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BOARD OF SUPERVISORS
P.O. BOX 908
253 5TH STREET
CLIFTON, AZ 85533

DAVID GOMEZ
District 1

RON CAMPBELL
District 2

RICHARD LUNT
District 3

MEETING NOTICE and AGENDA
Pursuant to Arizona Revised Statutes §38-431, et. seq.
and amendments thereto, the
GREENLEE COUNTY BOARD OF SUPERVISORS
also sitting as Board of Directors for
GREENLEE COUNTY PUBLIC HEALTH SERVICES DISTRICT
and
GREENLEE COUNTY FLOOD CONTROL DISTRICT
hereby gives notice that a
Regular Meeting
will be held on Tuesday, May 4, 2021 – 12:00 p.m.

**Zoom Video Conferencing. To join the meeting enter the following URL into your browser:
Join Zoom Meeting**

<https://us02web.zoom.us/j/88593799862?pwd=Slk0MFdRVk1UREZXTWVYUWxDdnpLdz09>

**Meeting ID: 885 9379 9862
Passcode: 471343**

**Board of Supervisors Meeting Room, 2nd floor Courthouse Annex, 253 5th Street,
Clifton, Arizona**

AGENDA

In attendance: Board of Supervisors members: Richard Lunt, Chairman, David Gomez, Member and Ron Campbell, Member. Also present were Jeremy Ford, County Attorney; Derek Rapier, County Administrator, Austin Adams, Deputy County Administrator and Bianca Figueroa, Deputy Clerk of the Board

1.) Call to Order

Chairman Lunt called the meeting to order at 12:00 p.m.

A. Pledge of Allegiance

Supervisor Campbell led those present in the pledge.

B. Call to the Public

Daniel Cervantez, Clifton resident responded to Call to the Public. He stated he wasn't able to make the Jr. Rodeo, but he did see pictures of the participants in

the local paper. Mr. Cervantez gave thanks to Chairman Lunt for supporting the Jr. Rodeo event, he also thanked all Supervisors for helping to support the publication of the Superheroes of Graham and Greenlee Counties in the Eastern Courier and Copper Era newspaper. He expressed his appreciation for the Publication for Morenci activities.

2.) PUBLIC HEALTH SERVICES DISTRICT – the Board of Supervisors will convene as the Board of Directors of the Greenlee County Public Health Services District and will reconvene as the Board of Supervisors following consideration of these items:

A. Consent Agenda

1. Clerk of the Board: Consideration of approval of Public Health Services District expense warrants in excess of \$1,000.00

Upon motion by Supervisor Gomez, seconded by Supervisor Campbell, and carried unanimously, the Board approved the Public Health Services District Consent Agenda as presented.

3.) Sharie Milheiro, County Recorder

A. Discussion/Action regarding approval for a salary increase for Dusti Poague from an hourly wage of \$15.02 to \$17.90 to be commensurate with her education, training, experience and that of her counterparts.

Ms. Milheiro requested approval for a salary increase for her employee Ms. Poague. She stated she would like the request to go in to affect as soon as possible and will be using funds from her budget for the remainder of the fiscal year, and into the next fiscal year the increase would be covered with general funds. Ms. Milheiro explained Ms. Poague's value to the office due to her training, education, and experience and that the request would make her pay consistent with other similar employees. She stated due to COVID she held off on the request last fiscal year.

All supervisors expressed their concerns and thoughts, and opinions regarding the increase in salary.

Mr. Rapiere stated that while this request is not a budgeted item, the Recorder has funds outside of the general fund for the current fiscal year. The best policy is to anticipate expenses and present them during the budget process. He stated he would work with the Recorder with funding going into coming fiscal year budget.

Upon motion by Supervisor Campbell, seconded by Supervisor Gomez, and carried unanimously, the Board approved the request as presented.

4.) Tony Hines, Public Works Facilities/Fleet - Manager

A. Discussion/Action regarding approval of the Empire maintenance contract for generators and transfer switches

Mr. Hines stated the contract is for the maintenance for the generators, he stated the amount is \$18,258.00 for the year approximately a 3% increase over last year. Mr. Hines discussed the maintenance that is provided, he stated Empire mechanics go out quarterly to change the oil, do a thorough check of generators, and the transfer switch. The Board suggested that Mr. Hines attempt to negotiate a longer term contract.

Upon motion by Supervisor Gomez, seconded by Supervisor Campbell, and carried unanimously, the Board approved the contract as presented.

5.) Reed Larson, County Engineer
A. Discussion/Action regarding the approval to award contract to low bidder American Road Maintenance, Inc. for the FAA-funded Runway 07-25 Pavement Preservation project in the amount of \$177,030.00

Mr. Larson requested the Board approve the contract to American Road Maintenance to provide a sealcoat for the runway at the airport. The County received four bids; all four bids were discussed. He expressed concerns regarding how low the bid was and the contractor's ability to perform the work in a competent manner and what the County needed. Mr. Larson stated the County's airport consultant Morrison Maierle had a high opinion of the contractor and are very confident with American Road Maintenance who turned in a responsive bid.

Upon motion by Supervisor Campbell, seconded by Supervisor Gomez, and carried unanimously, the Board approved the contract to the lowest bidder American Road Maintenance as presented.

6.) Derek Rapier, County Administrator
A. Discussion/Action regarding proposed amended purchasing policy

Mr. Rapier stated back in March he presented the idea of adjusting the purchasing policy because some common purchases are now routinely exceeding the \$2,000.00 threshold for department heads and elected officials to purchase what they needed. Mr. Rapier proposed that the limits be adjusted. Mr. Rapier stated he discussed adjustments with the County Attorney and the County does have authority to adjust. He further stated that current policy is any purchase over \$50,000.00 goes through a sealed bid process, and previously proposed \$75,000.00. Mr. Rapier stated from a legal point of view after discussion with the County Attorney he suggested that amount go up to \$100,000.00. Mr. Rapier stated going up to \$100,000.00 still gives the Board significant spending control but also gives the county more flexibility in purchasing larger purchases.

Mr. Ford County Attorney discussed statutes regarding the threshold amount. He stated the board can set up any process under \$100,000.00 and stated the board still has control and anything over that must use the seal bid process. Mr. Ford suggested the board take advantage of the maximum flexibility under \$100,00.00 to keep their control and rules.

Upon motion by Supervisor Gomez, seconded by Supervisor Campbell, and carried unanimously, the Board approved agenda item as presented.

7.) Derek Rapier, County Administrator
A. County and State budget and legislative issues

Mr. Rapier stated that the state budget is not moving and there is no indication that it will start moving. He stated focus seems to be on Election related exercise at the Colosseum in Maricopa County. Mr. Rapier shared news regarding the County's cyber security preparedness and stated Greenlee County is one of the best Counties in the state for cybersecurity. He stated it has budget implications in that it means the County is insurable and that the deductible will drop from a proposed \$1,000,000.00 down to \$250,000.00. Mr. Rapier expressed his appreciation and thanked the IT department.

B. Calendar and Events

Calendar and events were discussed. The Board meeting set for June 15, 2021 will be moved to June 22, 2021.

8.) Consent Agenda
A. Clerk of the Board: Consideration of approval of minutes to previous meetings: 4/20/2021
B. Clerk of the Board: Consideration of approval of expense warrants in excess of \$1,000.00 – Voucher 4034; 4035

Upon motion by Supervisor Campbell, seconded by Supervisor Gomez, and carried unanimously, the Board approved the Consent Agenda as presented.

9.) Supervisor Reports
Supervisor Richard Lunt
A. Legislative Policy Committee (LPC) meeting

Chairman Lunt stated there is limited floor activity. He stated things are still at a standstill. Mr. Lunt discussed CSA legislative priorities and status of bills.

B. Junior Rodeo

Chairman Lunt gave kudos to all involved in the Jr. Rodeo, he stated participants were down, had about 45 participants as young as 3 years old. Mr. Lunt stated

there were a lot of conflicting attractions the same night. He stated it was well attended by parents. Mr. Lunt gave thanks to county employees.

Supervisor Ron Campbell

A. Agricultural and Rural Affairs Steering Committee meeting

Supervisor Campbell attended the Steering committee and discussion was regarding the American job plan. He stated it was very beneficial.

Chairman Lunt adjourned for a 15-minute recess.

10.) Budget Work Session

Mr. Rapier briefed the board on items that he will cover in the budget work session. Mr. Rapier presented to the Board a PowerPoint and discussed:

Greenlee County Sheriff's Department PSPRS
Unfunded accrued actuarial liability (UAAL)
Calculations Based on UAAL Valuation as of June 30, 2020: \$3,461,739

Mr. Rapier asked CSA to analyze five payoff scenarios, projected savings, and analysis of the use of a section 115 trust.

The scenarios analyzed are:

Do nothing option – continue to pay as billed with no early payoff?

#1 - \$1M deposit in FY 2021, \$2.26M deposit in FY 2022

#2 - \$1M deposit in FY 2021, \$1.23M deposits in FY 2022 & FY 2023

#3 - \$1.5M deposit in FY 2021, \$1.96M deposit in FY 2022

#4 - \$1.5M deposit in FY 2021, \$980K deposits in FY 2022 & FY 2023

Mr. Rapier discussed the limits of the analysis, the potential savings (approximately \$3,000,000), the effect on future budgets, and which funds in the current budget could be used make a substantial payment in before the end of the fiscal year. He further discussed potential sources for paying off the remainder of the unfunded liability in in the next one or two fiscal years.

Mr. Rapier also discussed the risks involved in each of the five scenarios as well as the risks of using Pension Obligation Bonds to pay down the unfunded liability. The investment risks and the actuarial assumptions involved in the fund were discussed and analyzed as was the retirement system's use of actuarial value vs. market value of assets and how that affects the impact of a substantial county contribution. Additionally, Mr. Rapier lead a thorough discussion of the effect these payments would have on the County's expenditure limitation.

In response to the Board's direction to research the potential value of using a Sec. 115 Trust to make payments, Mr. Rapier, discussed that Sec. 115 Trust is a vehicle to invest an entities public pension funds. He discussed the fees involved as well as the use of market value asset valuation. Mr. Rapier explained that use of a such a Trust approach to the pension problem works best if the amount of money is large and the investment horizon is very long, 20 years or longer.

Mr. Rapier recommends that, due to the risks and fees involved, the County pay it's unfunded pension liability with cash and that the County pay \$1.5M in the current Fiscal Year with \$900,000 from the Capital Projects Fund, \$574,263 from the General Fund which were made available by the County's receipt of the same amount of CARES ACT funds, and \$25,737 from vacancy savings in the Sheriff's Office budget. In future fiscal years, Mr. Rapier recommends that the County utilize money from additional federal funds, and budgeting sales tax revenues which are anticipated to be higher than previously anticipated.

Mr. Rapier discussed potential raises for employees and the anticipated cost to the general fund and other revenue funds. The Board gave direction to budget for a 6% raise.

Mr. Rapier discussed the jail and the need to begin an analytical process to determine what is the best way forward with the jail. This process will require the use of a specialized jail consultant and asked for direction to budget for this expense in the coming fiscal year.

The Board reviewed requested vehicle purchases for the coming year and various donations to charitable organizations and other community entities and gave direction to account for these requests in the budget.

- 11.) **Derek Rapier, County Administrator**
A. Discussion/Action regarding proposal to approve the use of general funds budgeted to the Capital Projects Fund to pay an additional \$900,000 contribution to the Arizona Public Safety Personnel Retirement System (PSPRS).

Pursuant to Arizona Revised Statutes, Section 42-17106(B), Supervisor Gomez moves that Board approve a budget adjustment to change the use of \$900,000 from capital projects to be used to pay down Greenlee County's unfunded accrued, actuarial liability, and to transfer \$900,000 from the Capital Projects Fund to the General Fund for the purpose of paying an additional contribution toward the County's unfunded liability, and to authorize the expenditure of these transferred funds to the Public Safety Personnel Retirement System. As a part of the motion, the Board finds that the transfer is in the public interest and based on a demonstrated need to address ever increasing budget constraints in future

budget years. Supervisor Campbell seconds and carried unanimously, the Board approved the agenda item as presented.

Mr. Ford, County Attorney expressed that with the information he has reviewed including the relevant statute and in his opinion, the proposed motion is legally appropriate and effectual to make transfer legal under Arizona law to comply with budgeting laws.

12.) Derek D. Rapier, County Administrator

A. Discussion/Action regarding proposal to approve the use of general funds budgeted for first responder COVID response through the federal CARES Act to pay an additional \$574,263 contribution to the Arizona Public Safety Personnel Retirement System (PSPRS).

As Greenlee County received \$574,263 from the Federal Government pursuant to the 2020 Federal CARES ACT, which has been used to pay salaries of county deputies and dispatchers, and which therefore left \$574,263 of general fund monies which would not be used to pay budgeted expenses for sheriff's office personnel, Pursuant to Arizona Revised Statutes, Section 42-17106(B), Supervisor Campbell moves that Board approve a budget adjustment to change the use of \$574,263 from unallocated general fund to be used to pay down Greenlee County's unfunded accrued, actuarial liability, and to transfer \$574,263 from unallocated general fund revenues to the General Fund for the purpose of paying an additional contribution toward the County's unfunded liability, and to authorize the expenditure of these transferred funds to the Public Safety Personnel Retirement System. As a part of the motion, the Board finds that the transfer is in the public interest and based on a demonstrated need to address ever increasing budget constraints in future budget years. Supervisor Gomez seconds and carried unanimously, the Board approved the agenda item as presented.

Mr. Ford, County Attorney expressed that with the information he has reviewed including the relevant statute and in his opinion, the proposed motion is legally appropriate and effectual to make transfer legal under Arizona law to comply with budgeting laws.

13.) Derek D. Rapier, County Administrator

A. Discussion/Action regarding proposal to approve the use of general funds budgeted for deputy sheriff pay derived from vacancy savings to pay an additional \$25,737 contribution to the Arizona Public Safety Personnel Retirement System (PSPRS).

For Fiscal Year 2021, Greenlee County allocated approximately \$1.18M for Deputy Sheriff and Detention Officer wages. During the course of the fiscal year, some positions were unfilled leaving unexpended wages in an amount exceeding \$100,000 that will not be expended for wages in the current fiscal year,

Pursuant to Arizona Revised Statutes, Section 42-17106(B), Supervisor Gomez moves that Board approve a budget adjustment to change the use of \$25,737 from Sheriff's Office deputy and detention officer unused allocations to be used to pay down Greenlee County's unfunded accrued, actuarial liability, and to transfer \$25,737 from Sheriff's Office deputy and detention officer unused Sheriff's Office allocations to the General Fund for the purpose of paying an additional contribution toward the County's unfunded liability, and to authorize the expenditure of these transferred funds to the Public Safety Personnel Retirement System. As a part of the motion, the Board finds that the transfer is in the public interest and based on a demonstrated need to address ever increasing budget constraints in future budget years. Supervisor Campbell seconds and carried unanimously, the Board approved the agenda item as presented.

Mr. Ford, County Attorney expressed that with the information he has reviewed including the relevant statute and in his opinion, the proposed motion is legally appropriate and effectual to make transfer legal under Arizona law to comply with budgeting laws.

14.) Adjournment

There being no further business to come before the Board of Supervisors, the meeting was adjourned at 4:08 p.m.

APPROVED: /s/ Richard Lunt, Chairman

ATTEST: /s/ Bianca Figueroa
Deputy Clerk of the Board

All agenda items are for discussion and/or action as deemed necessary. The Board reserves the right to consider any matter out of order. The Board may retire into Executive Session for any of the purposes that are allowed by law, including but not limited to legal advice and/or personnel matters; as authorized by A.R.S. §38-431.et.seq. Persons with a disability may request accommodation for special assistance by contacting Bianca Figueroa at 928-865-2072 (TDD 928-865-2632). Requests should be made as soon as possible to allow time for arrangement of the accommodation.