BOARD OF SUPERVISORS MEETING MINUTES
GILA COUNTY, ARIZONA

Date: September 24, 2024

STEPHEN CHRISTENSEN
Chairman

TIM R. HUMPHREY
Vice-Chairman

WOODY CLINE
Member

JAMES MENLOVE
Clerk of the Board

By: Charlotte Asrarynezami
Clerk of the Board (Present)

Gila County Courthouse
Globe, Arizona

PRESENT: Tim R. Humphrey, Vice-Chairman; and Woody Cline, Member.

ABSENT: Stephen Christensen, Chairman.

STAFF PRESENT: Michael O'Drisoll, Deputy County Manager; Joe Albo, Deputy County Attorney; and Samantha Trimble, Deputy Clerk of the Board.

Item 1 - CALL TO ORDER - PLEDGE OF ALLEGIANCE

The Board of Supervisors met in a Special Meeting at 10:00 a.m. on this date in the Board of Supervisors' hearing room. Michael O'Driscoll led the Pledge of Allegiance.

Item 2 - REGULAR AGENDA ITEMS:

A. Information/Discussion/Action to receive and accept Gila County Board of Equalization Hearing Officer H. Charles Johnson's decisions regarding appeals of the Assessor's property valuations for tax year 2025, that were heard on September 20, 2024.

Upon motion by Supervisor Cline, seconded by Vice-Chairman Humphrey, the Board recessed as the Gila County Board of Supervisors and convened as the Gila County Board of Equalization to address item 2A.

Samantha Trimble, Deputy Clerk of the Board, reported that the Board of Equalization (BOE) held a hearing on September 20, 2024. A total of nine parcels were reviewed. Of those nine parcels, seven received a no-change decision, one was decreased, and one was denied due to incorrect formatting. One parcel is still under Mr. Johnson's review. Ms. Trimble reminded the Board that per the contractual agreement between Gila County BOE Hearing Officer Johnson and the BOE, the BOE's review of the Hearing Officer's decision is

limited. The County received the decision of Hearing Officer Johnson. It shall uphold his decision unless there is substantiated evidence presented to the BOE that the procedures for the hearing were not followed, state law was violated.

Upon motion by Supervisor Cline, seconded by Vice-Chairman Humphrey, the Board unanimously accepted the Gila County BOE Hearing Officer's decisions regarding tax year 2025 property valuations, as presented.

Upon motion by Supervisor Cline, seconded by Vice-Chairman Humphrey, the Board adjourned as the Gila County BOE and reconvened as the Gila County Board of Supervisors to address the remaining agenda items.

B. Information/Discussion regarding a Gila County Rural Drinking Water Program.

This item was not addressed because the presenter was unable to attend the meeting.

C. Information/Discussion regarding potential capital funding options and funding process information for Gila County's infrastructure and capital improvement projects.

Maryn Belling, Finance Department Director, outlined projected capital needs for the Public Works Department and the Facilities and Land Management Department through 2030.

Public Works

- Estimated project cost: $21.7 million
- Expected County (Public Works) contribution: $4.1 million
- External funding: $16.9 million, from sources such as Arizona Department of Transportation (ADOT), Federal Emergency Management Agency (FEMA), Central Arizona Government (CAG), and others.
- Projects include road work and additional infrastructure needs.

Facilities

- Estimated project cost: $14.6 million
- Expected General Fund contribution: $10.3 million
- External funding: $4.2 million, including grants and Local Assistance and Tribal Consistency Funds (LATCF).
- Projects include courthouse elevator, heating, ventilation, and air conditioning (HVAC), roof replacement, parking lots, wash bay, and the Pleasant Valley Veterans Retreat Center.

Mark Reader, Stifel, Nicolaus & Company, Inc., Director of Managing, reviewed the following:

- Potential pledged revenue bond financing, noting a conceptual combined project estimate near $30 million (approximately $25 million for a new administrative facility and about $5 million for Courthouse renovation).
- Many counties are facing the need to address older facilities.
- The Copper Administration Building will be paid off this year (2024).
- A bond was issued for the newly renovated Animal Shelter and Tommie Cline Martin Complex.
- 2020 $16.8 million pension bond – large unfunded liabilities.
- 2020 $18 million towards Public Safety Personnel Retirement System (PSPRS).
- Described general financing options, highlighted the County's current pledged revenue streams and outstanding debt profile (roughly $2.3 million annual debt service historically), and explained that, under one scenario, a $2,000,000 yearly debt service capacity amortized over 20 years at 4.5% could support roughly $26,000,000 of borrowing, with longer amortizations increasing capacity further.
- Reviewed Yuma County's Administrative Facility renovation.
- Next steps – architects, design, and cost estimates.

Both Vice-Chairman Humphrey and Supervisor Cline thanked Mr. Reader for the information, and both agreed they do not want to raise property taxes.

During the discussion, Supervisor Cline raised questions regarding:

- Consolidating services and determining appropriate sites for new or improved County facilities.
- Evaluating potential property sales or repurposing older buildings if a new building were constructed.
- Ensuring no undue financial burden falls on taxpayers, particularly if economic conditions change.

Ms. Belling explained that state expenditure limits prevent counties from spending money they already have without incurring penalties; however, debt service is excluded from the limit, so using project financing can free up funds for the year. The expenditure limit is particularly problematic because opioid settlement funds also count toward it, forcing some counties to consider short-term borrowing (certificates of participation) to stay compliant. The Board dislikes borrowing for accounting purposes, so the Finance Department is seeking more practical, efficient solutions that let the County meet needs, improve energy efficiency, and stay within state rules without resorting to financial "games."

Michael O'Driscoll, Deputy County Manager, provided an update on the Michaelson Building, which Supervisor Cline had suggested as a potential

option. The City of Globe has secured a $750,000 earmark to renovate the Michaelson Building into a business incubator. Although a proposed Intergovernmental Agreement between the County and the City of Globe regarding the earmark was in place, federal regulations prevented the transfer of these funds. Mr. O'Driscoll stated that the City of Globe was having difficulty obtaining the earmark because it lacked pass-through grant procedures.

Vice-Chairman Humphrey expressed frustration that the meeting unexpectedly shifted to discussing a new "magic building" rather than repairs to existing facilities. He felt unprepared, under-informed, and concerned about long-term planning, especially regarding how older buildings and properties will be used if a new building is constructed. Ms. Belling discussed the growth the court system has experienced and predicted that within 5-10 years, they could use the entire Courthouse solely for court services. Mr. O'Driscoll clarified that the "new building" was only a conceptual idea to gauge interest in future bonding, not a finalized plan. He acknowledged issues with aging facilities, and he committed to creating a comprehensive, unified plan for facilities and significant infrastructure needs so the Board can make informed decisions.

Ms. Belling stressed that consolidation or reducing buildings requires planning for staff relocation and operational impacts. She argued that County management needs clearer direction and more Board Work Sessions to make thoughtful decisions. Lessons from past projects show the need to avoid unlimited "wish lists" and instead focus on practical service needs—efficient facilities, accessibility, and adequate staffing. Ms. Belling acknowledged progress in digitization and community service improvements, though those efforts have moved slowly.

Mr. O'Driscoll reminded the Board that the purpose of this discussion was to gauge whether the Board was interested in obtaining a bond for these projects. He said the next steps are to prioritize the list of projects, buildings, and consultants to present to the Board.

D. Information/discussion regarding an update on the activities of the Community Development Department.

Randy Pluimer, Community Development Department Director, provided a detailed update on departmental efforts:

- Permitting process.
- Twice a month, Zoom meetings are held for staff training for both northern and southern County offices.
- Digitizing historical files, adopting new permitting software, and offering online payment capabilities to improve efficiency and customer service.
- Coordinating with code enforcement staff to address violations, especially related to property maintenance and unpermitted structures.

- Inspectors are now using tablets out in the field.
- Collaborating with other County departments to streamline project reviews for zoning, floodplain, and health requirements.
- Difficulties with deceased property owners.
- Plans to update older County ordinances, including various sections on short-term rentals, porta-potty usage, International Building Code, and minor land divisions. Mr. Pluimer emphasized the need for modern building codes to maintain favorable insurance ratings.

Mr. Pluimer reviewed the minor land division review process. After discussion with the County Attorney, the Community Development Department (Department) has been advised to report anyone who may be dividing properties illegally to create subdivisions that violate the Minor Land Division Ordinance of the County of Gila, Arizona. Supervisor Cline asked how small a 25-acre parcel can be subdivided if each new owner keeps splitting it. Mr. Pluimer responded that it depends on the zoning district. Supervisor Cline asked how subdivisions work in areas that aren't zoned. Mr. Plumier stated that the County has little regulatory authority over land division and that there are no zoning standards to comply with; however, there are specific building codes that can be enforced.

Vice-Chairman Humphrey asked who is responsible for tracking and enforcing land division limits when property owners repeatedly buy and resell pieces of a large parcel to exceed the five-split limit. Mr. Pluimer responded that it is the state's job to enforce illegal or excessive subdivision violations. When complaints are filed, it is the Department's responsibility to forward those complaints to the state.

Mr. Pluimer discussed the difficulties he has experienced filling vacancies within the Department, including inspectors and one building official position. Currently, Mr. Pluimer is the Department Director and the building official. Mr. Pluimer is working on promoting employees within the Department.

Mr. Pluimer reported that the County typically permits about 115–120 new homes per year, consistently over the past four years. This year is slightly slower due to uncertainty around utility costs, interest rates, and especially the upcoming election. He explained that the County is still using a 2004 valuation code to set building permit fees, which assumes construction costs of $83.74 per square foot—far below the current market reality of $400–$600 per square foot for custom homes. Updating building codes does *not* update valuation rates; those rates are set by the International Code Council, which releases valuation tables twice a year. Because the County's valuation rate is outdated, permit fees are too low, resulting in the County's General Fund subsidizing construction-related costs. Mr. Pluimer stressed that the valuation system needs to be updated to reflect real construction costs.

Item 3 - CALL TO THE PUBLIC: A 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 public comments.

Item 4 - At any time during this meeting pursuant to A.R.S. § 38-431.02(K), members of the Board of Supervisors and the County Manager may present a brief summary of current events. No action may be taken on the information presented.

Vice-Chairman Humphrey and Supervisor Cline provided a summary of current events.

With no further business to come before the Board of Supervisors, Vice-Chairman Humphrey adjourned the meeting at 12:14 p.m.

APPROVED:

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Tim R. Humphrey, Acting Chairman

ATTEST:

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James Menlove, Clerk of the Board