourn as the Gila County Library District Board of Directors and reconvene as the Gila County Board of Supervisors.)

Ms. Griffin advised that the proposed Gila County Library District budget is located on page 18 of the Gila County Tentative Budget for 2012-2013. The highlights for the Library District are that the tax rate has been budgeted to remain the same at 20 cents, which represents a 6.3% decrease in property tax revenue because of the decline in assessed valuation. The funding provided to the 8 community libraries within Gila County is for maintenance and operations and will remain the same. The County's support to the Library District for the non-library functions, which comes from the General Fund, has been decreased 5% and the total budget has increased, which reflects an increase in the Library District's Contingency Reserve. In 2008, at which time there was a downturn in the economy, the Board of Supervisors approved the Library District creating a contingency savings to help carry the Library District and the community libraries throughout the continued economic downturn. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the

Board unanimously adopted the tentative 2012-2013 fiscal year budget for the Gila County Library District in the amount of \$1,869,559.00.

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.

4C. Information/Discussion/Action to adopt the tentative 2012-2013 fiscal year budget for Gila County.

Don McDaniel, County Manager, stated that this was the time to consider adoption of the 2012-2013 fiscal year tentative budget. He also wanted to recognize the fact that this year there was fantastic cooperation from all of County leadership. All of the elected officials and appointed department heads were very helpful in putting together this tentative budget. He then began a PowerPoint presentation advising that the tentative budget is simply to set the upper expenditure limit for County spending for the coming year and approval of same will also authorize the publication of the budget and a public hearing will be set for July 17th to adopt the final budget. Mr. McDaniel stated that before actually starting the budget process, the Board gave fairly specific directions with regard to what its expectations were for this year's budget. First, there was to be no increase in the County property tax rate to property owners and taxpayers. In addition to keeping the rate the same, the plan was to operate County functions within the resultant reduction in property tax revenue, which occurs when the rate stays the same, but property valuations go down. The County, at the same time, would maintain public service levels, emphasizing law enforcement, criminal prosecution, judicial, roads, landfill and health and community services. Finally, as required by law, the County would provide for a balanced budget. Those were the assumptions when the administrative team discussed the budget with each division/department head and elected officials including working toward achieving a Countywide average 5% reduction in General Fund expenditures. It was noted that there would be no mandatory employee reductions; however, it was expected that each department would come forward with reduction plans of their own, which could include reorganization or doing things differently, delaying hiring or not hiring certain positions at all. This allowed the County to eliminate the across-the-board 120-day hiring freeze that was implemented about 3-4 years ago. There would also be no new programs included in the budget unless there was corresponding, offsetting revenues. In summarizing the tentative budget, Mr. McDaniel stated there would be no change in the General Fund tax rate; County property tax revenue has decreased about 6.5%; the General Fund budget has decreased by 5.1% and the overall budget increased by 0.4%, which is primarily attributed to capital improvement projects and special projects that had a very small increase. He also advised that a significant part of the budget shows that the authorized position list has decreased by 24 FTE (full time employees) whereas last year it was decreased by 6 or 8 FTE. Mr. McDaniel advised that what was not funded in the budget are no reclassifications of

positions and no permanent salary increases, either individually or across the board, because there were several requests for both. He then reviewed the items that are included in the budget. \$275,000 is included to continue supporting the Gila County Community College for items such as utilities and minor maintenance. Also budgeted is a one-time lump sum pay increase for County employees. He clarified that there will not be an adjustment to pay grades or to percentages of pay rate, but there will be a one-time check payment that will be split into 2 parts—one part will be considered in December 2012 based upon a consumer price index increase and the other part would be considered in June 2013 that would be based upon employee performance appraisals that are a part of the County's management process. Mr. McDaniel further explained that \$500,000 has been budgeted to conduct a classification and compensation study to be started as soon as possible after the budget is adopted. This study would commence around August or September 1st and it should be completed by March 31, 2013. The classification and compensation study would be conducted by an outside consultant for the purpose of establishing internal equity and external parity and would be done on the basis of positions--not on the basis of people. Mr. McDaniel emphasized that the study would be conducted with a tremendous amount of cooperation and coordination with the stakeholders that are involved, meaning all County elected officials and appointed department heads, who would have to get involved early in the process and for the duration of the study. He added that there would have to be agreement and consensus along the way that the comparators used by the consultant were agreeable by all players and that all of the assumptions and guidelines that they would establish as a part of the study would be agreed to by all people. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously approved the tentative FY 2012-2013 budget for Gila County in the amount of \$96,468,130, authorized the publication of the summary budget, and set the public hearing for July 17, 2012, to adopt the final FY 2012-2013 Gila County budget.

4D. Information/Discussion/Action to ratify the Board of Supervisors' approval for the electronic submission of a Drug, Gang, and Violent Crime Task Force Grant Application by the Gila County Sheriff's Office to the Arizona Criminal Justice Commission in the amount of \$376,410 and, if awarded, to be used during the period of July 1, 2012, through June 30, 2012.

Sheriff John Armer stated that this is a request to apply for a grant renewal application to the Arizona Criminal Justice Commission for a grant that has been in existence since 1988 for the Gila County Narcotics Gang and Violent Crime Task Force in the amount of \$376,410. There is a required 25% cash match from the County in the amount of \$94,102. He noted that this application had to be submitted back in March and was done electronically. Vice-Chairman Dawson inquired if any of these funds are used for the San Carlos Apache Reservation. Sheriff Armer replied that very little of these funds

are used for the San Carlos Apache Reservation. He stated that the Sheriff's Office has responded to requests from the San Carlos Police Department for assistance at various times and the Sheriff's Office has provided for Task Force personnel to assist them in those very specific requests. However, because of the opinion the Tribe has that it doesn't want any proactive enforcement from outside of the Reservation, the Sheriff's Office only responds to their specific requests. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously ratified the Board of Supervisors' approval for the electronic submission of a Drug, Gang, and Violent Crime Task Force Grant Application by the Gila County Sheriff's Office to the Arizona Criminal Justice Commission in the amount of \$376,410 and, if awarded, to be used during the period of July 1, 2012, through June 30, 2012.

4E. Information/Discussion/Action to approve the Third Amended Intergovernmental Agreement between Gila County and the Arizona Counties Insurance Pool which shall become effective upon the later of July 1, 2012, or the approval of all parties as provided in paragraph 22 of the IGA, and shall continue in force and effect for a period of ten years or until terminated in accordance with the terms and provisions of the Agreement and, further, may be renewed for an additional ten-year term by mutual agreement by part or all of the parties prior to the expiration of the original or any renewal term of the Agreement.

Mr. McDaniel called on John Nelson, Deputy County Manager/Clerk, to present this item. Mr. Nelson stated this is the County's third amendment to this Contract with the Arizona Counties Insurance Pool (ACIP). This Amendment does several things. Currently the County has 2 individual pools with ACIP—a Property Liability Casualty Insurance Pool and a Workmen's Compensation Pool. In this Amendment, it combines both pools and gives the County greater flexibility. This Amendment will allow different entities to participate differently within the pool, which means that another governmental entity or another county could come in, take advantage of the pool's administration, loss retentions and claims, but not be part of the risk pool; it would have its own separate risk pool. It would take a majority of the ACIP Board to approve this, but it will now be allowed. The Amendment also cleans up some of the language. It will also give ACIP staff the authority to settle claims up to \$50,000; the previous authority was \$15,000. Also included is the authorization allowing ACIP to expel a member based on a 2/3 vote of the members, which Mr. Nelson believes is a critical point when reviewing the County's health insurance. Mr. Nelson further explained that some counties participate on different levels than others and if there is a county that refuses to participate and continues to have heavy claims, it can be expelled by a 2/3 vote of the members. Supervisor Pastor inquired about the increased settlement of claims from \$15,000 up to \$50,000, and whether those claims will be reported to the ACIP members on a regular basis. Mr. Nelson replied that these claims would come before the executive committee before being approved and then the entire board would be notified. Chairman Martin

inquired if there will ever be additions of groups to the ACIP pool. Mr. Nelson stated that one of the provisions that was put in the Amendment was that other groups could add to this pool differently--probably not accept a county into this pool as it is operating and also accept their risk, but there may be in the future a county that wants to take advantage of ACIP's loss control mechanisms, administration, policies, and procedures, but maintain its own risk pool. That would require a majority vote of the pool members in order for that to happen. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously approved the Third Amended Intergovernmental Agreement between Gila County and the Arizona Counties Insurance Pool, which shall become effective upon the later of July 1, 2012, or the approval of all parties as provided in paragraph 22 of the IGA, and shall continue in force and effect for a period of ten years or until terminated in accordance with the terms and provisions of the Agreement and, further, may be renewed for an additional ten-year term by mutual agreement by part or all of the parties prior to the expiration of the original or any renewal term of the Agreement.

4F. Information/Discussion/Action to approve the Gila County Population Health Policy Initiative Intergovernmental Agreement (Contract No. ADHS12-021335) between the Arizona Department of Health Services and Gila County Division of Health and Emergency Services in the amount of \$43,748 for the period April 1, 2012, through March 31, 2015.

Mr. O'Driscoll stated that if the Board approves this Intergovernmental Agreement, the Gila County Health Department will use the funding in the amount of \$43,748 to target strategies to address worksite wellness by partnering with local businesses as well as working with internal programs within Gila County worksites to implement programs to address chronic diseases such as obesity and heart disease. Supervisor Pastor inquired if when referring to worksite wellness, will that be done in partnership with the Gila County Community College wellness center in setting up programs where employees could use the wellness center? Mr. O'Driscoll stated that this particular funding will not allow partnering with wellness centers; however, there are additional grants available that are being reviewed that might offer that partnership. This program would be more of a community outreach and going to the local businesses and strategizing with them to identify if there's a need for some wellness programs in their sites as well as Gila County worksites. The Department will also be working with Jacque Griffin and the County's Wellness Program for internal Gila County worksites. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously approved the Gila County Population Health Policy Initiative Intergovernmental Agreement (Contract No. ADHS12-021335) between the Arizona Department of Health Services and Gila County Division of Health and Emergency Services in the amount of \$43,748 for the period April 1, 2012, through March 31, 2015.

4G. Information/Discussion/Action to approve the revised Attachment A to Agreement No. JPA 12-056 between Arizona Department of Transportation and Gila County d/b/a Gila Employment and Special Training and authorize the match money total amount for the 5310 Programs of \$10,166.98, for the purchase of one lift-equipped cutaway van and one minivan without lift to allow the GEST Program to continue providing the authorized transportation needs to the individuals in Gila County.

David Fletcher, Community Services Division Director, stated that approximately a year ago, the Gila Employment and Special Training (GEST) Program Manager applied for a grant to the Arizona Department of Transportation (ADOT) for 3 vehicles. Approximately 3 months ago the County was notified of the award of a pickup truck, which was approved by the Board, and now ADOT has notified the County that 2 more vehicles that were on their B list have also been approved. Mr. Fletcher requested that the Board authorize this award and the matching GEST funds in the amount of \$10,166.98. Vice-Chairman Dawson inquired about the total cost of the vehicles, which Mr. Fletcher explained that the match was approximately 10% of the total cost. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously approved the revised Attachment A to Agreement No. JPA 12-056 between the Arizona Department of Transportation and Gila County d/b/a Gila Employment and Special Training and authorized the match money total amount for the 5310 Programs of \$10,166.98, for the purchase of one lift-equipped cutaway van and one minivan without lift to allow the GEST Program to continue providing the authorized transportation needs to the individuals in Gila County.

4H. Information/Discussion/Action to review all bids submitted for Invitation for Bids No. 033012-1 for MC-800 liquid asphalt; award to the lowest, responsible and qualified bidder; and authorize the Chairman's signature on the award contract for the winning bidder.

Joseph Heatherly, Finance Director, requested that the Board table this item so staff could review this proposal in more detail. Upon motion by Vice-Chairman Dawson, seconded by Supervisor Pastor, the Board unanimously tabled this item.

4I. Information/Discussion/Action to review all bids submitted for Invitation for Bids No. 040112-1 for the purchase and delivery of bulk fuel and lubricants; award to the most responsive, responsible and qualified bidder; and authorize the Chairman's signature on the award contract for the winning bidder.

Mr. Heatherly stated that the current contract for the supplier of bulk fuel and lubricants is expiring. He advised that the County went out for bids in May

2012 and after extensive review as well as a review by the County Attorney's Office, it was determined that one of the suppliers had not met all of the required material bid specifications in accordance with the Invitation for Bids in that they did not supply the Oil Price Information Services (OPIS) in their bid response. He stated that based on that information, it is the opinion of the staff and the County Attorney's Office that supplier be excluded from this bid process and that the contract be awarded to Western States Petroleum, Inc. Vice-Chairman Dawson stated, "In years gone by, I've tried to look at and figure out the fuel costs. I wasn't looking at just oil costs, but because we were issued County credit cards, I often wondered is it cheaper to go and buy gasoline at a gas station then it is to fill up at the (County's) bulk stand?...If I'm just looking at the dollars that I'm spending as a taxpayer, how do we protect the best--and I understand that there is fluctuation in the market and that people are in business? In studying this I also inquired as to whether the local business that would be the usual bidder on this has been visited with and given an opportunity to amend or improve their bid and that was not done (by MV Enterprises.) So I think we did our diligence in trying to keep the business here and provide for that." Vice-Chairman Dawson advised that a written comment from the public was submitted to the Board. Supervisor Pastor stated that he would prefer to hear any comments from the public before the Board continued its discussion. Vice-Chairman Dawson then proceeded to read aloud the written comment received from David L. Cook, a resident of Globe, which was as follows: "Please keep in mind that we should keep local jobs local. When the County has an emergency, MV Enterprises is always there and willing and able to help. Another outside-Gila-County business will not be and costs would be more. MV (Enterprises) also serves local contractors. Not awarding them the bid may increase those costs as well locally." Chairman Martin called for any other public comments; none were received. She then inquired if the County has ever requested the OPIS before in its bids and when did the County start requesting same? Mr. Heatherly advised that the existing contract with MV Enterprises, which was finalized in February 2009, has the same exact wording and includes the price for OPIS. Chairman Martin then inquired if the OPIS was used and it's not something new? Mr. Heatherly replied that the contract terms say OPIS pricing. Chairman Martin explained that she was not able to review the Board agenda until Saturday as she was out of the office due to issues pertaining to the forest fire, so she did not have a chance to ask some questions she has and would like some time to get answers before taking action on this item. Chairman Martin stated, "It looks to me like the one that is being recommended is \$54,000-\$55,000 more and that we're not taking the lowest bid. And then if I add to that what I think are going to be delivery fees because it will allow them to deliver in 4,500-gallon increments and I think the only place that we can take that delivery is there at the new facility. I think we're going to be paying a delivery charge for every other delivery, which it looks like would be \$16,000 to add to that \$55,000 to start with. I would like to know and it looks to me like by not buying local we're going to wind up not getting another \$54,000 or \$55,000 in HURF (Highway User Revenue Funds) fees. So when I look at this it

looks to me like we're not picking a supplier that is \$55,000 more than the next one and that it's really going to cost us in the \$125,000 range and I don't even know if those figures are real. I want some time. I feel like I need another little bit of time before I'm willing to vote one way or the other on this issue because I'm not sure I'm looking at apples to apples. I think I'm looking at apples and oranges in this and I haven't done my homework; I'll readily admit that and I'm just not ready. I'm not ready today to take a position, but if you 2 are, down there, that's different. I'll take your motion and I'll take your second..., but I'll be abstaining because it just looks to me like we're not making the best decision for the taxpayer of Gila County. I'm just not convinced of that. I need some more time for you, Public Works or somebody to show me where this is the best decision." Supervisor Pastor stated, "When this item showed up on the agenda, I made it a point to get with the Finance Manager because I know the local vendor very well. I've known him for several years in my associations with the mines and his business that he would do with us at the mines. I was a little bit concerned and in talking with Finance, I've come to understand that the bid process hasn't changed at all other than the fact that we have started a new process where we have the departments provide the technical information and the Finance Department looks at the financial information on the RFPs (Request for Proposals). One of my concerns was I believe the spreadsheet that you might be referring to about the \$55,000 difference in the final figures was explained to me that we're not really comparing apples to apples. We're probably looking at apples and oranges on the spreadsheet because if you'll notice one vendor does use the rack price per the RFP and the other vendor does not use the rack (price) and that's where the problem is. One has followed the letter of the RFP, which hasn't changed from 2008, and I believe the other awards that the local vendor received, I believe were based on that proposal which he (MV Enterprises) did have a rack number that was listed in the last contract. And I would assume they were in the other 2 amendments to the original RFP; is that correct?" Mr. Heatherly stated that he was correct. Supervisor Pastor continued, "So it's not a request for information that is something new and I've been assured that the County has tried to work with the supplier. I was at the Chamber of Commerce dinner where this supplier (MV Enterprises) was honored as the 'Businessman of the Year' and I can understand the concern that they have because it is a very big contract. We've talked to the County Attorney and I believe Bryan (Chambers-Chief Deputy County Attorney) has indicated to us that we run the risk either way of running into some legal concerns whether we award it to the company who followed the proposal versus the company who didn't follow the proposal. So it's kind of a no win situation. I really am concerned that the local vendor didn't this time want to follow the process. It's not something that's out of the ordinary when it comes to the fuel and lubes from what I can understand reading on the OPIS website. It's a pretty standard process that is used, so at this time I'm between you (Chairman Martin) and Vice-Chairman Dawson. So whatever the choice of the Board is I will go for. I believe we've made every effort to provide the opportunity for both vendors to follow the RFP and I think we're at that point where we need to make a decision. Vice-Chairman Dawson stated, "I would

add and I understand that you were busy with the fire and things, but we've gone out to bid. I've been assured that every effort was made to make certain that there was opportunity for this to be corrected or improved upon and I just feel that the bid is here and if we make a habit of saying 'Well gee, my friend,' and I think we all appreciate this family business and what they've done, but requirements are requirements and I don't understand them not meeting those requirements." Chairman Martin stated, "No, me either and I would like to visit with them and see if they understood. I mean I haven't talked to anybody about did we go the extra mile to make sure that they understood and could resubmit? The thing that I appreciate, is that extra \$55,000 that we're not going to get in HURF money if we go out of County. It's not just giving local business, although it is that too. As you know I was all for us having where they (the state legislature) passed the bill (inaudible) and the governor in her infinite wisdom vetoed being able to give the locals business, you know to have an advantage. I think that's really important because I think the service that we get from locals exceeds in every way. I can't image in the middle of the winter when we need fuel in Young--I know from the Young end that they'll call and say we're out of fuel and this outfit will have to chain up to take us fuel up there. I don't know what's going to happen otherwise and I don't know what they are going to do when that doesn't happen. As I said I've come into this conversation late. I'm just not happy making a--I'm going to abstain at this stage of the game. The 2 of you I think have had more time to visit with our folks with the management and I haven't. And if I could wave a magic wand we would wait another week or 2 and see if, in fact, there was some kind of miscommunication with the local vendor that I don't know about. I just don't feel comfortable right now making that decision." Vice-Chairman Dawson stated, "I appreciate your comments and with that I will make a motion that we accept the bid for the purchase and delivery of bulk fuel and lubricants awarding that to Western States Petroleum, Inc. as the qualified bidder and authorize the Chairman's signature on the award contract for their bid." Supervisor Pastor stated, "I would second that motion, but before we take a vote I would like a little bit more discussion on the issue." He then asked June Ava Florescue, Deputy County Attorney, if she wished to speak. Ms. Florescue stated, "I have to say that I have not reviewed the contract. Mr. Chambers did and he is not available. I've been told that in reviewing the bid proposals that there was in fact, not complete compliance by the local vendor." She stated that if the Chairman felt she needed more time to review this item, it wouldn't be inappropriate to table this for a week or 2 weeks as opposed to her (Chairman Martin) abstaining from the vote. Supervisor Pastor inquired, "What kind of risk do we run into with the bidder who followed the contract? Do we run into any risk?" Ms. Florescue replied, "I don't think you'll run into risk if you table the decision. There certainly could be a challenge by the bidder who did comply with the proposal if it doesn't get awarded to them. So you get a challenge from either side depending on the decision that you make. You open yourself up to challenges from either side." Vice-Chairman Dawson stated, "My comment is the low bidder did not meet the qualifications. This person was contacted numerous times is my understanding and I've been assured of that

by those in charge. And I just feel like, yes we will hear a lot and I'm sure we'll hear it in a political year, but the fact is they did not meet the requirements and the fact is in years gone by I could not find out what the price was when we were asking." Vice-Chairman Dawson then advised that David Cook, a member of the public, wished to comment. Mr. Cook, a resident of Globe, stated, "One thing I want to make clear on the comments I made earlier...this company, not only does it do these things, but when you get down to the facts of this is that company supplies most fuel for local contractors. It is the only place in this County in the Globe-Miami area that I know where we can get red fuel for our equipment and stuff and tractors and agricultural equipment. What I'm worried about is that when you are in business, and I know, Shirley, that you've been in business before, is that these contracts are the salt and bread and butter of how businesses stay in business. When I watch those Western (States Petroleum) trucks drive up through Gonzales Pass when I'm hauling hay and I realize that those people live and work and pay taxes in another county, they're just trucking the fuel up here. What's going to happen is if you give this contract to somebody who doesn't live here and has no stake in our County, number one, they (MV Enterprises) are the lowest bidder and that's a fact. The paperwork may not be all complete as you wish for that national pricing standard list, but the fact is, they are the lowest bidder and I think that's something you have to take into consideration. What we haven't heard is how many bidders there are. Is there 1 bidder? Have we rejected the other bidder now and said they did not comply? So can you take a bid of one bidder? How come you can't take more information like you did on the asphalt and table this and bring that back? (To Vice-Chairman Dawson) Now me and you can agree on a lot of things and you know that, but what I heard was you have been assured by someone else. (To Supervisor Pastor) What I've heard was you've been assured at a dinner when they were business of the year. So my question is, call them up yourself. You know who they are. Go there and visit with them. Is it because they didn't have 1 piece of paper that's in the contract, but they are in fact the lowest bidder? And if you are looking out for the best interest of the County and the taxpaying citizens, which I hope you all are, then I would think it should be tabled and move on because if you're going to reject them then there's just one bidder, am I correct?" Vice-Chairman Dawson responded by stating, "I didn't take one comment and I don't make a habit when I know that a local car dealership is not the low dealer of calling them up and saying 'change your bid.' I believe that our administration worked hard to try to help get the legal requirements into this bid met and asked for them to be met and they were not." Chairman Martin stated, "I would like to once again have you consider letting me table this, but I have a motion and a second on the floor. Are you ready for me to call for the question on it?" Supervisor Pastor inquired, "If the Board tables this where does that put us as far as awarding the contract? When would we do that?" Vice-Chairman Dawson stated, "There is someone sitting here (Louis Vuksanovich) beside David Cook, who is with MV Enterprises and has not commented. This then becomes, 'Do we do bidding in the back room and manipulating?' I'm sorry, but I understand Tommie why you are asking, but I feel like they've had

plenty of opportunity to make the corrections necessary to come into compliance. And I agree Young often needs--and I know Mitch (Vucksanovich of MV Enterprises) has made trips up there in the winter time. Obviously Mr. Cook has followed the trucks from Western States when they come up. That's their responsibility to carry out. My motion stands." Chairman Martin stated, "With a motion and second on the floor do we need any other discussion? No comments were received. She then called for the vote. Vice-Chairman Dawson and Supervisor Pastor voted "aye" and Chairman Martin abstained from voting. The motion passed with a 2-0 vote with 1 abstention.

ITEM 5 – CONSENT AGENDA ACTION ITEMS:

5A. Approval of Amendment No. 1 to a Funding Agreement (Contract No. 174-10) between the Arizona Department of Housing and the Gila County Division of Community Services, Housing Services, extending the contract end date from May 1, 2012, to July 1, 2012.

5B. Approval of Amendment No. 4 to an Intergovernmental Agreement (Contract No. DE111073001) between the Arizona Department of Economic Security and the Gila County Division of Community Services, Community Action Program, whereby the Arizona Department of Economic Security will provide cumulative reimbursement ceiling funding in the amount of \$1,735,780.13 to be used to provide case management and community services to eligible citizens residing in Gila County for the period from July 1, 2010, through June 30, 2015.

5C. Authorization of the Chairman's signature on an Agreement (Contract No. C353) between Gila County and the National Network of Public Health Institutes for the acceptance of a \$5,000 grant from the Robert Wood Johnson Foundation, which will be utilized by the Division of Health and Emergency Services to complete a quality improvement project for the period April 1, 2012, through December 31, 2012.

5D. Approval of Grantee Agreement No. GRA-STATE-13-0502-01 between the Arizona Early Childhood Development and Health Board (First Things First) and the Gila County Health Department in the amount of \$16,920 for the period July 1, 2012, through June 30, 2013.

5E. Approval of Amendment No. 6 to an Intergovernmental Agreement (Contract No. HG854565) between Gila County and the Arizona Department of Health Services in the amount of \$12,000 to provide tuberculosis services for the period July 1, 2012, through June 30, 2013.

5F. Approval of Extension of the Intergovernmental Agreement (IGA) between Yavapai County and Gila County for Restoration to Competency Services for one year from July 1, 2012, to June 30, 2013, under the

same terms and conditions as set forth in the original IGA as agreed upon by both parties.

5G. Approval of Extension of Delegation Agreement No. 06-0020 between Gila County Community Development Division, Gila County Health Division, and the Arizona Department of Environmental Quality (ADEQ) to delegate functions of ADEQ statutes, rules and policies for water quality and solid waste management functions and duties. Agreement previously extended until June 30, 2012, and it has been extended to June 30, 2013, or the effective date of the new agreement, whatever occurs first.

5H. Approval to adopt Resolution No. 12-06-03 authorizing Gila County Probation Department's participation in the FY 2012-2013 Family Counseling Program through the Arizona Supreme Court, Administrative Office of the Courts, Juvenile Justice Services Division, and certifying that a matching fund requirement of \$2,305 for the Program will be provided by the County. (A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)

5I. Approval of an Application for Extension of Premises/Patio Permit submitted by Gary Werlinger to temporarily extend the premises where liquor is permitted to be served at the Landmark at the Creek for the period June 29, 2012, through July 8, 2012, for special events.

5J. Approval of an Agreement between Gila County and the Arizona Division of Forestry for the disbursement of \$15,000 to Gila County in order to proceed with three environmental projects (that are common to and which impact economic development) in Apache, Gila, Graham, Greenlee and Navajo counties which, were identified by the Environmental Economic Communities Organization on behalf of the counties and submitted to the State Forester who has approved them.

5K. Approval of the April 2012 monthly activity report submitted by the Globe Regional Justice of the Peace.

5L. Approval of the May 2012 monthly activity report submitted by the Globe Regional Justice of the Peace.

5M. Approval of the May 2012 monthly activity report submitted by the Payson Regional Constable's Office.

5N. Approval of the May 22, 2012, and June 5, 2012, BOS regular meeting minutes; and the June 19, 2012, BOS emergency session meeting minutes.

5O. Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the weeks of May 19, 2012, to May

25, 2012; May 26, 2012, to June 1, 2012; and June 2, 2012, to June 8, 2012.

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

5P. Approval of finance reports/demands/transfers for the weeks of June 12, 2012, June 19, 2012, and June 26, 2012.

June 12, 2012

\$2,250,717.51 was disbursed for County expenses by check numbers 246195 through 246380.

June 19, 2012

\$632,488.44 was disbursed for County expenses by check numbers 246381 through 246497.

June 26, 2012

\$1,704,727.10 was disbursed for County expenses by check numbers 246498 through 246671. **(An itemized list of disbursements is permanently on file in the Board of Supervisors' Office.)**

Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously approved Consent Agenda action items 5A through 5P.

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 presented information on current events.

There being no further business to come before the Board of Supervisors,
Chairman Martin adjourned the meeting at 12:03 p.m.

APPROVED:



Tommie C. Martin, Chairman

ATTEST:



Marian Sheppard, Chief Deputy Clerk