

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

Date: June 19, 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); Shirley L. Dawson, Vice-Chairman; Michael A. Pastor, Supervisor; Don McDaniel, Jr., County Manager; John Nelson, Deputy County Manager/Clerk (via ITV); Marian Sheppard, Chief Deputy Clerk; and Bryan Chambers, Chief Deputy County Attorney (who was present for the 1st and 2nd items only).

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. Michael Pastor led the Pledge of Allegiance.

2. Information/Discussion/Action to review all bids submitted in response to a Request for Proposals for the provision of youth development services within the Gila/Pinal Workforce Investment Area for Program Year 2012-2013; award to the lowest, responsible, and qualified bidder; and authorize the Chairman's signature on the award contract for the winning bidder.

Barbara Valencia, Workforce Investment Area (WIA) Program Coordinator, stated that the Gila/Pinal WIA Review Committee consisting of members from both Gila and Pinal Counties, met on May 3, 2012, to review the 2 bid proposals received, one from Central Arizona Governments (CAG), which was previously known as Central Arizona Association of Governments, and a second one from Central Arizona College (CAC). She noted that this was the first time in 12 years that a second proposal had been submitted for the Youth Request for Proposals (RFP). The morning of May 5, 2012, the Committee reviewed both proposals, section by section, and developed and formulated questions and requests for clarification. That afternoon the Committee met with both CAG and CAC in order to receive answers to all questions and requests for clarification. The Committee then scored each individual proposal

by each section with 100 points possible and decided to request from both CAC and CAG a 'best and final' offer to be due back by June 14, 2012. The Committee met again on June 18, 2012, to review the 'best and final' proposals and scored again. A recommendation was then made to the full Workforce Investment Board (WIB), which in turn selected CAC to provide the youth development services for program year beginning July 2, 2012, through June 30, 2013. She stated that CAC will take over the financial responsibility in partnership with the Gila County Community College District (CGCCD) to provide all of the WIA Title 1 youth programs and services for both Gila and Pinal Counties. Vice-Chairman Dawson expressed her unhappiness with CAG in the past because of their attitude of "we've grown big now and we don't need rural areas;" however, when the state started the Association of Governments the idea was not to centralize everything, but to ensure that outlying areas were covered. She was unsure what CAG's objectives were and where it was headed with Gila County. She inquired about the dollar amount of this proposal and how it would be split between the 2 counties. Ms. Valencia stated that the new allocation had just been received in the amount of \$637,000 and she deferred to Cathy Melvin, an employee of GCCCD and former employee of CAG. Ms. Melvin stated that to her knowledge this would be the first time that 2 colleges in the state would partner on a proposal of this nature. She advised that CAC will assume the financial responsibility for the grant and will handle the hiring process. Ms. Melvin stated that in the past the WIB has never provided direction as to how the funds should be split; however, when she worked for CAG she believed the allocations were 80% of the funding was given to Pinal County and the remaining 20% of funding was given to Gila County. Ms. Melvin also advised that a staff member will be located in Gila County either at the One-Stop Center in Globe or at the Gila Community College in Globe to work with Gila Community College. She further advised that the proposal states that her time in helping with the transition from CAG to CAC will be as a consultant to Gila Community College, and it will be considered as in-kind matching funds even though she will not be paid any funds from this grant. Another staff member will be located in Apache Junction at CAC's Superstition Mountain Campus to assist in increasing the youth participation both in Apache Junction and Payson. A program coordinator will be located at CAC's Signal Peak Campus near Casa Grande and a staff member will be located at the One-Stop Center in Casa Grande. She stated that CAC is ready to go and already has its job postings ready and has received approval from its council to hire immediately, so it can transition as quickly and as smoothly as possible knowing that there are youth already enrolled in the program. Upon inquiry by Vice-Chairman Dawson as to the number of youth being served by this program, Ms. Valencia stated that 160 were served throughout the year from both counties and 62 were from Gila County. Vice-Chairman Dawson inquired about the activities provided, which Ms. Valencia explained that the activities vary by age groups ranging from 16-21 and include assistance for school dropouts, work readiness, adult mentoring, occupational skills training, GED assistance, etc. Vice-Chairman Dawson also inquired if an annual report

is published. Ms. Valencia stated that an annual report will be out in the next month or two for the program year that ended October 2011 and a copy will be provided to the Board of Supervisors. Vice-Chairman Dawson inquired as to the number of youth who will be served by the new CAC proposal. Ms. Melvin stated that the proposed budget was based on \$500,000, so the planning enrollment was for 125 youth; however, this would probably change because there would be presumed carryover funding from the current provider, plus the allocation was unknown at this time so the actual count will probably be closer to 150-160. Ms. Melvin also provided more detail about the various programs that will be offered to the youth because the Workforce Investment Act (WIA) is an employment and training program including those youth who do not want to go to college for various reasons. She stated that CAC will also provide success coaches located on each college campus for 15-20 youth per coach, who will mentor those new college students through the process. Vice-Chairman Dawson stated that in the past CAC used success coaches and was recruiting kids from San Carlos; however, the program was very unsuccessful, so she hopes this program will be successful. She inquired if San Carlos would be included in this program. Ms. Melvin advised that the San Carlos Apache Tribe receives its own WIA funding, so this program does not include any of the tribes; however, there are some coordinated efforts when possible. She advised that Etta Key, Director for both youth and adult WIA programs, would be the person to contact to apply for services for the San Carlos youth. Ms. Valencia explained further that this program is primarily based on being qualified as low-income and she reiterated that it is not available for youth who reside on the San Carlos Apache Reservation; however, if they are Native American and do not reside on the reservation, they could be eligible. She understands that there is a great need on the reservation; however, the boundaries are set for this particular WIA program to only assist the youth that reside within the boundaries of the Gila/Pinal Workforce Investment Area. Supervisor Pastor inquired as to who would be overseeing CAC. Ms. Melvin replied that CAC will report to Ms. Valencia in the transition of the program, but will directly report to the WIB, just as CAG did. Supervisor Pastor then inquired about what the County's responsibility would be to ensure that the program is being run in a correct and appropriate manner. Ms. Valencia stated that she will be monitoring CAC and working closely with them for the first 6-8 months to ensure that the transition is going smoothly and everything is in place to have a successful program. Supervisor Pastor inquired if this is all federal and restricted funding to which Ms. Valencia replied in the affirmative. Ms. Melvin explained that the staff of both colleges have a lot of experience with Department of Labor grants and are very familiar with the guidelines. Supervisor Pastor inquired about the need to provide more services to Apache Junction and Payson. Ms. Melvin stated that both communities have voiced concerns over the years that the number of youth being served from their areas should be higher due to their population. Efforts have been made to increase the number of partnerships with organizations in both areas to help recruit more youth. In the Payson area it would involve the GCCCD Payson campus

and for Apache Junction, the CAC Superstition Mountain Campus. Ms. Melvin stated that because CAC has several campuses to utilize there will be no rental costs for office space. Upon motion by Supervisor Pastor, seconded by Vice-Chairman Dawson, the Board unanimously awarded a contract to Central Arizona College in the amount of \$630,336 to provide Workforce Investment Act youth development program services for the Gila/Pinal Workforce Investment Area for Program Year 2012-2013 and authorized the Chairman's signature on the award contract.

Bryan Chambers, Chief Deputy County Attorney, left the meeting to attend to other County business.

3. Presentation and discussion of 8 draft policies for inclusion in the Countywide Policy Manual.

Don McDaniel, County Manager, noted that agenda item 3 is not an action item, but will be for discussion only on 8 drafted policies for inclusion in the Countywide Policy Manual. The Countywide Policies Development and Review Committee, which is a committee of the Management Team, has drafted 7 new policies and revised 1 existing policy for Board review and consideration. The 7 new policies reviewed were as follows: 1) Funds Transfer, 2) Capitalization of Fixed Assets, 3) Disposal of Fixed Assets and Inventory, 4) Cash Receipts and Deposits, 5) Fund Balances, 6) Boards, Commissions and Committees, and 7) Community Agency and Economic Development Funding; 8) the revised policy was Disclosure of Conflict of Interest. He then called on Joe Heatherly, Finance Director, to review some of the policies.

1) Funds Transfer Policy - Mr. Heatherly explained that this policy will be a consistent measure and some guidelines to outline how the County will move either budget money or actual dollars to specific funds, which would occur either at the end of a program or at the end of the County's fiscal year. It is proposed that the Finance Director could move funds up to \$25,000 and the County Manager could move funds from \$25,000 to \$50,000. Amounts over \$50,000 would come before the Board before any movement of funds was made. These funds come from when a grant and/or special revenue fund has excess money for various reasons and does not happen often and when it does occur, it's usually only a few hundred dollars.

2) Capitalization of Fixed Assets – Mr. Heatherly stated that the Committee's goal is to present policies to the Board for adoption that consist of approximately 1 page so that it is short and concise; however, if more detailed information is required, an internal procedure is attached as backup for the policy stating specifically how the policy is to be carried out by all departments, elected offices, the Finance Department and Procurement. This capitalization policy basically lays out an established procedure that any fixed assets with a value in excess of \$5,000 would be considered capital. The asset must have a life of over 1 year and has to improve an existing asset or extend its life in order to be capitalized; otherwise, it would be expensed in the current period.

3) Disposal of Fixed Assets and Inventory – Mr. Heatherly stated that there is both a policy and procedure to this item. He began with the policy by explaining that the methodology is to first define the policy and then put controls in place to ensure that the policy is followed. This policy has guidelines so inventory can be tracked. Once an asset has been purchased and placed on the books, the policy establishes guidelines for when an asset might be transferred between departments, is lost, is stolen, has become damaged or possibly obsolete and then eventually just disposed of or sold. There are also controlled assets, which range in value from \$500 to \$4,999, and although they are not capitalized, the grantor of the funds requires that the asset be tracked during the life of the contract by the department that received the funds, not the Finance Department. The Board discussed with Mr. Heatherly about determining when and how assets become obsolete and in particular Vice-Chairman Dawson inquired about the guardrail purchased with HURF (Highway User Revenue Funds) monies that was recently considered obsolete. Chairman Martin clarified that the guardrail was donated to the County by the Arizona Department of Transportation; it was not purchased. Mr. Heatherly advised that currently the County has no inventory on its books. Vice-Chairman Dawson stated that the County used to take an inventory of everything in the building and inquired of John Nelson, Deputy County Manager/Clerk, as to the reason the County stopped keeping an inventory. Mr. Nelson stated that the County had always done a physical inventory of fixed assets for a number of years; however, that stopped approximately 5-6 years ago and he was not sure of the reason. Supervisor Pastor stated that he thought there was a misunderstanding about the terms inventory versus assets. Mr. Heatherly stated he was correct and proceeded to explain the difference in inventory and capital assets. He also clarified that a physical inventory was done last year and was acknowledged in the audits, but that was the first time it had been done in 5-6 years and it will be done every year from now on. He also explained that the procedures attached to the policy include how to do purchase orders, contracts, going out for bids, how to do the disposal of items, where all the paperwork goes, posting in the newspaper, etc. along with all pertinent Arizona Statutes that are applicable to all of the requirements that the County has to follow, so there is no longer a buddy system, but rather the process will once again be consistent.

4) Cash Receipts – Mr. Heatherly advised that this policy follows up on a policy that was established in February about departmental bank accounts. This has helped with the departments staying current in providing the Finance Department with monthly bank reconciliations. Another section of this policy deals with the receipts of money, which is an item that the County and the auditors look at very carefully because it's easy for someone to slip into their pocket. Maintaining control over the cash in Gila County is usually the most important concern. He noted that the main issue here is not money being stolen, but rather it's the frequency of deposits by departments. This policy and associated procedures will try to severely limit the amount of checks received and especially cash and instead going toward credit cards or wire

transfers because most of the transactions with the federal government are wire transfers and the state has also given notice that they want to do more wire transfers. He explained that processing checks is costly, wire transfers are quicker and there is less room for errors. He also wants to ensure there are records in place for recording revenue such as cash receipts, mail receipts and over-the-counter receipts as it comes in and so it doesn't get misplaced. He also noted that automation is going paperless, so the County will be pushing toward the paperless route.

5) Fund Balance – Mr. Heatherly stated that as time goes on the federal and state governments and watchdog advocates are trying to come up with ways to make things more transparent. This policy refers to the Governmental Accounting Standards Board 54 (GASB 54) regarding Fund Balance reporting, which is currently the source of generally accepted accounting principles used by state and local governments in the United States and is now required to be followed in order to protect the taxpayers. GASB 54 requires that every dollar received must be classified into 1 of 5 categories, namely: non-spendable, restricted, committed, assigned and unassigned. This was started last year and was very difficult to establish for the first time; however, it is now listed as a new section in the County's financial statements. Mr. Heatherly then briefly explained each category. He stated that the largest item under non-spendable is the \$4 million for the landfill. There was discussion by the Board about departments worried that their funds will be swept and put into the General Fund and about monies received that might not necessarily be used for their intended programs and should be restricted funds. Mr. Heatherly stated that during the budget meetings, some light was shed on how the departments can better utilize their individual grant funds for expenditures that would have normally come from the General Fund. He explained that the committed funds are the funds that the Board has taken an action to identify what those funds are to be used for and only the Board can move funds out of there. He noted that the auditors carefully review any committed funds that are then moved and will inquire as to the reason they were moved. In reference to unassigned funds, he stated that if the County can get better at forecasting and controlling its rate of expenditures, both on a short-term and more importantly on a long-term basis, that will have an impact on the tax rate with the possibility of the tax rate going down. In reference to committed funds, Vice-Chairman Dawson stated that as the Board plans its goals and objectives, she believes the Board needs to look at the committed funds and ensure that they are used for their intended projects, such as paving of the Road 512 in Young.

6) Boards, Commissions and Committees – Marian Sheppard, Chief Deputy Clerk of the Board, stated that a year ago at the direction of the County Manager, staff was directed to compile information regarding Boards, Commissions and Committees (BCC) of the Board of Supervisors. Beginning this year, information on each BCC was presented to the Board during work sessions and regular meetings. The end goal is to establish a policy and procedures for uniform appointment and operational guidelines for existing and future BCC members. The Chief Deputy Clerk of the Board of Supervisors

has the responsibility to coordinate with all staff liaisons to ensure compliance with all of the requirements for BCCs assigned to each Staff Liaison. All staff liaisons, as designated by the County Manager and are typically the County division directors, are responsible to ensure that members of any BCC appointed by the Board of Supervisors adhere to all applicable state statutes and/or bylaws of a specific BCC and any other requirements as outlined in the Staff Liaison's handbook. Ms. Sheppard explained that her responsibilities as Chief Deputy Clerk, would include finalizing all matters being presented to the Board of Supervisors for action on a meeting agenda; ensuring that all new BCC board members have been provided with a written copy of the Open Meeting Law as well as receiving training by herself and the County Attorney's Office on same to include protocol for the BCC chairman; making sure that each new member signs a loyalty oath; and ensure that a disclosure statement is filed with the Clerk's Department stating where each BCC posts its public notice at least 24 hours before a meeting is held. The Staff Liaison can delegate people within their division to handle certain responsibilities and another responsibility being added will be for Staff Liaison to ensure that members attend meetings and not just sit on a board without participating. The member's responsibilities will include reading the Open Meeting Law, filing the loyalty oath and attending meetings. Vice-Chairman Dawson recommended that new board members could perhaps attend the Leadership Academy where Bryan Chambers, Chief Deputy County Attorney, provides an excellent overview of the Open Meeting Law.

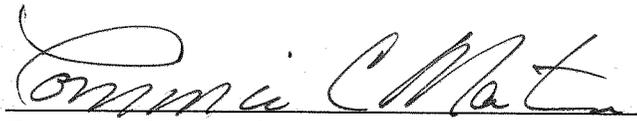
7) Community Agency and Economic Development Funding – Mr. McDaniel stated that this policy offers some opportunities that haven't been previously formalized. It simply allows the Board to annually consider funding for non-profit entities, so called community agencies, cities, towns and other governmental agencies for services that the County is authorized to provide. The policy states that Arizona Revised Statute §11-251 grants to the Board certain powers, which lists services including the following: preservation of the physical and behavioral health of the citizens of the county, county fairs, assistance to fire districts, graffiti abatement, non-profit housing, and community arts and cultural services, parks and recreation programs, education and training, substance abuse prevention and animal care. Since the Board is authorized by the Legislature to provide those services, this policy is drafted to allow the Board to in turn provide opportunities for community agencies, cities or towns to provide those services by contracting with them. The other major category is in the area of economic development that is another section in the law that states that counties may provide funds to these non-profit entities, cities, towns and other governmental agencies provided that it is for the benefit of the citizens of the county. The procedures would include creating a list each year of the non-profit agencies that have received funding from Gila County in the past and any new non-profit agencies requesting funding. This list would constantly be updated and it would be utilized by staff to develop the budget. Subsequent to the budget approval in the July-August time frame, these community agencies would come forward with specific

requests for funding and that would be considered in the form of an Intergovernmental Agreement or a Memorandum of Understanding to make it formal. These entities would be required to be non-profit entities and proof of their tax exempt status would be required as a part of their application and approval process. This policy also covers annual constituent funds that are provided to each Board member to be used at their discretion. This policy clarifies that while those constituent funds are used at the discretion of each Board member, they still are done in compliance with all of the policies of the County and all of the requirements of state law including the hiring of temporary employees.

8) Conflict of Interest – Mr. McDaniel stated that this policy has been in effect since at least 2005, but it has been revised. This revised policy ties the County more specifically and directly to the language in state law that allows for each staff member in county government to fill out a Conflict of Interest questionnaire, which asks the critical questions that state law asks regarding whether or not an employee might have a conflict of interest. The questionnaire will consist of 3 questions and if all 3 are answered negatively, then nothing more will be required of the employee. If an employee answered yes to any one of the questions, they will be required to fill out a Conflict of Interest Statement or as the state refers to it in its terminology, providing a notice of substantial interest in Gila County in their contracting sale, purchasing service or decision of the County. The significant difference is that all employees will be required to fill out the questionnaire probably in December of each year. New employees will fill out the questionnaire during new hire orientation. No action was taken by the Board on this item.

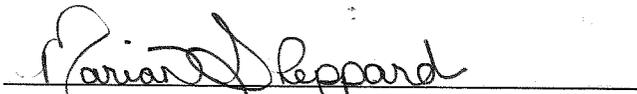
There being no further business to come before the Board of Supervisors, Chairman Martin adjourned the meeting at 12:03 p.m.

APPROVED:



Tommie C. Martin, Chairman

ATTEST:



Marian Sheppard, Chief Deputy Clerk