BOARD OF SUPERVISORS MINUTES
GILA COUNTY, ARIZONA

Date: May 27, 2014

MICHAEL A. PASTOR
Chairman

TOMMIE C. MARTIN
Vice-Chairman

JOHN D. MARCANTI
Member

MARIAN E. SHEPPARD
Clerk of the Board

By: Laurie J. Kline
Deputy Clerk

Gila County Courthouse
Globe, Arizona

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

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. Steve Stratton led the Pledge of Allegiance and Reverend Bill Norton of the First Presbyterian Church in Globe delivered the invocation.

Item 2 – PRESENTATIONS:

A. Information/Discussion: Update of legislative activity in Washington, D.C. by Patricia Power of Bose Public Affairs Group.

Patricia Power (via telephone) provided a summary of the following recent legislative activities relevant to Gila County.

- Prepared for and joined Vice-Chairman Martin during her visit to Washington for the National Association of Counties' (NACo) Rural Action Caucus fly-in.
- Meetings Attended: Department of Transportation (DOT) Acting Deputy Secretary Victor Mendez and his staff: Senator John McCain and his staff; Representative Paul Gosar and his staff; staff for Senator Jeff Flake and Representative Ann Kirkpatrick; DOT legislative staff; and Department of Agriculture Rural Development and other staff.

- Continued to research new approaches to funding the County's transportation projects, including legislative options.
- Continued to monitor County priorities including forest health and wildfire threats and 4FRI (Four Forest Restoration Initiative), transportation needs, including ongoing forest road projects and the Tonto Creek Bridge, Payment In-Lieu of Taxes, Secure Rural Schools, Endangered Species Act decision impact, water projects in Payson, and broader issues such as immigration.

Vice-Chairman Martin stated that she has a meeting scheduled with Representative Paul Gosar on Wednesday June 4th in Payson for a "quasi-field hearing" regarding forest health. A letter was sent to Senators Jeff Flake and John McCain regarding the eastern counties "bridge the gap" in an effort to get wood product industry coming from 4FRI moved through northeast Arizona.

Chairman Pastor stated that at the Western Regional Conference he recently attended there was "pot stirring" with regard to federal regulations relating to environmental protection, the United States Forest Service, and the Endangered Species Act, as well as concerns regarding the topic of waterways of America. He stated that when information regarding these issues is received from NACo he will forward that information to Ms. Power.

B. Presentation of the 2014 Gila County Spelling Bee Winner, Kendra Martinez of High Desert Middle School.

Dr. Linda O'Dell, School Superintendent via video conference in Payson, congratulated this year's Gila County Spelling Bee winner, eighth grader Kendra Martinez, who was present in Globe to accept the award. Dr. O'Dell also acknowledged and thanked the Board of Supervisors and the local community for its continued support of school activities.

C. Presentation of a Certificate of Appreciation by Town of Miami Manager Jerry Barnes in recognition of the Board of Supervisors' support of the Town of Miami's Cobre Valley Community Transit Program.

Jerry Barnes, Town of Miami Manager, stated that the Town of Miami was recently presented with the 2014 Excellence Award from the Arizona Department of Transportation and the Arizona Transit Association for its small rural transit system known as the Cobre Valley Community Transit Program. He then read aloud the Certificate of Appreciation and presented it to the Board and displayed the trophy that was received for Outstanding Urban and Rural Transport System.

D. Presentation of the University of Arizona's Gila County Cooperative Extension Office Annual Report and 2014-2015 fiscal year budget request to be considered for approval during Gila County's regular budget

process.

Jim Sprinkle, Ph.D., University of Arizona Area Extension Agent, Animal Science and Gila County Cooperative Extension Director, expressed his appreciation to the Board and other local citizens for their efforts in helping the Cooperative Extension program successfully secure increased fiscal year 2014-2015 funds from the State's budget. Since 2008, the Cooperative Extension funding has been reduced by 40% and the State has now increased the budget by 33%. Dr. Sprinkle requested $60,000 of funding, which is the same level of funding provided by the County in past years.

A slide presentation was then provided which showcased some highlights of the past year. A focus group was formed and the group held meetings in order to receive input from the stakeholders of the Cooperative Extension program, which resulted in the following goals:
Goal 1: Educate and equip people and communities to manage and utilize natural resources to improve economic sustainability.
Goal 2: Promote safe, profitable, and sustainable plant and animal systems.
Goal 3: Strengthen economic vitality of communities by developing leadership, workplace skills and life skills of youth and adults to assist them to be contributing community members.
Goal 4: Enhance the growth and development of Arizona children and youth so that young people will contribute positively to the community.
Goal 5: Improve the physical, mental, emotional, and financial health of individuals and families.

Dr. Sprinkle stated that Cooperative Extension has submitted a request for consideration to the Cooperative Extension Administration to add an area agent who would deal with forest health and forest products. This person would work out of the Globe Cooperative Extension Office and serve Gila, Navajo, and Yavapai Counties. He added that he would send the draft job description that was submitted to the Cooperative Extension Administration to the Board of Supervisors in order to keep the Board apprised of the progression of this effort.

He added that Cooperative Extension is 100 years old as of May 8, 2014, and the Board of Supervisors will soon receive an invitation to the celebration.

Vice-Chairman Martin gave kudos to Dr. Sprinkle and the Cooperative Extension program. Supervisor Marcanti stated that last year he met with Brent Billingsley, Globe City Manager, who composed the letter of support that was sent to the Governor and Arizona legislators for increased funding by the State, and he is pleased that the results of that effort will work out well for the local community. Chairman Pastor thanked Dr. Sprinkle for the presentation and stated that he appreciates the work of Cooperative Extension.

Item 3 – REGULAR AGENDA ITEMS:

A. (Motion to adjourn as the Gila County Board of Supervisors and convene as the Pine-Strawberry Water Improvement District Board of Directors.) Information/Discussion/Action to canvass the election results of the Pine-Strawberry Water Improvement District Special Election held on May 20, 2014, in Gila County, Arizona, and declare the results official. (Motion to adjourn as the Pine-Strawberry Water Improvement District Board of Directors and reconvene as the Gila County Board of Supervisors.)

Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adjourned as the Gila County Board of Supervisors and convened as the Pine-Strawberry Water Improvement District Board of Directors.

Eric Mariscal, Elections Department Director, summarized the election results of the Pine-Strawberry Water Improvement District (PSWID) Special Election as follows: There were 2,316 registered voters; 1,054 ballots were tabulated; the voter turnout was 45.51%; there were 9 provisional ballots cast from residents; 4 provisional ballots cast from non-residents; there were 0 rejected provisional ballots cast; and all 13 votes were verified for tabulation.

Chairman Pastor inquired if 45.51% was a good voter turnout, to which Mr. Mariscal replied that it was, in fact, a good turnout of voters and a higher percentage than was expected. He anticipated approximately a 30% turnout for this type of election held at this time of year. Supervisor Marcanti thanked Mr. Mariscal, County Manager Don McDaniel, and the Gila County Attorney's Office for working together to make this Special Election transpire smoothly and beneficially to all involved parties. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously canvassed the election results of the Pine-Strawberry Water Improvement District Special Election held on May 20, 2014, in Gila County, Arizona, and declared the results official.

Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board adjourned as the Pine-Strawberry Water Improvement District Board of Directors and reconvened as the Gila County Board of Supervisors.

B. Information/Discussion/Action to canvass the election results of the Pine-Strawberry Water Improvement District Special Election held on May 20, 2014, in Gila County, Arizona and declare the results official.

Mr. Mariscal provided spiral-bound copies of the booklet titled "Canvass of Election Results Pine-Strawberry Water Improvement District Special Election May 20, 2014" to the Board for review which contained the results of the

election as stated above. Mr. Mariscal thanked the Gila County Elections Department staff, Recorder's Office staff, and David Rogers, System and Network Communication Analyst for the Information Technology Department, for their help with this election.

Richard James of Strawberry, Arizona thanked the Board for directing the process to elect a new Board of Directors (BOD) for the Pine-Strawberry Water Improvement District (PSWID). He asked that all documents that were turned over to the Board of Supervisors during the time it assumed authority as the PSWID BOD and any newly created documents be provided to the newly elected PSWID BOD. He advised that the PSWID BOD is interested in the findings of the audit of the PSWID that was conducted by the State Auditor General. He further stated that the information was to be provided in the month of May to the newly formed board. Chairman Pastor deferred to Mr. McDaniel who replied that the State Auditor General is continuing to look at all of the information that has been presented by the citizens of the PSWID and by Gila County. He added that the audit is not complete; however, those individuals who are conducting the audit are apprising Gila County staff as to the progress being made on the audit. He assured Mr. James that once the audit is complete, the information will be provided to the County as well as to the PSWID BOD. Mr. James then inquired as to the date and time the newly elected board would be sworn in. Mr. McDaniel replied that any PSWID staff member may swear in the new members as was the past practice of the PSWID; however, he added that arrangements could be made for Dorothy Little, Payson Regional Justice of the Peace, to swear in newly elected board members. He added that the other point of order for resolution by the newly elected board is to determine which board members will initially serve a two-year term instead of a four-year term in order to initiate the cycle of having an election occur every two years for four-year terms of office.

Chairman Pastor stated that Eric Mariscal, Elections Director, will be able to direct the new board to the applicable statutes should the PSWID BOD need assistance. He added that Open Meeting Law information will also be provided to the new Board members.

Vice-Chairman Martin reiterated Mr. McDaniel's comments regarding the swearing-in process.

Bryan Chambers, Deputy Attorney Principal, advised that the important event in this transition process is for each of the newly elected board members to sign an oath-of-office form and forward the originals to Mr. Mariscal. He stated that now that the election results have been officially canvassed, the members are in office and any swearing-in of newly elected members would only be ceremonial.

Vice-Chairman Martin inquired if the oath-of-office forms have been sent to the PSWID. Mr. Mariscal replied that he has been in contact with Rebecca Sigeti, District Office Staff, who has the oath-of-office forms available and he advised that she can swear-in the newly elected board members.

Pam Mason of Pine, Arizona thanked the Board of Supervisors for allowing an election to take place in May. She stated that she is confident that the newly elected board will exercise due diligence, transparency, and fiscal responsibility.

The Board of Supervisors thanked staff and the newly elected PSWID Board of Directors for a smooth transition and wished them success.

C. Information/Discussion/Action to approve an Intergovernmental Agreement between the Young Elementary District and the Gila County Sheriff's Office for a School Resource Officer for a performance period of November 4, 2013, through May 24, 2014.

Michael L. Johnson, Undersheriff, stated that this Intergovernmental Agreement (IGA) was held up in the review process and that was the reason for the delay in presenting the item to the Board of Supervisors. He stated that Linda Cheney, Superintendent of the Young Elementary School District, contacted him regarding the availability of the grant funding for the position as stated above. Gary Eggert, Deputy Sheriff, was identified to fill this position. He received the necessary training to fulfill the grant requirements and filled this position of School Resource Office for the Young Elementary School District for the period as stated above. Mr. Johnson added that the Young Elementary School District is billed on a monthly basis to reimburse the County for the officer's salary as stated in the IGA. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board approved an Intergovernmental Agreement between the Young Elementary District and the Gila County Sheriff's Office for a School Resource Officer for a performance period of November 4, 2013, through May 24, 2014.

D. Information/Discussion/Action to approve the distribution of $1,469,776.59 of Gila County's Secure Rural Schools and Communities Funds (SRSC - 'Forest Fees') for FY2013-14 as follows: $50,000.00 to Roads and $1,419,776.59 to Gila County School Districts.

Linda O'Dell, School Superintendent, stated that the above referenced funding is federal FY2013 funding that is being spent in the FY2013-2014 school year. The County Manager and the School Superintendent are in agreement as to the distribution of funds as outlined above which is based on a formula that provides a base amount for all school districts and additional amounts based on forest acreage and student enrollment of each district. Each Board member commented in support of this distribution of funds. Upon motion by

Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously approved the distribution of $1,469,776.59 of Gila County's Secure Rural Schools and Communities Funds (SRSC - 'Forest Fees') for FY2013-14 as follows: $50,000.00 to Roads and $1,419,776.59 to Gila County School Districts.

E. Information/Discussion/Action to approve the submission of a grant application by the Gila County Public Works Department for a "Secure Rural Schools and Community Self-Determination Act of 2000", as reauthorized by HR 527 Helium Stewardship Act, Title II - Special Project Grant for fiscal year 2014 funding for a Forest Road 512 Surfacing Project.

Jacque Griffin, Assistant County Manager/Librarian, explained that this item is to for the Board of Supervisors to authorize the submission of a grant application for the other portion of the Secure Rural Schools funding, Title II. She stated that the Board of Supervisors in the past has determined that 80% of the total funds received for Secure Rural Schools are to be used for schools, Title I, and 20% of the funds are to be used for special projects such as forest service roads improvements, Title II. The grant application for Secure Rural Schools must be submitted to the United States Department of Agriculture, Forest Service, by May 31, 2014. The Public Works Division has completed as much of Forest Service Road 512 as there was funding, and the intent is to now complete the remaining section of Forest Service Road 512 that is not surfaced *as grant funds allow.* Ms. Griffin added that the County has received letters of support for this project from the Tonto National Forest Supervisor and the Gila County Sheriff's Office. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board approved the submission of a grant application by the Gila County Public Works Department for a "Secure Rural Schools and Community Self-Determination Act of 2000", as reauthorized by HR 527 Helium Stewardship Act, Title II - Special Project Grant for fiscal year 2014 funding for a Forest Road 512 Surfacing Project.

F. Information/Discussion/Action to endorse and support the Mexican Wolf 10(j) Revision Cooperating Agencies Alternative, and submit a letter to the U.S. Fish and Wildlife Service (USFWS) requesting formal National Environmental Policy Act (NEPA) Consistency Review for the Mexican Wolf 10(j) Revision Cooperating Agencies Alternative.

Ms. Griffin stated that this is a 5th alternative to the Draft Environmental Impact Statement that the County Cooperating Agency, consisting of Arizona and New Mexico counties, has participated in preparing. The request today is to authorize submission of a letter to the U.S. Fish and Wildlife Service (USFWS) requesting an official review and to consider the 5th alternative to the 10j Rule regarding the Mexican wolf nonessential experimental population. Vice-Chairman Martin clarified the 5th alternative stating that this alternative

accomplishes the following: no wolves are to be released in Gila County; the wolf population is to be stabilized at 300 versus the 1,500 estimated by USFWS; and, it broadens the area that the wolves may travel to den outside of the release area, but also allows for the management of the wolves with the authorization to deal with them as necessary by not designating the wolves as an endangered species. Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously endorsed and supported the Mexican Wolf 10(j) Revision Cooperating Agencies Alternative, and submitted a letter to the U.S. Fish and Wildlife Service (USFWS) requesting formal National Environmental Policy Act (NEPA) Consistency Review for the Mexican Wolf 10(j) Revision Cooperating Agencies Alternative.

G. Information/Discussion/Action to approve Amendment No. 1 to Professional Services Contract No. 042913 between Gila County and Ulibarri-Mason Global HR, LP to allow for the addition of three new tasks to the Classification and Compensation Study scope of work, for an additional cost of $6,000 plus reimbursable travel expenses, for a new total contract amount of $95,000 plus reimbursable travel expenses; and to extend the contract term from May 14, 2014, to November 13, 2014.

Don McDaniel, County Manager, stated that this agenda item is not for the purpose of delaying the implementation of the Classification and Compensation Study, but rather to extend the services of Ulibarri-Mason Global HR, LP, beyond the results of the Study, specifically, for the purpose of assisting the Human Resources Department with understanding the methodology of the training and manuals with regard to integrating them with County policies that will be implemented upon Board approval. Additionally, Ulibarri-Mason staff will provide guidance to the Human Resources Department relating to the new job titles, grades, and salaries moving forward with new positions. Mr. McDaniel stated that the transformation will take effect, if approved by the Board, at the June 3, 2014, Board of Supervisors' meeting, with any salary changes to be effective the June 30, 2014, pay period, and to appear on the July 18, 2014, paycheck. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously approved Amendment No. 1 to Professional Services Contract No. 042913 between Gila County and Ulibarri-Mason Global HR, LP to allow for the addition of three new tasks to the Classification and Compensation Study scope of work, for an additional cost of $6,000 plus reimbursable travel expenses, for a new total contract amount of $95,000 plus reimbursable travel expenses; and to extend the contract term from May 14, 2014, to November 13, 2014.

H. Information/Discussion/Action to approve lump-sum performance payments ranging from 3.5% to 1.5% for qualified employees at a cost of approximately $654,000 to the County.

Linda Eastlick, Human Resources/Risk Management Director, stated that last year the lump-sum performance based payments given to employees were introduced as appreciation for the hard work and dedication demonstrated by the employees of the County. The County has budgeted for these payments again this year and is ready to proceed with the payments to employees. The payment will be made to all active, full-time and part-time employees who were hired on or before January 2, 2014, who are still employed by the County the week ending June 30, 2014, **the correct date is week ending June 13, 2014**, and for whom the Human Resources Department has received a 2014 performance appraisal. The average payment to employees is approximately 2.5% and will be paid in the June 20, 2014, paycheck. Chairman Pastor added for clarification that any future lump-sum payments will be reviewed by the Board and this is subject to change as a result of the Classification and Compensation Study implementation. Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously approved lump-sum performance payments ranging from 3.5% to 1.5% for qualified employees at a cost of approximately $654,000 to the County.

Vice-Chairman Martin briefly revisited agenda item 3G. She wanted the 3 tasks which are to be performed by Ulibarri-Mason to be included in the record, as follows:
1) Implementation of the new salary schedule
2) Revisions of and to finalize the new classification policies
3) Provide manuals and training materials to ensure a smooth transition moving forward.

Mr. McDaniel stated that it was a favorable action for Vice-Chairman Martin to state these items for the record and include them in the permanent record for the public.

Chairman Pastor addressed agenda item 4 at this time and he asked for a motion from the Board on this item.

Item 4 – CONSENT AGENDA ACTION ITEMS: (Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed and voted upon as a regular agenda item upon the request of any member of the Board of Supervisors.)

A. Approval of an Intergovernmental Agreement (DPS Contract No. 2014-026) between the Arizona Department of Public Safety, Arizona Counter Terrorism Information Center (ACTIC) and the Gila County Sheriff's Office whereby the Sheriff's Office will assign one deputy as the certified Terrorism Liaison Officer to become effective upon the final signatures by both parties and shall remain in effect until such time that either party submits a 30-day written notice to terminate.

B. Approval of Contract No. 07012014-15 between the Arizona Community Action Association (ACAA) and the Gila County Community Services Division, Community Action Program (CAP), whereby ACAA will administer funding in the amount of $93,047.12, which will be used to provide weatherization services, utility repair and replacement, utility deposits and bill assistance to eligible citizens residing in Gila County for the period of July 1, 2014, through June 1, 2015.

C. Approval of the Chairman's signature on the State of Arizona Surplus Property Authorization and Update for Eligibility Recertification & Records Update form and the Nondiscrimination Assurance form for Gila County authorized signers to purchase State surplus property for Gila County.

D. Approval of an Application for Fireworks Display submitted by Fireworks Productions of Arizona sponsored by Freeport-McMoRan Copper & Gold, Inc.-Miami Operations to provide a fireworks display on July 4, 2014, at the Miami Operations mine site of Freeport-McMoRan Copper & Gold, Inc.

E. Approval of Amendment No. 1 to Service Agreement No. 040214-2 for Major Rehabilitation Project No. HH#3335 between Gila County and Rodriguez Constructions, Inc. to increase the original contract amount by $4,500 for a total contract amount of $51,283.85 in order to allow for the correction of the structural issues of the residence.

F. Acknowledgment of the March 2014 monthly activity report submitted by the Globe Regional Constable's Office.

G. Acknowledgment of the April 2014 monthly activity report submitted by the Payson Regional Constable's Office

H. Acknowledgment of the April 2014 monthly activity report submitted by the Globe Regional Justice of the Peace's Office.

I. Acknowledgment of the April 2014 monthly activity report submitted by the Clerk of the Superior Court's Office.

J. Acknowledgment of contracts under $50,000 which have been approved by the County Manager for the weeks of April 21, 2014, to April 25, 2014; and April 28, 2014, to May 2, 2014.

K. Approval of finance reports/demands/transfers for the weeks of May 13, 2014, May 20, 2014, and May 27, 2014.

May 13, 2014

$3,163,051.44 was disbursed for County expenses by check numbers 261605 through 261803.

May 20, 2014

$653,656.84 was disbursed for County expenses by check numbers 261804 through 261928.

May 27, 2014

$1,491,454.16 was disbursed for County expenses by check numbers 261929 through 262098. **(An itemized list of disbursements is permanently on file in the Board of Supervisors' Office.)**

Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board approved Consent Agenda action items 4A through 4K as presented.

Item 5 – CALL TO THE PUBLIC: Call to the Public is held for public benefit to allow individuals to address the Board of Supervisors on any issue within the jurisdiction of the Board of Supervisors. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(H), at the conclusion of an open call to the public, individual members of the Board of Supervisors may respond to criticism made by those who have addressed the Board, may ask staff to review a matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.

There were no comments from the public.

Chairman Pastor returned to agenda item 3I and called on County Manager Don McDaniel to present this item.

I. Information/Discussion to review and provide comments regarding the 2014 Gila County 1/2 Cent Transportation Excise Tax as follows: (1) a time line of events; (2) a draft needs and levy Resolution with the understanding that the Needs and Levy Resolution will be presented at the June 24, 2014 Regular meeting for adoption; (3) a draft Resolution to call for an election in November with the understanding that the call for an election Resolution will be presented at the July 1, 2014 Regular meeting for adoption; (4) the method of distribution of the proceeds to the cities and towns; and (5) a draft suggested resolution of support from the cities and towns.

Don McDaniel, County Manager, advised that initially this item was scheduled to be discussed during the Board's work session, but it has since been moved to this meeting. He reviewed the timeline of events and reminded the Board that many of these dates are set in order to meet statutory requirements.

Transportation Excise Tax Time Line of Events For a Tuesday 11/04/14 Election		
Activities to be Completed		**Days Before Election And Completion Dates**
BOS Decides to Pursue Trans Tax Continuation		000 - 10/29/13
BOS Appoints Citizens Committee		000 - 01/07/14
Citizens Committee Recommendation Due		000 - 03/04/14
BOS Accepts Rec & Disbands Cit Com		000 - 03/04/14
Prepare History, Fact Sheet, Publicity Information		
Consultant Public Presentations		000 - 05/05/14
AQ Deadline for 5/27/14 Work Session Agenda		000 - 05/12/14
BOS Work Session Discuss Status & Schedule		161 - 05/27/14
AQ Deadline for 6/24/14 BOS Regular Agenda		000 - 06/09/14
AQ Deadline for 7/1/14 BOS Regular Agenda		000 - 06/16/14
BOS Reg Mtg to Adopt Needs and Levy Resolution		133 - 06/24/14
Notice to AZ Department of Revenue		133 - 06/24/14
BOS Reg Mtg to Call for Election in November		126 - 07/01/14
Advertise for Public Arguments		126 - 07/01/14
Campaign Committee (CC) May Legally Form		000 - 07/02/14
CC Registers as a Political Action Committee		000 - 07/02/14
CC Contracts with Legal Counsel & Fin Consultant		000 - 07/02/14
LAST DAY to Call the Election		120 - 07/07/14
Submit Ballot Language to Department of Revenue		110 - 07/17/14
Submit Pamphlet Language to Printer		90 - 08/06/14
Submit Ballot Language to Printer		90 - 08/06/14
Arguments Due from the Public		90 - 08/06/14
US Department of Justice Submission		60 - 09/05/14
Pamphlets Mailed (must be delivered before early ballots)		40 - 09/25/14
Last Day to Register to Vote		29 - 10/06/14
Early Ballots Mailed Out		26 - 10/09/14

Mr. McDaniel stated that the needs and levy resolution to be adopted not only states the purpose of the tax, but it also states the type of businesses that would pay the tax. Additionally, the resolution determines which entity will distribute the revenue. He then explained the differences in having the County distribute the funds or having the Department of Revenue distribute the funds generated by the ½ Cent Transportation Excise Tax. It was recommended to

the Board that the Department of Revenue take the responsibility to distribute the funds as well as take the responsibility for any audit of the expenditures of funds. Chairman Pastor inquired if the entity that distributes the funds was the only difference in the two resolutions for consideration. Mr. McDaniel replied in the affirmative and stated that the difference is located on Page 4, Section 9 of the resolution; one stating that the County would distribute the funds; and the other one stating that the Department of Revenue would distribute the funds. He added that this resolution allows for future changes in population and incorporation changes in cities and towns with regard to the ½ Cent Transportation Excise Tax.

The next resolution for consideration is to establish the date of November 4, 2014, for the General Election at which time the Gila County ½ Cent Transportation Excise Tax would be on the ballot. He added that on July 1, 2014, a call for election would take place, and July 7, 2014, is the deadline for the call for election. Proceeding from those important dates, Mr. McDaniel explained that several steps follow those dates, such as advertising for public arguments, and the development of the brochure by County staff. He stated that as soon as possible after the June 24th meeting, at which time the needs and levy resolution would be adopted, he is hopeful that the Citizens Committee will step forward and set about the task of putting the campaign in place for the ultimate success of this election. He cautioned that at that time, anyone working for the County, cities and towns is prohibited from working on the campaign for this election.

Chairman Pastor inquired as to the prudence of working to gain support from Gila County citizens at this time in order to form a committee, which would essentially be a political action committee. Mr. McDaniel stated that the Citizens Committee that was formed by the Board of Supervisors for the purpose of determining the need for the continuation of the ½ Cent Transportation Excise Tax was disbanded by the Board after their recommendation to continue the tax was presented to the Board. He added that it was hoped that the individuals who served on that Committee would continue with this effort by forming and serving on a political action committee. Mr. McDaniel stated that all of the information that has been provided to the Board of Supervisors has also been provided to the former members of the Citizens Committee. Mr. McDaniel cautioned that the Board of Supervisors has no authority over a political action committee.

Chairman Pastor asked for further clarification from Bryan Chambers, Deputy Attorney Principal, who then stated that the challenge would be **not** to use any County time, resources or services to create the committee. What Board members do individually is the same as what is permitted in campaigning for an election and has the same types of limitations.

Supervisor Marcanti asked for clarification as to the responsibility to conduct audits of the entities receiving the funds to ensure the proper use of funds. Mr. McDaniel stated that the Department of Revenue distributes the funds and has the responsibility to conduct audits. The Department of Revenue conducts audits every five years; hence, Mr. McDaniel emphasized the importance of the resolution to place the responsibility on the Department of Revenue to oversee the use of the tax within their jurisdiction. There was a brief discussion regarding monitoring the expenditures of the cities and towns, but it was agreed that it would be advisable for the Department of Revenue to monitor the revenue collected by the ½ Cent Transportation Excise Tax.

Mr. McDaniel then reviewed the information shown below.

2014 GILA COUNTY ½ CENT TRANSPORTATION EXCISE TAX DISTRIBUTION FORMULA FOR CITY AND TOWNS IN GILA COUNTY

The table below shows data equitably distributing the Gila County Transportation Excise Tax for the years 2015-2034 should the County decide to request that the voters extend the current tax, and should the voters decide to extend the current tax. The data is based on the following:

1. The current sales tax rate of 0.5% generated $3,003,850 in fiscal year 2013.

2. The population for each of the incorporated entities within Gila County was obtained from the 2014 Arizona Local Government Directory prepared by the League of Arizona Cities and Towns. Those populations are as follows: Globe – 7,532; Hayden – 798; Miami – 1,837; Payson – 15,301; Star Valley – 2,310; and Winkelman – 353. (Based on Gila County numbers the population for Hayden is 798 rather than the 662 shown in the League book.)

3. The population for the unincorporated areas of Gila County (the area where the County is responsible for the roads) was also taken from the League Directory. The overall County population is 53,597. Subtracting the summation of the incorporated entities within Gila County (28,131) from the total County population leaves the population in the unincorporated areas of Gila County at 25,466.

This table below is based on dividing the funds received from the transportation excise tax on population, but includes a minimum amount to be given to each incorporated entity of $50,000. This would give Hayden and Winkelman each $50,000 with the remainder being divided among the other five entities based on population. This results in the following potential

allocations:

Entity	Population	Percentage of Distribution	Allocation Based on FY13 Collection
Gila County (Unincorporated) Area)	25,466	46.94%	$1,410,011.14
Globe	7,532	13.88%	$417,034.63
Hayden	798	1.66%	$50,000.00
Miami	1,837	3.39%	$101,711.71
Payson	15,301	28.20%	$847,191.57
Star Valley	2,310	4.26%	$127,900.96
Winkelman	353	1.66%	$50,000.00
Total	53,597	100.00%	$3,003,850.00

Mr. McDaniel then stated that the last attachment for review is a draft resolution which would be finalized and distributed to the cities and town in order for a resolution to be adopted by each city and town supporting the ½ Cent Transportation Excise Tax.

Chairman Pastor provided a brief history of this item for the media stating that the County hasn't shared the ½ Cent Transportation Excise Tax revenue with any cities or towns during the 20 years this tax has been in place, so this would be the first step to invite those entities to share in the tax revenues. Vice-Chairman Martin added that twenty years ago, it is her understanding that the cities and towns were invited to participate in these tax revenues; however, they declined. She added that the tax has been used for improvement to unincorporated roads and she feels the County has used the revenue from this tax wisely and for the good of all of Gila County.

Although no action was taken, Chairman Pastor advised that the Board is in agreement and supportive of moving forward with this process. Mr. McDaniel added that the revenue received from the ½ Cent Transportation Excise Tax has been critical to the condition of the road in Gila County and that the County has used the revenue judiciously in the right places at the right time. He added that any information regarding the specific projects that have been completed using this tax and specific projects planned for the future will be made readily available to the public to promote the continuation of the ½ Cent Transportation Excise Tax in Gila County.

Item 6 – 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 Pastor adjourned the meeting at 12:04 p.m.

APPROVED:

Michael A. Pastor, Chairman

ATTEST:

Marian Sheppard, Clerk of the Board