

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

Date: May 28, 2013

**MICHAEL A. PASTOR**  
Chairman

**MARIAN E. SHEPPARD**  
Clerk of the Board

**TOMMIE C. MARTIN**  
Vice-Chairman

By: Laurie J. Kline  
Deputy Clerk

**JOHN D. MARCANTI**  
Member

Gila County Courthouse  
Globe, Arizona

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PRESENT: Michael A. Pastor, Chairman; Tommie C. Martin, Vice-Chairman (via ITV); John D. Marcanti, Supervisor; Don McDaniel, Jr., County Manager; Jacque Griffin, Assistant County Manager/Librarian; Bryan Chambers, Deputy Attorney Principal; Marian E. Sheppard, Clerk.

**Item 1 - CALL TO ORDER - PLEDGE OF ALLEGIANCE - INVOCATION**

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. Dr. Robert R. Howard, Minister, First Christian Church in Globe, delivered the invocation and Mickie Nye led the Pledge of Allegiance.

**Item 2 - REGULAR AGENDA ITEMS:**

**A. Information/Discussion/Action to approve an Intergovernmental Agreement between Gila County and the Town of Payson-Parks and Recreation for an economic development grant in an amount up to but not to exceed \$10,000 to improve or enhance the economic welfare of the inhabitants of the County.**

Vice-Chairman Martin stated that this funding request was previously handled with County Supervisors' constituent funds and is now being handled through an IGA/MOU (Intergovernmental Agreement/Memorandum of Understanding.) If the Board of Supervisors approves this economic development grant, it will be used in various ways of which some of this money will be used for the Mountain High Games, and also for the purchase of pipe to build horse stalls for equestrian events at the Payson Event Center. She advised that the \$10,000 will not be disbursed all at once. Vice-Chairman Martin further advised that although a formal request has not yet been presented to the County by the fire chiefs in northern Gila County, she anticipates the remaining portion of these funds, estimated to be \$3,000, will be used to

provide a permanent connection from a water tank located at Round Valley to the water source, which will include the cost of the pipe. That connection is a critical component of the wild fire suppression efforts taking place in northern Gila County.

Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously approved an Intergovernmental Agreement between Gila County and the Town of Payson-Parks and Recreation for an economic development grant in an amount up to but not to exceed \$10,000 to improve or enhance the economic welfare of the inhabitants of the County.

**B. Information/Discussion/Action to adopt Resolution No. 13-06-03 declaring the Board of Supervisors' continuing support of the Southeast Arizona Land Exchange and Conservation Act, Resolution Copper's extensive reclamation of the historic Magma Mine in Superior, its contributions to the local economy and the potential for the Copper Triangle to become one of the largest copper producing regions in the world.**

Don McDaniel, County Manager, stated that he thought it best to defer this item to Bruce Richardson, Resolution Copper Communications and External Relations Manager, and Andrew Taplin, Resolution Copper Project Director, who were both present.

Mr. Taplin stated that the Supervisors were previously briefed regarding the importance of the project and the legislation that is required to support the project. He provided information and an update of how the legislation is progressing. In Superior, there is a large ore body, 1.6 billion tons, at a copper grade average of 1.5 percent and is 7,000 feet below the surface. The project is very large and expensive costing in excess of \$6 billion to construct. The construction time frame will be approximately ten years. Once developed, it is estimated that the project will contribute \$1 billion per year of economic value for the project life of approximately 40 years.

Mr. Taplin further stated that Resolution Copper has been working to progress the legislation to gain private access to a parcel of land near the Oak Flats campground, which will be impacted gradually over the life of the mine. Congresswoman Ann Kirkpatrick and Congressman Paul Gosar have worked in support of this project to introduce House Bill H.R. 687 in February and are bipartisan sponsors. There was a committee hearing in March, and two weeks ago Resolution Copper had a favorable vote by the House Committee. It is expected that the bill will move to the House of Representatives for a vote in the upcoming months. Senators Jeff Flake and John McCain are also strong supporters of moving this bill through the Senate.

Mr. Taplin explained that Resolution Copper has a strong presence in Superior; there are approximately 100 employees who are mostly from the local area. The prime contractor for the underground work is Cementation; which employs a team of approximately 100 people to develop the underground work. There is significant work ongoing to study the remainder of the project; a key element is the permitting process which is progressing very well. The other strong focus is what Resolution refers to as its, “social license to operate,” which is support of the community. Resolution is making a concerted effort to communicate with the community by having meetings to address concerns and give updates on the progress of the project.

There were no questions from the Board. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adopted Resolution No. 13-06-03 declaring the Board of Supervisors’ continuing support of the Southeast Arizona Land Exchange and Conservation Act, Resolution Copper's extensive reclamation of the historic Magma Mine in Superior, its contributions to the local economy and the potential for the Copper Triangle to become one of the largest copper producing regions in the world. **(A copy of the Resolution is permanently on file in the Board of Supervisors’ Office.)**

**C. Information/Discussion regarding a policy on community agency and economic development funding.**

Mr. McDaniel stated that although this meeting was scheduled as a work session, the first two items on the agenda were for Board action.

He explained that further discussion on this item was prompted by actions taken at a prior Board meeting regarding funding to agencies, lending County equipment or providing services. Mr. McDaniel suggested that the Board may want to consider this issue worthy of an annual discussion to determine which agencies the County wants to fund. He stated that the Board of Supervisors adopted this policy and procedures in February 2013, and it is known as policy number BOS-FIN-016 – Community Agency and Economic Development Funding.

The policy outlines having mutual consent of the recipient of the funds for in-kind services or manpower in lieu of funding be identified, primarily for auditors, the public and others. Each request that the County receives seems to vary, which makes it a bit of a challenge. Historically, there hasn’t always been an Intergovernmental Agreement (IGA) or a Memorandum of Understanding (MOU) between the various groups; however, these agreements are now required due to the implementation of the policy.

Chairman Pastor stated that the County has received a lot of “flack” regarding this policy. He feels this is one of the more important policies to discuss and

he emphasized the need to define some clear guidelines. Bryan Chambers, Deputy Attorney Principal, reviewed the statutes which cover economic development grants. The Board members provided examples of the different types of funding requests they have received in the past. Mr. Chambers then provided the guidelines for the use of constituent funds for the various funding requests and when an IGA or MOU is required per the County's policy.

Mr. McDaniel stated that it is his understanding that the Finance Department has on file a standing agreement with a process in place and guidelines to follow this policy. Chairman Pastor stated that it is the standard practice of the Board to submit all requests \$2,500 and above to the Finance Department, thus ultimately ensuring the policy is followed. Jerry Ellison, news reporter for KQSS radio station, inquired as to whether or not this new County policy and state statutes allow the County to award economic development grants to business startups. Mr. Chambers then reviewed the statute that applies to economic development grants and clarified that the business startups do not meet the requirements for an economic development grant. Marilyn Brewer, Executive Assistant to Supervisor Marcanti, inquired if an agreement is required when constituent funds are used to which Mr. McDaniel replied in the affirmative.

### **Item 3 - CALL TO THE PUBLIC:**

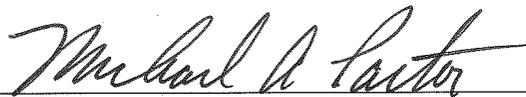
**Call to the Public is held for public benefit to allow individuals to address issue(s) within the Board's jurisdiction. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(H), action taken as a result of public comment will be limited to responding to criticism made by those who have addressed the Board of Supervisors, may ask staff to review the matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.**

Gloria Duff of Globe explained to the Board that she received a USDA (United States Department of Agriculture) rural development grant. She stated that she has an unsettled construction dispute with Rodriguez Constructions Inc., and has already filed a complaint with the Arizona Registrar of Contractors. Ms. Duff requested that the Board refrain from awarding any new contracts to Rodriguez Constructions Inc., until this issue is resolved and there are no open complaints with the Registrar of Contractors Agency.

Chairman Pastor stated that Ms. Duff may want to contact the County Attorney's office for assistance. Vice-Chairman Martin advised that Malissa Buzan, Community Services Division Director, is researching this matter. Mr. McDaniel clarified that this contract was not awarded by Gila County; however, he would discuss this issue with Ms. Buzan.

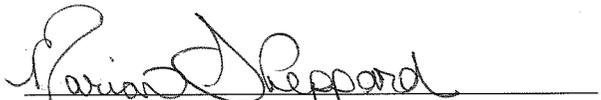
There being no further business to come before the Board of Supervisors,  
Chairman Pastor adjourned the meeting at 11:29 a.m.

**APPROVED:**



Michael A. Pastor, Chairman

**ATTEST:**



Marian Sheppard, Clerk of the Board