

PURSUANT TO A.R.S. §38-431.01, THE GILA COUNTY BOARD OF SUPERVISORS WILL HOLD AN OPEN MEETING IN THE SUPERVISORS' HEARING ROOM, 1400 EAST ASH STREET, GLOBE, ARIZONA. ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE MEETING BY TELEPHONE CONFERENCE CALL OR BY INTERACTIVE TELEVISION VIDEO (ITV). **ANY MEMBER OF THE PUBLIC IS WELCOME TO ATTEND THE MEETING VIA ITV WHICH IS HELD AT 610 E. HIGHWAY 260, BOARD OF SUPERVISORS' CONFERENCE ROOM, PAYSON, ARIZONA.** THE AGENDA IS AS FOLLOWS:

**SPECIAL MEETING - TUESDAY, JUNE 25, 2019 - 10:00
A.M.
2ND R E V I S I O N**

1. **CALL TO ORDER - PLEDGE OF ALLEGIANCE**
2. **REGULAR AGENDA ITEMS:**
 - A. Information/Discussion/Action to adopt the following new Information Technology policies: Policy No. BOS-IT-002 - Information Security Access Control; Policy No. BOS-IT-003 - Information Security Risk Assessment; and Policy No. BOS-IT-004 - Contingency Plan for County Information Systems. **(Kelly Riggs)**
 - B. Information/Discussion/Action to approve Addendum No. 1 to a Business Loan Agreement with JPMorgan Chase Bank, N.A. to extend the Scheduled Commitment Expiration Date in the Agreement from June 30, 2019, to June 30, 2020. **(Mary Springer)**
 - C. Information/Discussion/Action to approve the budgeted and unbudgeted inter-fund transfers for FY 2017, FY 2018, and FY 2019. **(Mary Springer)**
 - D. Information/Discussion/Action to approve a proposed revision to Section 2(C)-Formal Solicitation Bid of Policy No. BOS-FIN-113 - Procurement. **(Mary Springer)**

3. **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 the June 20, 2019, Board of Supervisors' meeting minutes.
4. **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 A.R.S. §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.
5. 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 information presented.

IF SPECIAL ACCOMMODATIONS ARE NEEDED, PLEASE CONTACT THE RECEPTIONIST AT (928) 425-3231 AS EARLY AS POSSIBLE TO ARRANGE THE ACCOMMODATIONS. FOR TTY, PLEASE DIAL 7-1-1 TO REACH THE ARIZONA RELAY SERVICE AND ASK THE OPERATOR TO CONNECT YOU TO (928) 425-3231.

THE BOARD MAY VOTE TO HOLD AN EXECUTIVE SESSION FOR THE PURPOSE OF OBTAINING LEGAL ADVICE FROM THE BOARD'S ATTORNEY ON ANY MATTER LISTED ON THE AGENDA PURSUANT TO A.R.S. §38-431.03(A)(3).

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING.

ARF-5517

2. A.

Special BOS Meeting

Meeting Date: 06/25/2019

Submitted For: Kelly Riggs, Information Technology Director

Submitted By: Kelly Riggs, Information Technology Director

Department: Deputy County Mgr/Library District

Division: Information Technology

Information

Request/Subject

Proposed new Gila County Information Technology policies.

Background Information

The Information Technology Department has many processes in place to manage and maintain Gila County information systems, but does not have any written policies to guide the effective management of these systems. The development of new information technology policies support the ongoing corrective action plans detailed in the County's response to security audit findings. The policies were reviewed and revised as necessary by the County Attorney's Civil Division. The policy committee also reviewed the proposed policies and provided further revisions in May 2019.

On June 18, 2019, the following three new policies were presented to the Board of Supervisors for consideration of adoption. Upon review of the new policies, the Board members agreed they are necessary security policies that need to be adopted.

Evaluation

The recent financial security audits identified a lack of policies and deficiencies in the existing Gila County's information technology policies. The corrective action plan detailed to the Auditor General identified creating security policies to provide effective control measures over the County's information technology processes.

Conclusion

The following new policies need to be adopted by the Board of Supervisors: Policy No. BOS-IT-002 - *Information Security Access Control*; Policy No. BOS-IT-003 - *Information Security Risk Assessment*; and Policy No. BOS-IT-004 - *Contingency Plan for County Information Systems*.

Recommendation

Administration recommends the Board of Supervisors' consideration to adopt new proposed information technology policies (as listed above).

Suggested Motion

Information/Discussion/Action to adopt the following new Information Technology policies: Policy No. BOS-IT-002 - Information Security Access Control; Policy No. BOS-IT-003 - Information Security Risk Assessment; and Policy No. BOS-IT-004 - Contingency Plan for County Information Systems. **(Kelly Riggs)**

Attachments

BOS-IT-002 Information Security Access Control

BOS-IT-003 Information Security Risk Assessment

BOS-IT-004 Contingency Plan for County Information Systems

Gila County Policy – I.T. Information Security Access Control	Policy Number: BOS-IT-002	Page
	Replaces:	
	Adopted: Revised:	1 of 3

1. Purpose

The Information Security Access Control Policy (Access Control Policy) establishes procedural guidelines for the effective implementation of selected security access controls and enhancements. The Access Control Policy and its associated procedures are designed to assist Gila County (the “County”) to implement information security best practices with regard to logical security, account management, and remote access.

2. Policy

The County has chosen to adopt the Access Control principles established in National Institute of Standards and Technology (NIST) SP 800-53 Rev. 4 “Access Control,” Control Family guidelines, as its official policy. The following subsections outline the Information Security Access Control standards that constitute the Access Control Policy. The Gila County Information Technology (GCIT) department shall adhere to this policy and demonstrate compliance with the policy in relation to the standards documented.

A. Access Control Policy Updates

GCIT will review the Access Control Policy annually and make changes as needed.

B. GCIT Account Management Functions

- Identify and select types of accounts, groups and role memberships as required to support organizational missions/business functions, and when applicable, approve account managers for specific information system accounts;
- specify authorized users of the information system, group and role membership, and access authorizations and other attributes (as required) for each account;
- authorize access to systems upon notification from County department heads/elected officials or system account managers with approval to create, change or delete information system accounts;
- terminate access to systems upon notification from County department heads/elected officials, system account managers or Human Resources staff when users are terminated or transferred, accounts are no longer required, and if individual information system usage or need-to-know changes;
- monitor the use of information system accounts, and review accounts for compliance with account management requirements;
- provide group/shared account credentials to a designated group account coordinator.

C. Access Enforcement

GCIT uses automated systems to approve authorizations for logical access to information and system resources.

D. Information Flow Enforcement

The information system enforces approved authorizations for controlling the flow of information within the system and between interconnected systems.

Gila County Policy – I.T. Information Security Access Control	Policy Number: BOS-IT-002	Page
	Replaces:	
	Adopted: Revised:	2 of 3

E. Separation of Duties

GCIT separates user accounts based on duties and defines information system access authorizations to support separation of duties.

F. Least Privilege

Gila County employs the principle of least privilege, allowing only authorized accesses for users (or processes acting on behalf of users) that are necessary to accomplish assigned tasks in accordance with organizational missions and business functions.

G. Unsuccessful Logon Attempts

Automated systems limit the number of consecutive invalid logon attempts by a user to 3; and automatically lock the account/node until released by an administrator or after a 30-minute period of time has elapsed.

H. System Use Notifications

Information systems display a message to users before granting access that provides privacy and security notices consistent with applicable federal laws, executive orders, directives, policies, regulations, standards, and guidance. The notice will state:

Users are accessing the Gila County information system. Information system usage may be monitored, recorded and subject to audit. Unauthorized use of the information system is prohibited and subject to criminal and civil penalties. Use of the information system indicates consent to monitoring and recording.

The notification message or banner will be retained on the screen until users acknowledge the usage conditions and take explicit actions to log on or further access the information system

I. Previous Logon Notification

Where applicable, information systems notify the user, upon successful logon (access) to the system, of the date and time of the last logon (access).

J. Session Lock and Termination

The information system prevents further access to the system by initiating a session lock after a period of inactivity or upon receiving a request from a user, and retains the session lock until the user reestablishes access using established identification and authentication procedures.

K. Permitted Actions Without Identification or Authorization

The County identifies actions that can be performed on the information system without identification or authentication consistent with organizational missions/business functions, and documents and provides supporting rationale in the security plan of the information system for any such actions.

Gila County Policy – I.T. Information Security Access Control	Policy Number: BOS-IT-002	Page
	Replaces:	
	Adopted: Revised:	3 of 3

L. Remote Access

The County establishes and documents usage restrictions, configuration/connection requirements, and implementation guidance for each type of remote access allowed and authorizes remote access to the information system prior to allowing such connections.

M. Wireless Access and Mobile Device Access

The County restricts access to the operational wireless connection via encrypted password and permits open access to the guest wireless network.

N. Use of External Information Systems

The County establishes terms and conditions, consistent with any trust relationships established with other organizations owning, operating, and/or maintaining external information systems, allowing authorized individuals to access the information system from external information systems and process, store, or transmit organization-controlled information using external information systems.

O. Information Sharing

The County facilitates information sharing by enabling authorized users to determine whether access authorizations assigned to the sharing partner match the access restrictions on the information.

P. Publicly Accessible Content

The County designates individuals authorized to post information onto a publicly accessible information system and trains authorized individuals to ensure that publicly accessible information does not contain nonpublic information. The County reviews the proposed content of information prior to posting onto the publicly accessible information system to ensure that nonpublic information is not included and removes such information.

SIGNATURE:

CHAIRMAN, BOARD OF SUPERVISORS

DATE

Gila County Policy – I.T. Information Security Risk Assessment	Policy Number: BOS-IT-003	Page
	Replaces:	
	Adopted: Revised:	1 of 2

1. Purpose

This Information Security Risk Assessment Policy (Risk Assessment Policy) establishes a risk assessment program including the categorization and assessment of risk associated with Gila County (the “County”) information assets, information leakage, and network vulnerabilities. The Risk Assessment Policy and associated plans augment the County’s mission by proactively identifying and rating threats and vulnerabilities, which can result in consequences (impact). The categorization/rating of risk requires the County to rank risk as it relates to the County exposure to liabilities associated with compliance and information security threats which may exist.

2. Policy

The County has chosen to adopt the Risk Assessment principles established in National Institute of Standards and Technology (NIST) SP 800-53 Rev 4 “Guide for Conducting Risk Assessments”. The following subsections outline the Risk Assessment standards that constitute the County policy. The Gila County Information Technology (GCIT) department shall adhere to this policy and demonstrate compliance with the policy in relation to the standards documented.

A. Risk Assessment Policy Updates

GCIT will review the Risk Assessment Policy annually and make changes as needed.

B. Security Categorization

GCIT will categorize information and the information systems in accordance with applicable federal laws, executive orders, directives, policies, regulations, standards, and guidance.

GCIT will document the security categorization results (including supporting rationale) in the security plan for the information systems and ensure that the authorizing official or authorizing official designated representative reviews and approves the security categorization decision.

C. Risk Assessment

GCIT will conduct an assessment of risk on an annual basis. This assessment will include the likelihood and magnitude of harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits.

GCIT will document, review and disseminate the risk assessment results in a risk assessment report.

GCIT will immediately trigger a risk assessment whenever there are significant changes to the information system or environment of operation (including the identification of new threats and vulnerabilities), or other conditions that may impact the security state of the system.

Gila County Policy – I.T. Information Security Risk Assessment	Policy Number: BOS-IT-003	Page
	Replaces:	
	Adopted: Revised:	2 of 2

D. Vulnerability Scanning

GCIT will scan for vulnerabilities in the information system and hosted applications biannually and when new vulnerabilities potentially affecting the system/applications are identified and reported.

GCIT will employ a software-based vulnerability scanning tool to automate parts of the vulnerability management process by using standards for:

- enumerating platforms, software flaws, and improper configurations;
- formatting checklists and test procedures; and
- measuring vulnerability impact.

GCIT will analyze vulnerability scan reports and results from security control assessments and remediate legitimate vulnerabilities in accordance with an organizational assessment of risk.

SIGNATURE:

CHAIRMAN, BOARD OF SUPERVISORS

DATE

Gila County Policy – I.T.	Policy Number: BOS-IT-004	Page
Contingency Plan for County Information Systems	Replaces:	1 of 3
	Adopted: Revised:	

1. Purpose

The Contingency Planning Policy for County Information Systems (Contingency Planning Policy) establishes procedural guidelines to manage information security risks resulting from information asset disruptions, failures, and disasters. This Contingency Planning Policy and its associated procedures are designed to assist Gila County (the “County”) to implement security best practices with regard to County business continuity and disaster recovery.

2. Policy

The County has chosen to adopt the contingency planning principles established in National Institute of Standards and Technology (NIST) SP 800-34 “Contingency Planning Guide for Federal Information Systems” and NIST SP 800-53 Rev. 4 “Contingency Planning”, Control Family guidelines, as its official policy. The following subsections outline the Information Security Contingency Planning standards that constitute the Contingency Planning Policy. The Gila County Information Technology (GCIT) department shall adhere to this policy and demonstrate compliance with the policy in relation to the standards documented.

A. Contingency Planning Policy Updates

GCIT will review the Contingency Planning Policy annually and make changes as needed.

B. Contingency Plan

The contingency plan for the County information systems:

- identifies essential missions and business functions and associated contingency requirements;
- provides recovery objectives, restoration priorities, and metrics;
- addresses contingency roles, responsibilities, assigned individuals with contact information;
- addresses maintaining essential missions and business functions despite an information asset disruption, compromise, or failure;
- addresses eventual, full information asset restoration without deterioration of the security measures originally planned and implemented; and
- is reviewed and approved periodically by designated officials within the County.

GCIT:

- distributes copies of the contingency plan to relevant system owners and stakeholders;
- coordinates contingency planning activities with incident handling activities;
- reviews the contingency plan for the information asset;
- updates the contingency plan to address changes to the organization, information asset, or environment of operation and problems encountered during contingency plan implementation, execution, or testing;
- communicates contingency plan changes to relevant system owners and stakeholders; and
- protects the contingency plan from unauthorized disclosure and modification.

Gila County Policy – I.T.	Policy Number: BOS-IT-004	Page
Contingency Plan for County Information Systems	Replaces:	
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C. Contingency Training

GCIT provides contingency training to information system users consistent with assigned roles and responsibilities within the County.

D. Contingency Plan Testing

GCIT tests the contingency plan for the information systems annually to determine the effectiveness of the plan and the organizational readiness to execute the plan and will also review the contingency plan test results to initiate corrective actions, if needed.

E. Alternate Storage Site

GCIT establishes an alternate storage site including necessary agreements to permit the storage and retrieval of information system backup information. GCIT will ensure that the alternate storage site provides information security safeguards equivalent to that of the primary site.

F. Alternate Processing Site

GCIT establishes an alternate data processing site including necessary agreements to permit the transfer and resumption of essential missions/business functions when the primary processing capabilities are unavailable. GCIT will ensure equipment and supplies required to transfer and resume operations are available at the alternate processing site or contracts are in place to support delivery to the site within the organization-defined time period for transfer/resumption. GCIT will ensure that the alternate processing site provides information security safeguards equivalent to those of the primary site.

G. Telecommunications Services

GCIT establishes alternative telecommunications services including necessary agreements to permit the resumption of essential missions and business functions when the primary telecommunications capabilities are unavailable at either the primary or alternate processing or storage sites.

H. Information System Backup

GCIT conducts backups of user-level and system-level information contained in the information system. GCIT also conducts backups of information system documentation including security-related documentation, and protects the confidentiality, integrity, and availability of backup information at storage locations.

I. Information System Recovery and Reconstitution

GCIT provides for the recovery and reconstitution of the information system to a known state after a disruption, compromise, or failure.

J. Alternate Communication Protocols

The information system provides the capability to employ alternative communications protocols in support of maintaining continuity of operations.

Gila County Policy – I.T.	Policy Number: BOS-IT-004	Page
Contingency Plan for County Information Systems	Replaces:	
	Adopted:	3 of 3
	Revised:	

K. Alternative Security Mechanisms

Where possible, the County employs defined alternative or supplemental security mechanisms for satisfying organization-defined security functions when the primary means of implementing the security function is unavailable or compromised.

SIGNATURE:

CHAIRMAN, BOARD OF SUPERVISORS

DATE

ARF-5531

2. B.

Special BOS Meeting

Meeting Date: 06/25/2019

Submitted For: Mary Springer, Finance Director

Submitted By: Mary Springer, Finance Director

Department: Finance

Information

Request/Subject

Addendum No. 1 to Business Loan Agreement with JP Morgan Chase to extend the servicing banking contract and lines of credit term from July 1, 2019, to June 30, 2019.

Background Information

On January 8, 2019, the Board of Supervisors adopted Resolution No. 19-01-02 which authorized the Chairman's signature on the following documents between Gila County and JPMorgan Chase Bank, N.A. to provide for revolving lines of credit for Gila County special taxing districts, as follows: Business Loan Agreement-Gila County Revolving Line of Credit; Gila County Revolving Line of Credit - Promissory Note; Business Loan Agreement-Gila County Districts Revolving Line of Credit; and Gila County Districts Revolving Line of Credit - Promissory Note.

The addendum will provide contract extension of the business loan agreement and lines of credit from July 1, 2019, to June 30, 2020.

Evaluation

The County requires a servicing bank and due to the timing of property tax revenue lines of credit may be needed to allow special districts to operate without interruption.

Conclusion

It is imperative that the documents be approved by the Board of Supervisors for signature by its Chairman to ensure that a continuing revolving line of credit is provided for each political subdivision of the state for which the Gila County Treasurer acts as treasurer for the contract for the period July 1, 2019, to June 30, 2020.

Recommendation

The Gila County Treasurer recommends the Board's approval for the Chairman of the Board of Supervisors to sign the addendum to the Business Loan Agreement related to the revolving line of credit for each political subdivision of the state for which the Gila County Treasurer acts as treasurer extending the term from July 1, 2019, to June 30, 2020.

Suggested Motion

Information/Discussion/Action to approve Addendum No. 1 to a Business Loan Agreement with JPMorgan Chase Bank, N.A. to extend the Scheduled Commitment Expiration Date in the Agreement from June 30, 2019, to June 30, 2020. **(Mary Springer)**

Attachments

Addendum No. 1 to Business Loan Agreement

Business Loan Agreement

Promissory Note

Attorney Letter

Resolution No. 19-01-02

ADDENDUM NO. 1

of the Effective Date with respect to Borrower, except as Borrower shall have otherwise notified Bank in writing prior to the Effective Date.

8. Governing Law. This Addendum shall be deemed to be a contract made under the laws of the State of Arizona for all purposes and shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

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IN WITNESS WHEREOF, Bank and Borrower have caused this Addendum to be executed and delivered as of the Effective Date.

GILA COUNTY TREASURER,
As Agent for Gila County, Arizona and the Districts Listed in Schedule I-A described in this Addendum

By: Debora Savage
Name: Debora Savage
Title: Gila County Treasurer

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title: Authorized Officer

SCHEDULE I-A – COMMITMENT AMOUNTS

Fire Districts and Special Districts	Commitment Amount
Christopher-Kohls Fire District	\$100,000
Hellsgate Fire District	\$325,000
Houston Mesa Fire District	\$40,000
Pine Creek Canyon Domestic Water Improvement District	\$25,000
Pine-Strawberry Fire District	\$250,000
Pleasant Valley Fire District	\$20,000
Tonto Basin Fire District	\$150,000
Tonto Village Domestic Water Improvement District	\$7,000
Tri-City Fire District	\$245,000
Water Wheel Fire & Medical District	\$100,000

School Districts	Commitment Amount
Globe Unified School District No 1	\$1,500,000
Hayden-Winkelman Unified School District No 41	\$650,000
Miami Unified School District No 40	\$1,500,000
Payson Unified School District No 10	\$2,500,000
Pine Strawberry School District No 12	\$50,000
Tonto Basin Elementary School District No 33	\$155,000
Young Public School District No 5	\$325,000

BUSINESS LOAN AGREEMENT

(GILA COUNTY DISTRICTS REVOLVING LINE OF CREDIT)

DATE: January 8, 2019

PARTIES: Borrower: Gila County Arizona Treasurer (the "Treasurer") as agent for Gila County, Arizona (the "County") and the Districts listed in Schedule 1 attached hereto, which Schedule I may be amended from time to time.

Bank JPMorgan Chase Bank, N.A., a national banking association authorized to do business in the State of Arizona ("Bank")

AGREEMENT: Pursuant to and in accordance with Arizona Revised Statutes § 11-604.01 et. seq., (together with all amendments and statutes successor thereto, collectively, the "Act"), the Board of Supervisors of the County (the "Board") may enter into an agreement with a financial institution authorized to do business in the State of Arizona for obtaining a line of credit for each of the political subdivisions of the County for the current fiscal year to pay the lawful claims and obligations of that political subdivision until sufficient monies for payment from property taxes and other nonrestricted revenues are received by the Treasurer. The Act further provides that the Treasurer is the agent for the County and for any political subdivision of the State of Arizona for which the Treasurer acts as treasurer and may take any action required under an agreement without further approval of any governing body of a political subdivision. The Borrower, with the approval of the Board, and Bank intend to enter into this Agreement and the hereafter-described Note pursuant to the Act pursuant to which the Borrower will secure Advances under the Line of Credit (as defined hereafter) and make distributions ("Distributions") to each of the districts listed in Schedule I attached hereto (individually a "District" and collectively, the "Districts"), in the respective maximum amounts shown on said Schedule I for each District, subject, in each instance, to the then available amount under the Commitment Amount Cap (as defined hereafter), if any, and the Commitment Amount (as defined hereafter) for each District and to evidence all such Distributions in this Agreement and the Note, it being understood that pursuant to the Act all nonrestricted operating revenues received by a District under the Agreement and the Note will first be applied by the Treasurer on behalf of the District to any unpaid Distributions which the District received pursuant this Agreement. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Bank agree as follows:

1. **DEFINITIONS.** In this Agreement, the following terms shall have the following meanings:

"*Advance*" means a disbursement of funds by Bank to Borrower pursuant to Section 2.1.

“Agreement” means this Business Loan Agreement (Gila County Districts Revolving Line of Credit) as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to the Borrower and each District from time to time concerning or relating to bribery or corruption.

“Authorized Person” means any of the following Persons acting alone:

Debora Savage
Gila County Treasurer

Debora Savage
Sample Signature

Martha Gonzales
Chief Deputy Treasurer

Martha Gonzales
Sample Signature

Pam Alvino
Accountant

Pam Alvino
Sample Signature

Tiffiney Tarango
Accounting Clerk Specialist

Tiffiney Tarango
Sample Signature

or any other person authorized to act for Borrower hereunder as shown by a written statement signed by the Treasurer and that also shows the specimen signature of such additional Authorized Person.

“Borrower” means the Treasurer, in its capacity as agent for the County and each of the Districts as listed on Schedule I hereto, which Schedule I may be amended and modified from time to time.

“Business Day” means a day of the year on which banks are not required or authorized to close in Phoenix, Arizona.

“Code” means the Internal Revenue Code of 1986, as amended.

“Code and Regulations” means the Code and the regulations thereunder, as such Code and regulations heretofore have been and hereafter may be amended from time to time.

“Collateral” means the property, interests in property, and rights to property securing any or all Obligations from time to time, including without limitation the security interest in the nonrestricted operating revenues received by the Borrower on behalf of each District.

“Commitment” means the agreement of Bank to make Advances as provided in this Agreement.

“Commitment Amount” means, with respect to each District, the lesser of (i) the maximum amount shown for such District as set forth on Schedule I hereto, as such Schedule may be amended from time to time, or (ii) forty-five percent (45%) of the total amount of nonrestricted operating revenues received by such District in the immediately preceding fiscal year of such District, subject, in each instance, to the then available amount under the Commitment Amount Cap, if any.

“Commitment Amount Cap” means initially, the amount of Three Million and No/100 Dollars (\$3,000,000) as such amount may be amended in accordance with this Agreement from time to time.

“Declaration” means a letter executed by a District, in the form attached hereto as Exhibit B, in which a District designates the Distributions for a calendar year to be “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code).

“Default Rate” has the meaning specified in the Note.

“Districts” means those political subdivisions of the County for which the Treasurer acts as Borrower.

“Event of Default” has the meaning specified in the Note.

“Governmental Authority” means any government, any court, and any agency, authority, body, bureau, department, or instrumentality of any government.

“Line of Credit” means the obligation of the Bank pursuant to the terms of the Loan Documents to make Advances to Borrower in the amount of the Commitment Amount Cap.

“Loan Documents” means, collectively, this Agreement, the Note, the Services Proposal, and any other agreements, documents, and instruments from time to time evidencing, guarantying, securing, or otherwise relating to the Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Note” means the Promissory Note, substantially in the form attached hereto as Exhibit A, dated of even date herewith, of Borrower payable to Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Obligations” means the respective obligations of Borrower under the Loan Documents.

“Person” means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S.

Department of the Treasury, or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. Government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or U.S. Department of State.

“Scheduled Commitment Expiration Date” means June 30, 2019, subject to earlier termination as provided herein, and subject to extension by mutual agreement of the parties, as described in Section 2.8.

“Services Proposal” means the Contract No. 021218 awarded to Bank by the Gila County Board of Supervisors on June 20, 2018.

“Servicing Bank Term” means the period during which Bank provides services to County as servicing bank hereunder, with such term commencing June 18, 2018 and ending June 30, 2022, subject to extensions of not more than three additional years.

“Unmatured Event of Default” means any condition or event that with notice, passage of time, or both would be an Event of Default.

2. REVOLVING LINE OF CREDIT FACILITY.

2.1 Credit Facility. Subject to the terms and conditions of this Agreement, Bank agrees to make Advances to Borrower from time to time on or before the Scheduled Commitment Expiration Date, provided that the outstanding amount of Advances shall not exceed the Commitment Amount for a District. Advances shall be on a revolving basis. Advances repaid may be re-borrowed subject to the terms and conditions of this Agreement. Upon occurrence of an Event of Default or an Unmatured Event of Default, Bank, in its absolute and sole discretion and without notice, may suspend the commitment to make any further Advances. In addition, upon occurrence of an Event of Default, Bank, in its absolute and sole discretion and without notice, may terminate the commitment to make Advances. The obligation of the Borrower to repay Advances is evidenced by the Note as to the amount outstanding thereunder. Provided that Borrower applies all nonrestricted operating revenues received by a District under the Agreement and the Note to any unpaid Distributions which the District received pursuant this Agreement, neither the Borrower (other than in its capacity as agent hereunder and under the Note) nor the County shall be liable for any amounts advanced hereunder. Although the outstanding principal of the Note may be zero from time to time, the Loan Documents shall remain in full force and effect until the Commitment terminates and all Obligations are paid and performed in full.

2.2 Requests for Advances and Repayments. Each request for an Advance will be made in writing in a manner mutually acceptable to Bank and the Treasurer, or by another means mutually acceptable to the Bank and the Treasurer. Each request for an Advance shall identify which District or Districts it relates to and the amount of such request for an Advance related to each District. Each District shall deliver to Bank an executed Declaration to

designate the Advances received in any one fiscal year as “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code).

2.3 Advances and Repayments. Advances will be deposited in and repayments will be withdrawn from the designated account of the County with Bank, initially being the account number ending in 4047, or such other accounts with Bank as designated in writing by an Authorized Person; provided that such deposits and repayments may be made by way of on-line banking portals. Borrower hereby irrevocably authorizes and directs Bank to make such credits and debits.

2.4 Advances - Repayment. Borrower agrees to apply all “nonrestricted operating revenues,” of a District as such term is described in the Act according to the priorities set forth in the Act. If there remain any amounts outstanding on the Note as of June 30 of any year with respect to a District, Borrower agrees to notify Bank on or before June 30 of such year of the amounts on deposit in the demand deposit and other accounts of the District with Bank which constitute nonrestricted operating revenues.

2.5 Advances in Excess of Commitment Amount. If with or without the approval of Bank the aggregate outstanding amount of Advances to a District at any time exceeds the Commitment Amount for such District, the Borrower shall repay the excess immediately upon demand by Bank.

2.6 Authority to Amend Commitment. In accordance with the provisions of the Act, the Treasurer as agent for and acting on behalf of the County and the Districts is hereby authorized to request Bank to amend this Agreement and the Note from time to time with respect to the following matters:

2.6.1 To amend Schedule I to (a) add additional Districts, and (b) modify the Commitment Amount with respect to each District; and

2.6.2 To extend the Scheduled Commitment Expiration Date, as described in Section 2.8; and

2.6.3 To increase or decrease the Commitment Amount Cap, provided that the Commitment Amount Cap shall not be increased to an amount that has not been authorized by the County Board of Supervisors, whether under the documents referred to in the opinion delivered pursuant to 3.1.1 of this Agreement or otherwise.

2.6.4 Borrower understands, acknowledges and agrees that any request of Bank pursuant to this Section 2.6 shall be decided by Bank (in each instance) acting in Bank’s sole and absolute discretion.

2.7 Procedure to Amend Commitment. The Agreement and Note may be amended by a written amendment substantially in the form attached hereto as Exhibit C (the “Addendum”) executed by the Bank and by the Treasurer on behalf of the County and the Districts. Each amendment, when dated and fully executed, shall be construed to amend all prior versions of this Agreement and Note, whether or not it is actually attached to all copies of this Agreement or the Note.

2.8 Extension of Scheduled Commitment Expiration Date. The Commitment provided hereunder shall be in effect initially for fiscal year 2018-2019. Borrower and Bank may (acting in its sole and absolute discretion) agree to extend the Commitment for each fiscal year thereafter through the execution of the Addendum extending the Scheduled Commitment Expiration Date from June 30, 2019 to June 30, 2020 for fiscal year 2019-2020, June 30, 2021 for fiscal year 2020-2021, and June 30, 2022 for fiscal year 2021-2022. Provided that the Bank Services Term is extended beyond June 30, 2022, Borrower and Bank may agree to further extend the Commitment for subsequent fiscal years by extending the Scheduled Commitment Expiration Date to June 30 of the next calendar year. Notwithstanding the foregoing, nothing set forth herein authorizes the Commitment to be extended beyond the Servicing Bank Term.

3. CONDITIONS PRECEDENT TO ADVANCES.

3.1 CONDITIONS PRECEDENT TO INITIAL ADVANCE. Bank must receive the following items, in form and content acceptable to Bank, before Bank is required to make any Advances under this Agreement.

3.1.1 Legal Opinion of Borrower. A written opinion of the legal counsel for the County and Borrower, in a form satisfactory to Bank, opining on the following:

(a) Authorization. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by the Board on behalf of Borrower.

(b) Enforceability. The Loan Documents have been duly executed and delivered on behalf of Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by Arizona Revised Statutes § 42-17101 *et. seq.*, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

3.1.2 District's Financial Statement and Annual Budget. A copy of each District's published Annual Financial Statement for fiscal year ending June 30, 2017 (and Bank reserves the right to receive copies of (i) each District's financial statements for fiscal years thereafter and (ii) the adopted budget for the District for each fiscal year) and such other information and documents as Bank may reasonably request.

3.2 CONDITIONS PRECEDENT TO ALL ADVANCES. Bank shall be obligated to make an Advance only if the following conditions precedent are satisfied.

3.2.1 Representations and Warranties Accurate. The representations and warranties by Borrower and the Districts in the Loan Documents are correct on and as of the date of this Agreement and, except as Borrower shall have otherwise notified Bank in writing prior to the date thereof, on and as of the date of each Advance, before and after giving effect to such Advance and to the application of the proceeds of such Advance, as though made on and as of such date.

3.2.2 No Violation of Limits on Advances. The making of the Advance to the Borrower on behalf of a District would not result in the outstanding amount of Advances exceeding the Commitment Amount for such District.

3.3 Bank's Waiver of Conditions. Bank may elect, in its absolute and sole discretion, to waive any of the foregoing conditions precedent. Any such waiver shall be effective only if (i) it is in writing executed by Bank, (ii) it specifically identifies the condition precedent, and (iii) describes the particular Advance as to which such condition precedent is waived. Any such waiver shall be limited to the condition(s) precedent specifically described therein. Delay or failure by Bank to insist on satisfaction of any condition precedent of an Advance shall not be a waiver of such condition precedent or any other condition precedent. If the Borrower or a District is unable to satisfy any condition precedent of an Advance, the making of the Advance shall not preclude Bank from thereafter declaring the condition or event causing such inability to be an Event of Default.

4. BORROWER REPRESENTATIONS AND WARRANTIES.

4.1 Closing Representations and Warranties. Borrower represents and warrants to Bank as of the date of this Agreement:

4.1.1 Existence and Authorization. Each of the Districts is a duly formed, organized and validly existing political subdivision of the State of Arizona. Borrower is a duly elected officer of the County designated as the ex officio tax collector of the County. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by the Board.

4.1.2 No Approvals. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Person is required in connection with the execution, delivery, or performance by Borrower of the Loan Documents that has not been obtained.

4.1.3 No Conflicts. The execution, delivery, and performance by Borrower of the Loan Documents will not conflict with, or result in a violation of or a default under: any applicable law, ordinance, regulation, or rule (federal, state, or local); any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound; or any agreement, document, or instrument to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound.

4.1.4 Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents have been duly executed and delivered on behalf of Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by Arizona Revised Statutes § 42-17101 *et. seq.*, bankruptcy, Insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

4.1.5 Accurate Information. All information in any loan application, financial statement, certificate, or other document and all other Information delivered by or on behalf of Borrower and each District to Bank in obtaining the Commitment is correct and complete in all material respects, and there are no omissions therefrom that result in any such information being incomplete, incorrect, or misleading in any material respect as of the date thereof.

4.1.6 Borrower's Financial Condition. No material adverse change from each District's financial condition or operations as reflected in the Annual Financial Statement of each District for fiscal year ending June 30, 2017 shall have occurred as of the date of this Agreement.

4.1.7 Litigation. There is no lawsuit, tax claim, or other dispute pending or overtly threatened against Borrower which, if lost, would materially impair Borrower's or any District's financial condition or Borrower's or any District's ability to repay any amount payable under this Agreement, except as have been or will be disclosed in writing to Bank.

4.1.8 Purpose of Advances. This Agreement is made pursuant to the Act. The purpose of Advances is to provide funds for the general operations of the Districts.

4.1.9 No Event of Default or Unmatured Event of Default. No Event of Default and no Unmatured Event of Default has occurred and is continuing.

4.1.10 Anti-Corruption Laws and Sanctions. Borrower and each District and their respective directors, officers, and employees have implemented and maintain in effect policies and procedures that address matters relating to compliance by Borrower and each District and their respective directors, officers, and employees with Anti-Corruption Laws and applicable Sanctions. To the knowledge of Borrower and each District, (a) none of Borrower or the Districts or their respective directors, officers or employees or (b) any agent of Borrower or the Districts that will act in any capacity in connection with or benefit from the line of credit issued pursuant to the terms hereof, is a Sanctioned Person. The use of the proceeds of drawings under the line of credit or any other transaction contemplated by this Agreement will not violate any Anti-Corruption Law or applicable Sanctions.

4.1.11 Limitation of Representations and Warranties. The foregoing representations and warranties are solely the representations and warranties of Borrower. The County in no way makes any representations or warranties with respect to the organization, financial condition, or any other fact, with respect to any of the Districts listed in Schedule I hereto.

4.2 Sovereign Immunity. Each request for an Advance on behalf of Borrower shall be a representation and warranty by Borrower to Bank that except as provided in Arizona Revised Statutes § 12-820 *et. seq.* and otherwise with respect to matters not relating to contracts, Borrower does not have sovereign immunity rights with respect to contracts under the laws of the State of Arizona.

4.3 Representations and Warranties Upon Requests for Advances. Each request for an Advance on behalf of Borrower shall be a representation and warranty by Borrower to Bank that the representations and warranties in this Section 4 are correct and complete as of the date of the Advance with respect to Borrower, except as Borrower shall have otherwise notified Bank in writing prior to the date thereof, and that the conditions precedent in Section 3.1 are satisfied as of the date of the Advance.

5. BORROWER AFFIRMATIVE COVENANTS. Borrower agrees that:

5.1 Existence. Each District shall continue to be a validly existing political subdivision of the County.

5.2 Books and Records: Access By Bank. Each District shall maintain a system of accounting for and appropriate books and records showing its receipt and use of (i) nonrestricted operating revenues, (ii) proceeds of Advances, and (iii) other funds available for expenditure for the general operations of the District. During business hours, after an Event of Default, each District shall give representatives of Bank access to all assets, property, books, records, and documents of the District and shall permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents.

5.3 Information and Statements.

5.3.1 The County shall furnish to Bank: (i) copies the County's audited financial statement for fiscal year 2017, no later than May 31, 2019, the County's audited financial statement for fiscal year 2018, no later than December 31, 2019, and the County's audited financial statement for fiscal year 2019, no later than June 30, 2020, (ii) as soon as available and in any event prior to sixty (60) days after the beginning of each fiscal year, the County's budget for such fiscal year, as adopted, and (iii) such additional information and statements as the Bank may request, from time to time.

5.3.2 Each District shall furnish to Bank: (i) as soon as available and in any event within two hundred ten (210) days after the end of each fiscal year of the District, copies of annual financial reports, (ii) as soon as available and in any event prior to sixty (60) days after the beginning of each fiscal year, the District's budget for such fiscal year, as adopted, (iii) any other information and documents given to any securities rating agency or other Person in connection with the indebtedness of the District and (iv) such additional information and statements as the Bank may request, from time to time.

5.4 Law; Judgments; Material Agreements; Approvals and Permits. Borrower and each District shall comply with all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to Borrower and each District or the assets, business, operations, or property of Borrower and each District. Borrower and each District shall comply in all material respects with all material agreements, documents, and instruments to which Borrower or a District is a party or by which Borrower or District or any of the assets or property of Borrower or District is bound or affected.

5.5 Further Assurances. Borrower shall promptly execute, acknowledge, and deliver and, as appropriate, cause to be duly filed and recorded such additional agreements, documents, and instruments and do or cause to be done such other acts as Bank may reasonably request from time to time to better assure, perfect, preserve, and protect the rights and remedies of Bank under the Loan Documents.

5.6 Use of Advances. Borrower shall use proceeds of Advances solely for the purpose of making Distributions to the Districts. Distributions shall be used only to pay expenses incurred in its general operations ("Operating Expenses") and shall be limited to the extent set forth in Section 4.1.8 hereof. Districts shall only use proceeds of Distributions to pay then due Operating Expenses and shall only receive such Distribution when it has no other available funds to pay such Operating Expenses. Districts shall not use the Distributions (i) to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System, (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (iii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iv) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

5.7 Taxation of Interest. Each District shall neither take nor fail to take any action which action or failure to act is within the power and authority of such District and would result in interest payable by such District under the Note to the extent such interest is deemed to be exempt from the gross income of the recipients thereof for federal income tax purposes (i) being included in gross income of Bank for federal income tax purposes, or (ii) otherwise being subject to the federal income tax. Such actions may include, without limitation: making certifications and representations; giving assurances; paying to the United States of America any required amounts representing rebates of arbitrage profits relating to proceeds of Distributions to such District; filing forms, statements, and supporting documents as may be required under the Code and Regulations; limiting the term of and yield on investments made with proceeds of Distributions to such District; and limiting the use of the proceeds of Distributions to such District. In addition to other actions under this Section 5.7, the Borrower, as agent for each District, shall sign and file with the Internal Revenue Service properly completed Forms 8038-G (or any successor form or forms that the United States Internal Revenue Service may require for such purposes, collectively, "Form 8038-G") as and when required by the Code and Regulations and shall promptly deliver to Bank a copy of each filed Form 8038-G.

5.8 Registration of Warrants. The Borrower, as agent for each District, shall perform its obligations under the Act, including without limitation, Arizona Revised Statutes § 11-604.01.E thereof, which is hereby incorporated herein by reference.

5.9 Security Interest Grants. Each District shall not grant or suffer to exist any lien, claim, or encumbrance to or in favor of any person or entity other than Bank covering the nonrestricted operating revenues of such District (it being understood that Tax Anticipation Notes, General Obligation Bonds, and other payment-source-specific financing commitments of such District deal with operating revenues which are restricted and thus are not “nonrestricted operating revenues”). Each District and Bank agree that Bank is entitled to a security interest in the nonrestricted operating revenues received by the Borrower on behalf of such District to the extent of any credit extended under this Agreement.

5.10 Anti-Corruption Policies and Procedures. Each District’s use of Distributions will at all times remain in compliance with Anti-Corruption Laws and applicable Sanctions.

5.11 Sovereign Immunity. To the fullest extent permitted by law, Borrower agrees that, from the date hereof, this Agreement and the Loan Documents are fully enforceable in accordance with the provisions thereof and hereby expressly waives rights to sovereign immunity, if any, except for such rights granted under the Arizona Revised Statutes § 12-820 *et. seq.* and otherwise with respect to matters not relating to contracts.

6. BANK’S OBLIGATIONS TO BORROWER ONLY. The obligations of Bank under this Agreement are for the benefit of Borrower only. No other Person shall have any rights hereunder or be a third-party beneficiary hereof.

7. SURVIVAL. The representations, warranties, and covenants of Borrower and each District in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of Advances.

8. INTEGRATION, ENTIRE AGREEMENT, CHANGE DISCHARGE, TERMINATION, WAIVER APPROVAL, CONSENT, ETC. The Loan Documents contain the complete understanding and agreement of Borrower and Bank and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations on the matters set forth in the Loan Documents. No provision of the Loan Documents may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the parties thereto. Delay or failure by Bank to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision. Acceptance of late payments shall not be a waiver of the time of the essence provision, the right of Bank to require that subsequent payments be made when due, or the right of Bank to declare an Event of Default if subsequent payments are not made when due. Any approval, consent, or statement that a matter is satisfactory by Bank under the Loan Documents must be in writing executed by Bank and shall be construed to apply only to the Persons and facts specifically set forth in the writing. Delay or failure by Borrower to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision.

9. **BINDING EFFECT.** The Loan Documents shall be binding upon and shall inure to the benefit of Bank and Borrower, and the County, and each District and their respective successors and assigns, provided, however, that the Borrower may not assign any of its rights or delegate any of its obligations under the Loan Documents and any purported assignment or delegation shall be void, and provided further that Bank may sell participations in or assign the loan commitment contained in this Agreement, and may exchange financial information about the County or a District, but not financial information with regard to employees of the County or a District, with actual or potential participants or assignees; provided, however, such actions shall not be taken by Bank without the prior written approval of Borrower, which approval shall not be unreasonably withheld.

10. **COSTS, EXPENSES, AND FEES.** Borrower and each District agrees to pay on demand all external and internal costs, expenses, and fees (including, without limitation, as applicable, inside and outside attorneys and paralegals costs, expenses, and fees) of Bank (i) in enforcement of the Loan Documents and exercise of the rights and remedies of Bank, (ii) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents and the perfection and priority of the liens and encumbrances granted in the Loan Documents, (iii) in gaining possession of, holding, preserving, and protecting the Collateral, (iv) otherwise in relation to the Loan Documents, the Collateral, or the rights and remedies of Bank under the Loan Documents or relating to the Collateral, and (v) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees shall include, without limitation, all such costs, expenses, and fees incurred in connection with any bankruptcy, receivership, replevin, or other court proceedings (whether at the trial or appellate level). Borrower and each District agrees to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred by Bank until paid in full. Such interest shall be computed on the basis of a 365 day year and actual days elapsed. Notwithstanding the foregoing, in no event shall the Borrower (other than in its capacity as agent hereunder and under the Note) have an obligation to pay any charge that is deemed to be court fees.

11. **SEVERABILITY.** If any provision or any part of any provision of the Loan Documents is unenforceable, the enforceability of the other provisions or the other provisions and the remainder of the subject provision, respectively, shall not be affected and they shall remain in full force and effect.

12. **CHOICE OF LAW.** The Loan Documents shall be governed by the law of the State of Arizona, without giving effect to conflict of laws principles.

13. **TIME OF ESSENCE.** Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

14. **NOTICES AND DEMANDS.** All demands or notices under the Loan Documents shall be in writing (including, without limitation, telecopy, telegraphic, telex, or cable communication) and mailed, telecopied, telegraphed, telexed, cabled, or delivered to the respective party hereto at the address specified at the end of this Section 14 or such other address as shall have been specified in a written notice. Any demand or notice mailed shall be mailed first-class mail, postage-prepaid, return-receipt-requested and shall be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the date shown on the return-receipt. Any demand

or notice not mailed will be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the time the receipt of the telecopy, telegram, telex, or cable is mechanically confirmed.

Address for Notice to Borrower:

Gila County Treasurer
1400 Ash Street
Globe, AZ 85501
Attn: Debora Savage, County Treasurer
Telephone: (928) 402-8700
Facsimile: (928) 425-7268

Address for Notice to Bank:

JPMorgan Chase Bank, N.A.
201 North Central Avenue
21st Floor, AZ1-1178
Phoenix, AZ 85004
Attn: Jeff Sundheimer, Executive Director
Telephone: (602) 221-2179
Facsimile: (602) 221-1075

15. RESCISSION OR RETURN OF PAYMENTS. If at any time or from time to time, whether before or after payment and performance of the Obligations in full, all or any part of any amount received by Bank in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Bank to Borrower or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of Borrower or any other Person), such Obligation and any liens, security interests, and other encumbrances that secured such Obligation at the time such avoided, rescinded, or returned payment was received by Bank shall be deemed to have continued in existence or shall be reinstated, as the case may be, all as though such payment had not been received.

16. HEADINGS. The headings at the beginning of each section of the Loan Documents are solely for convenience and are not part of the Loan Documents.

17. MULTIPLE CREDIT ACCOMMODATIONS. If from time to time Borrower or a District has more than one loan or other credit accommodation with Bank, Borrower agrees that, unless otherwise agreed by Bank and Borrower or such District in writing, (i) the Loan Documents and the agreements, documents, and instruments evidencing and relating to such other loan(s) and credit accommodation(s) shall all remain in effect and neither shall supersede the other, regardless of whether the Loan Documents and such other agreements, documents, and instruments have differing terms, conditions, and requirements, and (ii), regardless of any such differences, Borrower shall comply with all the terms, conditions, and requirements of the Loan Documents and of such other agreements, documents, and instruments.

18. SECURITY INTEREST. Pursuant to the Act, Bank is entitled to and each District hereby grants to Bank a security interest in the nonrestricted operating revenues received by the Borrower on behalf of such District and in all proceeds of such nonrestricted operating revenues to secure the Obligations.

19. WAIVER OF SPECIAL DAMAGES. BORROWER AND EACH DISTRICT WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. USURY LAWS. Notwithstanding any other provision of this Agreement, the parties agree that the maximum rate or rates of interest to be charged by Bank hereunder shall not exceed the maximum rates permitted under the Act, as it exists on the date hereof. This Section covers the transactions described in this Agreement and any other agreements with Bank or its affiliates executed in connection with this Agreement, to the extent they are subject to the Arizona usury laws (the "Transactions"). Borrower understands and believes that the Transactions comply with the Arizona usury laws. However, if any interest or other charges paid or payable in connection with the Transactions are ever determined to exceed the maximum amount permitted by law, Borrower agrees that:

(a) the amount of interest or other charges payable or paid by Borrower pursuant to the Transactions shall be reduced to the maximum amount permitted by law; and

(b) any excess amount previously collected from Borrower in connection with the Transactions which exceeded the maximum amount permitted by law will be credited against the then outstanding principal balance. If the outstanding principal balance has been repaid in full, the excess amount paid will be refunded to Borrower.

21. COUNTERPARTS. This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

22. TERMINATION UPON CONFLICT OF INTEREST. This Agreement may be subject to termination under the circumstances described in and as provided in § 38-511 of the Arizona Revised Statutes. If this Agreement is terminated pursuant to said § 38-511, all advances for the benefit of Borrower and accrued interest thereon shall, to the fullest extent permitted by applicable law, be due and payable immediately.

23. JURY WAIVER. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, BORROWER, EACH DISTRICT AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN BORROWER, ANY DISTRICT AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS

PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

24. ARM'S LENGTH TRANSACTION. Borrower acknowledges and agrees that the transaction described in this Agreement is an arm's length commercial transaction between Borrower and Bank in which (a) Bank is acting solely as a principal and not as an advisor, including, without limitation, a "Municipal Advisor," as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of Borrower, (b) Bank is relying on the bank exemption in the Municipal Advisor Rules, (c) Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not Bank, or any affiliate of Bank, has provided other services or advised, or is currently providing other services or advising any Borrower on other matters), (d) Bank has financial and other interests that differ from those of Borrower, and (e) Borrower has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

25. LEGAL ARIZONA WORKERS ACT COMPLIANCE ARIZONA REVISED STATUTES § 41-4401. The parties warrant that at all times during the term of this Agreement they will comply with all state and federal immigration laws applicable to the parties and their employees, and with the requirements of Arizona Revised Statutes § 23-214 (A). The parties shall further ensure that each subcontractor who performs work under this Agreement will likewise comply with all applicable state and federal immigration laws. Failure to comply with this provision shall constitute a material breach of this Agreement. Each of the parties retains the right to inspect the paperwork of any contractor or subcontractor that is employed within the United States of America to ensure compliance with such laws. Such inspection shall require the execution of a confidentiality agreement in form and substance provided by Bank.

[SIGNATURE PAGES FOLLOW]

DATED as of the date first above stated.

GILA COUNTY TREASURER,

As Agent for Gila County, Arizona and the Districts listed in Schedule 1 attached hereto.

By: Debora Savage
Name: Debora Savage, Gila County Treasurer
Title: Gila County Treasurer

JPMORGAN CHASE BANK, N.A.

By: [Signature]
Name: David Chan
Title: Authorized Officer

APPROVED BY:
GILA COUNTY, ARIZONA

By: [Signature]
Name: Tim R. Humphrey
Title: Chair, Board of Supervisors

ATTEST:

By: [Signature]
Name: Marian Sheppard
Title: Clerk of the Board

[Signature Page to Loan Agreement]

SCHEDULE I – COMMITMENT AMOUNTS

Fire Districts and Special Districts	Commitment Amount
Christopher-Kohls Fire District	\$100,000
Hellsgate Fire District	\$325,000
Houston Mesa Fire District	\$40,000
Pine Creek Canyon Domestic Water Improvement District	\$25,000
Pine-Strawberry Fire District	\$250,000
Pleasant Valley Fire District	\$20,000
Tonto Basin Fire District	\$150,000
Tonto Village Domestic Water Improvement District	\$7,000
Tri-City Fire District	\$245,000
Water Wheel Fire & Medical District	\$100,000
School Districts	Commitment Amount
Globe Unified School District No 1	\$1,500,000
Hayden-Winkelman Unified School District No 41	\$650,000
Miami Unified School District No 40	\$1,500,000
Payson Unified School District No 10	\$2,500,000
Pine Strawberry School District No 12	\$50,000
Tonto Basin Elementary School District No 33	\$155,000
Young Public School District No 5	\$325,000

Exhibit A
SPECIMEN OF PROMISSORY NOTE

**THIS NOTE IS IN FULLY REGISTERED FORM AND IS NOT TRANSFERABLE
EXCEPT ON THE REGISTRATION BOOKS OF BORROWER**

GILA COUNTY DISTRICTS REVOLVING LINE OF CREDIT

PROMISSORY NOTE

JPMorgan Chase Bank, N.A.
201 North Central Ave., Floor 21
Phoenix, Arizona 85004

Date: January 8, 2019

Principal Amount: Commitment Amount Cap (as defined in and subject to adjustment from time to time in accordance with the hereinafter defined Loan Agreement)

1. PROMISE TO PAY AND INTEREST. For value received, the undersigned, THE GILA COUNTY TREASURER ("Borrower"), AS AGENT FOR GILA COUNTY, ARIZONA (the "County") and EACH OF THE DISTRICTS IDENTIFIED IN SCHEDULE I HERETO, (each a "District" and collectively, "Districts") promises to pay to or on the order of JPMORGAN CHASE BANK, N.A., or registered assigns ("Bank") at its above office, or at such other place as Bank may designate in writing, in lawful money of the United States of America, (a) in the aggregate for all Districts, the principal sum equal to the Commitment Amount Cap (as such term is defined in and subject to adjustment from time to time in accordance with the Business Loan Agreement) (Gila County Districts Revolving Line of Credit) of even date herewith ("Loan Agreement"), between Borrower and Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time), and (b) with respect to each District, the lesser of the unpaid Distributions under the Loan Agreement or the maximum amount shown for such District on Schedule I hereto, as it may be amended from time to time, in either case as shown on the records of Bank which, when in agreement with the records of a District, shall (absent manifest error) be conclusive as to such unpaid amount, with interest thereon from the date advanced at the Interest Rate (as hereinafter defined). Neither Borrower (other than in its capacity as agent hereunder and under the Loan Agreement) nor the County shall be liable for amounts advanced hereunder. "*Interest Rate*" means each rate set forth below, as applicable, from time to time.

2. QUALIFIED TAX-EXEMPT INTEREST RATE. If interest payable with respect to an Advance under this Note allocable to a District is not included in the gross income of Bank, or the registered owner, if other than Bank, under the Internal Revenue Code of 1986 and the regulations thereunder, as such code and regulations heretofore have been and hereafter may be amended from time to time ("Code and Regulations"), and is not otherwise subject to the federal income tax, and if the District files with the United States Internal Revenue Service a properly completed Form 8038-G (or any successor form or forms that the United States Internal Revenue Service may require for such purposes, collectively, "Form 8038-G") as and when required by the Code and Regulations and promptly delivers to Bank a copy of each filed Form 8038-G when

requested by Bank, and if the District has delivered to Bank a Declaration (as defined in the Loan Agreement) certifying that the indebtedness evidenced by this Note with respect to such Advance is a "Qualified Tax-Exempt Obligation," as such term is defined in Section 265 of the Code and Regulations, then the Interest Rate ("Qualified Tax-Exempt Interest Rate") with respect to such Advance shall be a rate per annum equal to seventy-five percent (75.00%) of the rate per annum most recently publicly announced by Bank, or Bank's successors, in Phoenix, Arizona, as Bank's "prime rate," as in effect from time to time, provided that in no event shall the Qualified Tax-Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Qualified Tax-Exempt Interest Rate will be redetermined by Bank on each day that the "prime rate" changes and any change in the Qualified Tax-Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Qualified Tax-Exempt Interest Rate. The "prime rate" is set by Bank based on various factors, including Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its "prime rate."

3. NON-QUALIFIED TAX-EXEMPT INTEREST RATE. If interest payable with respect to an Advance under this Note allocable to a District is not included in the gross income of Bank, or the registered owner, if other than Bank, under the Code and Regulations, and if the District files with the United States Internal Revenue Service a properly completed Form 8038-G as and when required by the Code and Regulations and promptly delivers to Bank a copy of each filed Form 8038-G, but, notwithstanding the foregoing, such District has not delivered to Bank a Declaration (as that term is defined in the Loan Agreement), or the Advance is not a "Qualified Tax-Exempt Obligation," as such term is defined in Section 265 of the Code and Regulations, or if an Advance previously designated in a Declaration as a Qualified Tax-Exempt Obligation is no longer eligible to be treated as such as described in Section 5(b) below, then the Interest Rate ("Non-Qualified Tax-Exempt Interest Rate") shall be a rate per annum equal to eighty percent (80.00%) of the rate per annum most recently publicly announced by Bank, or Bank's successors, in Phoenix, Arizona, as Bank's "prime rate," as in effect from time to time, provided that in no event shall the Non-Qualified Tax-Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Non-Qualified Tax-Exempt Interest Rate will be redetermined by Bank on each day that the "prime rate" changes and any change in the Non-Qualified Tax-Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Non-Qualified Tax-Exempt Interest Rate. The "prime rate" is set by Bank based on various factors, including Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its "prime rate."

4. TAXABLE INTEREST RATE. If interest payable under this Note is included in the gross income of Bank under the Code and Regulations, or is otherwise subject to federal income tax or if a District does not file with the United States Internal Revenue Service a properly completed Form 8038-G as and when required by the Code and Regulations, or does not deliver a copy of any filed Form 8038-G to Bank upon request, then the Interest Rate ("Taxable Interest Rate") during each calendar quarter shall be the rate per annum equal to ninety percent (90.00%) of the rate per annum most recently publicly announced by Bank, or Bank's successors, in Phoenix, Arizona, as Bank's "prime rate," as in effect from time to time, provided that in no event shall the Taxable Interest Rate at any time exceed one hundred ten percent (110.00%) of the previous quarter's weighted average prime rate among the top three

financial institutions by asset size in the State of Arizona. The Taxable Interest Rate will be redetermined by Bank on each day that the "prime rate" changes and any change in the Taxable Interest Rate will be effective on and after the date of such change and until the next change in the Taxable Interest Rate. The "prime rate" is set by Bank based on various factors, including Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its "prime rate."

5. CHANGES IN TAX TREATMENT OF INTEREST.

(a) Borrower agrees that in the event that Borrower pays, on behalf of a District, interest at a Non-Qualified Tax-Exempt Rate or a Qualified Tax-Exempt Rate on any portion of the sums outstanding hereunder, and

(i) the Internal Revenue Service or a nationally-recognized bond counsel firm expert with respect to obligations, the interest on which is exempt from the gross income of the recipients thereof for federal income tax purposes, determines that the interest on such portion is not exempt from federal income taxation, or

(ii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that interest paid on such portion of the obligations of Borrower hereunder is not exempt from federal income tax,

then, the applicable interest rate hereunder for that portion shall be deemed always to have been the Taxable Interest Rate and the Borrower shall, on behalf of such District, immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Taxable Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by Borrower on behalf of such District under this Agreement. The obligations of Borrower on behalf of the District under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder.

(b) Borrower agrees that in the event that Borrower pays, on behalf of a District, interest at a Qualified Tax-Exempt Rate on any portion of the sums outstanding hereunder and

(i) the Internal Revenue Service or a nationally-recognized bond counsel firm expert with respect to obligations, the interest on which is exempt from the gross income of the recipients thereof for federal income tax purposes, determines that the interest on such portion is not subject to treatment as a "Qualified Tax-Exempt Obligation" pursuant to Section 265(b)(3) of the Code; or

(ii) The District causes or is deemed to have caused (whether by way of aggregation or otherwise) the amount of tax-exempt obligations issued in any calendar year for which Borrower is paying, on behalf of such District, interest at a Qualified Tax-Exempt Rate to exceed \$10,000,000; or

(iii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that interest paid on such portion of the obligations of Borrower hereunder are not "Qualified Tax-Exempt Obligations" as defined in Section 265(b)(3) of the Code,

then, the applicable interest rate hereunder for the portion that no longer qualifies as a Qualified Tax-Exempt Obligation but is otherwise exempt from federal income taxation shall be deemed always to have been the Non-Qualified Tax-Exempt Interest Rate and Borrower shall, on behalf of such District, (subject to subsection (a) above in the event interest is determined not to be exempt from federal income taxation), immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Non-Qualified Tax-Exempt Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by or on behalf of the District under this Agreement. The obligations of Borrower on behalf of the District under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder. This Section 6 shall, in each instance, be subject to the application of Section 5 hereof.

6. REQUIRED PAYMENTS; PAYMENT ON MATURITY. Prior to June 30, 2019 or if the Scheduled Commitment Expiration Date under the Loan Agreement has been extended by mutual agreement between Borrower and Bank (acting in its sole and absolute discretion), such Scheduled Commitment Expiration Date (the "Maturity Date"), payments under this Note shall be made as Borrower receives "nonrestricted operating revenues," as such term is used in the Act. On the Maturity Date Borrower shall pay on behalf of each District to Bank the unpaid Distributions, principal, all accrued and unpaid interest, and all other amounts ("Other Amounts") payable by such District to Bank under the Loan Documents. "Loan Documents" means this Note, the Loan Agreement, the Services Proposal (as defined in the Loan Agreement), and any other agreements, documents, and instruments relating to this Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time.

7. INTEREST ON PRINCIPAL; DEFAULT RATE. Principal shall bear interest at the Interest Rate from the date of disbursement until the due date thereof, whether by acceleration or otherwise. Principal, interest, and Other Amounts not paid when due and any judgment therefor shall bear interest from its due date or the judgment date, as applicable, until paid at a rate ("Default Rate") of ten percent (10%) per annum (unless a lower maximum rate of interest is then applicable under the Act, in which case, the Default Rate shall be such lower rate of interest under the Act), and such interest shall be immediately due and payable.

8. INTEREST ACCRUAL. All interest under the Loan Documents shall be computed on the basis of a 365-day year and accrue on a daily basis for the actual number of days elapsed. Borrower agrees to pay, on behalf of each District, an effective rate of Interest that is the sum of (i) the Interest Rate provided herein and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

9. PAYMENT IN FULL PRIOR TO THE MATURITY DATE. Notwithstanding any other provision herein or in the Loan Documents, Borrower shall pay to Bank, on behalf of

each District, all outstanding principal, interest and Other Amounts on June 30 of each year relating to each District. So long as Borrower makes such payment, Borrower shall, subject to the provisions of the Loan Agreement, continue to be entitled to Advances pursuant to the Loan Agreement prior to the commitment expiration date specified therein. Principal, interest, and Other Amounts not paid on June 30 of each year shall bear interest from June 30 until paid at the Default Rate, and such interest shall be immediately due and payable.

10. APPLICATION OF PAYMENTS. At the option of Bank, payments shall be applied to principal, Interest, and Other Amounts in such order as Bank shall determine.

11. PREPAYMENT. Borrower may prepay the outstanding principal balance hereof relating to a District, in whole or in part, at any time prior to the Maturity Date without penalty or premium.

12. NO COUNTERCLAIMS, DEDUCTIONS, ETC. All payments and other obligations of each District under the Loan Documents will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

13. EVENTS OF DEFAULT. Each of the following shall be an event of default ("Event of Default") as to Borrower and to each District, as applicable to which the Event of Default applies:

(a) Failure by Borrower to pay when due (i) any amount payable by the Districts under any of the Loan Documents, or (ii) any other indebtedness of Borrower on behalf of a District to Bank.

(b) Failure by Borrower or a District to perform any material obligation not involving the payment of money, or to comply with any other term or condition applicable to Borrower or to a District, in any of the Loan Documents.

(c) Any representation or warranty made by Borrower or each District in any of the Loan Documents or otherwise or any information delivered by Borrower or a District to Bank in obtaining or hereafter in connection with the credit evidenced by this Note is or becomes materially incomplete, incorrect, or misleading from the representations or warranties made of the date of this Note or as of the date made or delivered.

(d) The occurrence of any change or other event that Bank determines has or will materially and adversely affect (i) any or all property, interests in property, or rights to property securing the obligations of Borrower or a District under the Loan Documents, including without limitation the security interest in the nonrestricted operating revenues received by Borrower on behalf of each District ("collectively, Collateral") as security for the obligations of Borrower and the Districts under the Loan Documents, (ii) the financial condition of Borrower, the County and each District, or (iii) the ability of Borrower and each District to pay the monetary obligations of Borrower under the Loan Documents.

(e) Borrower or a District, as applicable (i) is unable or admits in writing Borrower's or District's inability to pay Borrower's or District's monetary obligations as

they become due, (ii) is generally not paying its debts as they become due, (iii) makes a general assignment for the benefit of creditors, or (iv) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for Borrower or a District or any or all of the property of Borrower or a District, or in the absence of such application, consent, or acquiescence by Borrower or a District, a trustee, receiver, or other custodian is appointed for Borrower or any or all of the property of Borrower or a District.

(f) Commencement of any case under the Bankruptcy Code (Title 9 of the United States Code) or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal or state law by or against Borrower or a District.

(g) Attachment, garnishment, levy of execution, or seizure by legal process of any or all Collateral of Borrower or a District, except any pre-judgment attachment or garnishment of any or all Collateral.

(h) Any legal proceeding or other action against or affecting any or all Collateral of Borrower or a District is commenced (including, without limitation, any prejudgment attachment or garnishment) and is not quashed, stayed, or released within twenty (20) days.

(i) Any Collateral of Borrower or a District is sold, disposed of, or otherwise transferred by Borrower or a District after the date of this Note, not in the ordinary course of operations of Borrower or a District.

(j) Any Collateral of Borrower or a District becomes subject to any lien or security interest, other than the security interest granted to Bank in this Note.

(k) Any Collateral of Borrower or a District is lost, stolen, suffers substantial damage or destruction, or is used in violation of any law, ordinance, regulation, or rule (federal, state, or local).

(l) Borrower or a District abandons or, except for expenditure of funds included in the Collateral in the ordinary operations of Borrower or a District, ceases to have exclusive possession of any Collateral or any books and records of Borrower or a District relating to the Collateral.

(m) Borrower, or a District, or any other person on behalf of Borrower or a District claims that any Loan Document is not legal, valid, binding, and enforceable against Borrower or a District, that any lien, security interest, or other encumbrance securing any of the obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any lien, security interest, or other encumbrance securing any of the obligations in the Loan Documents is different than the priority set forth in the Act (except as such priority may be affected by the laws regarding garnishment of wages of Borrower's or a District's employees and federal and state tax liens for withholding taxes of Borrower's or a District's employees).

(n) The occurrence of any condition or event that is a default or is designated as a default, an event of default, or an Event of Default in any other Loan Document or in any agreement, document, or instrument relating to any other indebtedness of Borrower or of a District to Bank.

(o) The occurrence of any condition or event that is designated as a default or an event of default and the expiration of any cure period with respect to any other indebtedness of Borrower or of a District to any other person.

(p) The failure of Borrower or a District to repay to Bank within five (5) Business Days of written notice from Bank to Borrower the amount by which the outstanding amount of Advances exceeds the Commitment.

14. RIGHTS AND REMEDIES OF BANK. Upon occurrence of an Event of Default, Bank may, at its option, in its absolute and sole discretion, and without demand or notice, (i) declare the obligations in the Loan Documents to be immediately due and payable, whereupon the obligations in the Loan Documents shall be immediately due and payable, and (ii) exercise any or all other rights and remedies of Bank concurrently or consecutively in such order as Bank elects. The rights and remedies of Bank shall be cumulative and non-exclusive. Delay, discontinuance, or failure to exercise any right or remedy of Bank shall not be a waiver thereof, or of any other right or remedy of Bank, or of the time, of the essence provision. Exercise of any right or remedy of Bank shall not cure or waive any Event of Default or invalidate any act done in response to any Event of Default.

15. LIMIT OF LIABILITY OF BANK. In exercising rights and remedies, neither Bank nor any affiliate thereof or any stockholder, director, officer, employee, agent, or representative of Bank or any affiliate thereof shall have any liability for any injury to the assets, business, operations, or property of Borrower or a District or any other liability to Borrower or a District, other than for its own gross negligence or willful misconduct.

16. PROVISIONS IN LOAN AGREEMENT GOVERN THIS AGREEMENT. This Note is subject to certain terms and provisions in the Loan Agreement, to which reference is made for a statement of such terms and provisions.

17. WAIVER OF STATUTE OF LIMITATIONS. Borrower waives, to the full extent permitted by law, the right to plead any statutes of limitations as a defense to any or all obligations under the Loan Documents.

18. WAIVERS BY BORROWER. Borrower and each District (i) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents), and (ii) agrees that Bank may enforce this Note and any other Loan Documents against Borrower without first having sought enforcement against any Collateral.

19. JURY WAIVER. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, BORROWER, EACH DISTRICT AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO

HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN BORROWER, OR A DISTRICT AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

20. WAIVER OF SPECIAL DAMAGES. BORROWER AND EACH DISTRICT WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first above stated.

GILA COUNTY TREASURER,

As Agent for Gila County, Arizona and the Districts listed in Schedule I attached hereto.

By: Debora Savage
Name: Debora Savage, Gila County Treasurer
Title: Gila County Treasurer

SCHEDULE I – COMMITMENT AMOUNTS

Fire Districts and Special Districts	Commitment Amount
Christopher-Kohls Fire District	\$100,000
Hellsgate Fire District	\$325,000
Houston Mesa Fire District	\$40,000
Pine Creek Canyon Domestic Water Improvement District	\$25,000
Pine-Strawberry Fire District	\$250,000
Pleasant Valley Fire District	\$20,000
Tonto Basin Fire District	\$150,000
Tonto Village Domestic Water Improvement District	\$7,000
Tri-City Fire District	\$245,000
Water Wheel Fire & Medical District	\$100,000

School Districts	Commitment Amount
Globe Unified School District No 1	\$1,500,000
Hayden-Winkelman Unified School District No 41	\$650,000
Miami Area Unified School District No 40	\$1,500,000
Payson Unified School District No 10	\$2,500,000
Pine Strawberry School District No 12	\$50,000
Tonto Basin School District No 33	\$155,000
Young Public School District No 5	\$325,000

Exhibit B
FORM OF DECLARATION

(Use District Letterhead)

Date:

Jeff Sundheimer, Senior Vice President
JPMorgan Chase Bank, N.A.
Government Banking
201 North Central Ave, 21st Floor, AZ1-1178
Phoenix, Arizona 85004

Re: Letter of Declaration for <insert district name here>, for calendar year 20_

Dear Mr. Sundheimer:

The above-referenced district ("District") in Gila County ("County") has approved obtaining a revolving line of credit ("Line of Credit") for the District from JPMorgan Chase Bank, N.A. ("Bank") pursuant to Arizona Revised Statutes Section 11-604.01 *et. seq.* and requests the County Treasurer to enter into an agreement with the Bank to provide the Line of Credit to the District.

In accordance with the Internal Revenue Code of 1986, as amended from time to time ("Code"), the District hereby certifies that it is reasonably anticipated that the aggregate amount of "tax-exempt obligations" (as defined in Code Section 265(b)(3)) which will be issued by the District during the above-referenced calendar year will not exceed \$10,000,000.00 and hereby designates all borrowings under the Line of Credit as "qualified tax-exempt obligations" (as defined in Code Section 265(b)(3)(B)).

In the event the anticipated amount for such year changes to the extent that the above certification changes, the District agrees to deliver to the Bank a supplement to this letter notifying the Bank of such change.

To the best of the undersigned's knowledge, information and belief, the expectations set forth in this Declaration are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

Sincerely,

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
) ss.
COUNTY OF GILA)

SUBSCRIBED AND SWORN to me, a Notary Public, this ____ day of ____, _____, by _____.

Notary Public

My Commission expires:

Exhibit C
FORM OF ADDENDUM

ADDENDUM NO. ____

EFFECTIVE DATE _____

PARTIES:	Borrower	Gila County Arizona Treasurer (the "Treasurer") as agent for Gila County, Arizona (the "County") and the Districts listed in Schedule 1 attached hereto.
	Bank	JPMorgan Chase Bank, N.A., a national banking association authorized to do business in the State of Arizona

RECITAL:

Bank and Borrower are parties to that certain Business Loan Agreement (Gila County Districts Revolving Line of Credit), dated January 8, 2019 ("Agreement"), and Promissory Note, dated January 8, 2019 ("Note"), as the Agreement and Note have been amended, modified, extended, renewed, restated, or supplemented. Bank and Borrower desire to enter into this Addendum No. ____ ("Addendum") to modify the Agreement and Note, as described herein.

AGREEMENT:

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Borrower agree as follows:

1. Definitions. Unless otherwise defined in this Addendum, the capitalized words and phrases used herein shall have the meanings as described in the Agreement.
2. Modifications to Schedule I. Schedule I to the Agreement and Schedule I to the Note are hereby amended as follows (the "Modifications"):

[The following Districts are hereby added to the Agreement and Note, and hereby assume all rights and obligations of a District as set forth therein, subject to the credit limits set forth below:]

Name	Commitment Amount

[The Commitment Amounts for the following listed Districts are hereby modified as follows:]

Name	Previous Commitment Amount	Commitment Amount

3. Schedule I-A. To incorporate the Modifications into the Agreement and Note, Schedule I to the Agreement and Schedule I to the Note are hereby deleted in their entirety and replaced with the Schedule attached hereto as Schedule I-A. After the Effective Date, all references in the Agreement and Note to Schedule I shall mean and refer to Schedule I-A, attached hereto.

4. Modification to Scheduled Commitment Expiration Date. The Scheduled Commitment Expiration Date is hereby extended from [_____, 20__] to [_____, 20__]. After the Effective Date, all references in the Agreement to the Scheduled Commitment Expiration Date shall mean and refer to [_____, 20__].

5. [Schedule I] [Commitment Amount Cap/Principal Amount of Note]. The Borrower hereby request Bank to modify [Schedule I] [the Commitment Amount Cap] as set forth above and upon Bank's approval of such modification [Schedule I] [the Commitment Amount Cap and the Principal Amount of the Note shall be deemed modified to reflect the amount of _____ and No/100 Dollars (\$ _____. ____)] ("Revised Cap Amount"). Thereafter, all references in the Agreement and in the Note to the Commitment Amount Cap shall mean and refer to the Revised Cap Amount].

6. Full Force and Effect. Except as modified in this Addendum, the terms and conditions of the Loan Documents remain unchanged and in full force and effect.

7. Representations and Warranties. Borrower hereby represents and warrants to Bank that the representations and warranties in Section 4 of the Agreement are correct and complete as of the Effective Date with respect to Borrower, except as Borrower shall have otherwise notified Bank in writing prior to the Effective Date.

8. Governing Law. This Addendum shall be deemed to be a contract made under the laws of the State of Arizona for all purposes and shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, Bank and Borrower have caused this Addendum to be executed and delivered as of the Effective Date.

GILA COUNTY TREASURER,

As Agent for Gila County, Arizona and the Districts Listed in Schedule I-A described in this Addendum

By: _____

Name: _____

Title: Gila County Treasurer

JPMORGAN CHASE BANK, N.A.

By: _____

Name: _____

Title: Authorized Officer



RESOLUTION NO. 19-01-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA APPROVING THE EXECUTION AND DELIVERY OF A BUSINESS LOAN AGREEMENT AND PROMISSORY NOTE BETWEEN THE GILA COUNTY TREASURER AND JPMORGAN CHASE BANK, N.A. PROVIDING FOR A REVOLVING LINE OF CREDIT FOR POLITICAL SUBDIVISIONS OF THE STATE FOR WHICH THE GILA COUNTY TREASURER ACTS AS TREASURER.

WHEREAS, Gila County, Arizona (the "County"), acting through its Board of Supervisors (the "Board"), acting as a Board of Deposit (the "Board of Deposit"), has heretofore ordered the receipt of bids for servicing bank for the County for the period commencing July 1, 2018, and ending June 30, 2022, with permitted extensions pursuant to Arizona Revised Statute ("A.R.S.") § 35-325; and

WHEREAS, included in the proposals for servicing bank were proposals for a line of credit for each political subdivision of the state for which the Gila County Treasurer (the "Treasurer") acts as treasurer pursuant to A.R.S. § 11-604.01; and

WHEREAS, the proposal of JPMorgan Chase Bank N.A., was announced as the best bid for services as servicing bank and the best bid to provide the line of credit for the period commencing July 1, 2018, and ending June 30, 2022, with permitted extensions pursuant to A.R.S. § 35-325; and

WHEREAS, pursuant to and in accordance with Arizona Revised Statutes § 11-604.01 et. seq., the Treasurer acting as the agent for the County and for any political subdivision of the State of Arizona for which the Treasurer acts as treasurer may take any action required under an agreement for obtaining a line of credit for each of the political subdivisions of the County for which the Treasurer acts as treasurer; and

WHEREAS, a draft of the Business Loan Agreement providing a line of credit for the districts listed in Schedule 1 attached thereto (the "Districts") as evidenced by a Promissory Note have been provided by the Bank and placed on file with the Clerk of the Board and presented at the meeting at which this resolution was adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA, AS FOLLOWS:

- The Business Loan Agreement and Promissory Note on file with the Clerk, are approved by the Board and the Treasurer is authorized and directed to execute and deliver the Business Loan Agreement and Promissory Note as agent for the County and the Districts.
- As agent for the County and the Districts, the Treasurer is authorized to take all acts and do all things on behalf of the County and the Districts as set forth and enumerated in the Business Loan Agreement and Promissory Note.
- All actions taken by the Treasurer and any person representing the Treasurer with respect to the Business Loan Agreement and Promissory Note, and the procedures pertaining thereto, are hereby ratified and affirmed.
- This resolution shall become effective immediately upon adoption and execution.

PASSED AND ADOPTED this 8th day of January 2019, at Globe, Gila County, Arizona.

GILA COUNTY BOARD OF SUPERVISORS

Attest:

Marian Sheppard, Clerk

The Gila County Attorney's Office

Approved as to form:

Jefferson Adams for Charles Stone

Tim R. Humphrey, Chairman



Ryan Alcorn
Dan Benjamin
Denise Boode
June Ava Florescue
Kyle Hopson
Rick Husk
Diana Kanon
Patricia Pfeiffer
Jessica Richardson
Travis Shields
Charles Shire

GILA COUNTY ATTORNEY
Bradley D. Beauchamp

January 8, 2019

JPMorgan Chase Bank, N.A.
201 North Central Avenue
Floor 21, Dept. AZ1-1175
Phoenix AZ 85004

Ladies and Gentlemen:

We have acted as counsel for Gila County, Arizona (the "County"), and the Gila County Treasurer (the "Treasurer"), in connection with the execution and delivery of the Business Loan Agreement (Gila County Districts Revolving Line of Credit), dated as of January 8, 2019 (the "Loan Agreement"), between the County, the Treasurer and JPMorgan Chase Bank, N.A. (the "Bank"), the Gila County Districts Revolving Line of Credit Promissory Note, dated January 8, 2019 (the "Note") relating to the Loan Agreement, and all other documents and agreements executed in connection with the Loan Agreement and the Note.

Pursuant to A.R.S. §11-604.01, the Treasurer, as agent for and acting on behalf of the County and for each political subdivision of Arizona for which the Treasurer acts as treasurer (hereafter referred to as a "District" or "Districts") may enter into a revolving lines of credit with the Bank for fiscal year 2018-2019 to pay the lawful claims and obligations of a District until sufficient monies for payment from property taxes and other nonrestricted revenues are received by the Treasurer, as more particularly described in the Loan Agreement.

This opinion is provided to the Bank pursuant to Paragraph 3.1.1 of the Loan Agreement. Capitalized terms not otherwise defined herein have the respective meanings set forth in the Loan Agreement and the Note.

We have examined executed copies of the Loan Agreement, the Note, and applicable statutes of and relating to the lines of credit made available under the Loan Agreement, in each case, as amended to date; records of proceedings of the Board of Supervisors of the County during or by which resolutions were adopted relating to matters covered by this opinion. We have made no independent investigation of any of the Districts to whom the Bank will extend a revolving line of credit under the Loan Agreement. However, we have made such other investigations as we have deemed necessary to enable us to express the opinions hereinafter set forth. We have assumed the genuineness of all signatures of persons signing the Loan Documents on behalf of parties thereto other than the County and the Treasurer, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed or photo static copies.

Based upon the foregoing, and further subject to their last two paragraphs of this letter, we hereby advise you that in our opinion:

1. The County and the Treasurer have the power and authority to execute, deliver and perform the Loan Agreement and the Note without any action by each of the Districts to confirm or ratify such action.

2. The Loan Agreement and the Note have each been duly authorized by the County and no further corporate action is required in connection therewith. The execution and delivery of the Loan Agreement and the Note and the due performance of the provisions therein do not and will not violate, contravene, or constitute a default under any statutes relating to the formation and operations of the County, or any agreement, indenture, or other document or instrument to which the County is a party or by the terms by which the County or any of its property is bound or affected. The Loan Agreement and the Note have each been duly executed and delivered on behalf of the County and the Treasurer and constitute the legal, valid, and binding obligations enforceable against the Treasurer receiving advances thereunder in accordance with its terms.

3. No consent, approval, authorization, registration, or filing with any governmental authority is required in connection with the execution, delivery, or performance of the Loan Agreement or the Note, except as may have been obtained and certified copies of which have been delivered to the Bank.

4. (a) There are no actions, suits, proceedings, claims, or disputes pending, or to the best of our knowledge, threatened or contemplated, at law, in equity, in arbitration or before any governmental authority against the County, the Treasurer or any of its properties with respect to the Loan Agreement or the Note.

(b) No injunction, writ, temporary restraining order, or any order of any nature has been issued by any court or other governmental authority purporting to enjoin or restrain the execution, delivery, or performance of the Loan Agreement or the Note, or directing that the transactions provided for therein not be consummated as therein provided.

5. To the best of our knowledge, but without an investigation of any sort as to the Treasurer or the County, no event has occurred or would result from the incurring of the obligations by the Treasurer (in its capacity as agent to the Districts) or the County under the Loan Agreement or the Note which is, or with the lapse of time or notice or both would become an Event of Default.

Our opinion set forth in paragraph 2 above is subject to the qualification that the enforceability of the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and by general equity principles.

We are members of the State Bar of Arizona, and we do not express any opinion herein concerning any law other than the law of the State of Arizona, and the federal law of the United States.

This letter has been furnished to you pursuant to the Loan Agreement for your use in connection with the Loan Agreement and may not be relied upon for any other purpose or by any other party without our consent.

Sincerely,



Bradley D. Beauchamp,
Gila County Attorney
By: Charles R. Shire
Deputy County Attorney

**THIS NOTE IS IN FULLY REGISTERED FORM AND IS NOT TRANSFERABLE
EXCEPT ON THE REGISTRATION BOOKS OF BORROWER**

GILA COUNTY DISTRICTS REVOLVING LINE OF CREDIT

PROMISSORY NOTE

JPMorgan Chase Bank, N.A.
201 North Central Ave., Floor 21
Phoenix, Arizona 85004

Date: January 8, 2019

Principal Amount: Commitment Amount Cap (as defined in and subject to adjustment from time to time in accordance with the hereinafter defined Loan Agreement)

1. PROMISE TO PAY AND INTEREST. For value received, the undersigned, THE GILA COUNTY TREASURER (“Borrower”), AS AGENT FOR GILA COUNTY, ARIZONA (the “County”) and EACH OF THE DISTRICTS IDENTIFIED IN SCHEDULE I HERETO, (each a “District” and collectively, “Districts”) promises to pay to or on the order of JPMORGAN CHASE BANK, N.A., or registered assigns (“Bank”) at its above office, or at such other place as Bank may designate in writing, in lawful money of the United States of America, (a) in the aggregate for all Districts, the principal sum equal to the Commitment Amount Cap (as such term is defined in and subject to adjustment from time to time in accordance with the Business Loan Agreement) (Gila County Districts Revolving Line of Credit) of even date herewith (“Loan Agreement”), between Borrower and Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time), and (b) with respect to each District, the lesser of the unpaid Distributions under the Loan Agreement or the maximum amount shown for such District on Schedule I hereto, as it may be amended from time to time, in either case as shown on the records of Bank which, when in agreement with the records of a District, shall (absent manifest error) be conclusive as to such unpaid amount, with interest thereon from the date advanced at the Interest Rate (as hereinafter defined). Neither Borrower (other than in its capacity as agent hereunder and under the Loan Agreement) nor the County shall be liable for amounts advanced hereunder. “*Interest Rate*” means each rate set forth below, as applicable, from time to time.

2. QUALIFIED TAX-EXEMPT INTEREST RATE. If interest payable with respect to an Advance under this Note allocable to a District is not included in the gross income of Bank, or the registered owner, if other than Bank, under the Internal Revenue Code of 1986 and the regulations thereunder, as such code and regulations heretofore have been and hereafter may be amended from time to time (“Code and Regulations”), and is not otherwise subject to the federal income tax, and if the District files with the United States Internal Revenue Service a properly completed Form 8038-G (or any successor form or forms that the United States Internal Revenue Service may require for such purposes, collectively, “Form 8038-G”) as and when required by the Code and Regulations and promptly delivers to Bank a copy of each filed Form 8038-G when requested by Bank, and if the District has delivered to Bank a Declaration (as defined in the Loan Agreement) certifying that the indebtedness evidenced by this Note with respect to such Advance is a “Qualified Tax-Exempt Obligation,” as such term is defined in Section 265 of the Code and Regulations, then the Interest Rate (“Qualified Tax-Exempt Interest Rate”) with respect to such

Advance shall be a rate per annum equal to seventy-five percent (75.00%) of the rate per annum most recently publicly announced by Bank, or Bank's successors, in Phoenix, Arizona, as Bank's "prime rate," as in effect from time to time, provided that in no event shall the Qualified Tax-Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Qualified Tax-Exempt Interest Rate will be redetermined by Bank on each day that the "prime rate" changes and any change in the Qualified Tax-Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Qualified Tax-Exempt Interest Rate. The "prime rate" is set by Bank based on various factors, including Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its "prime rate."

3. NON-QUALIFIED TAX-EXEMPT INTEREST RATE. If interest payable with respect to an Advance under this Note allocable to a District is not included in the gross income of Bank, or the registered owner, if other than Bank, under the Code and Regulations, and if the District files with the United States Internal Revenue Service a properly completed Form 8038-G as and when required by the Code and Regulations and promptly delivers to Bank a copy of each filed Form 8038-G, but, notwithstanding the foregoing, such District has not delivered to Bank a Declaration (as that term is defined in the Loan Agreement), or the Advance is not a "Qualified Tax-Exempt Obligation," as such term is defined in Section 265 of the Code and Regulations, or if an Advance previously designated in a Declaration as a Qualified Tax-Exempt Obligation is no longer eligible to be treated as such as described in Section 5(b) below, then the Interest Rate ("Non-Qualified Tax-Exempt Interest Rate") shall be a rate per annum equal to eighty percent (80.00%) of the rate per annum most recently publicly announced by Bank, or Bank's successors, in Phoenix, Arizona, as Bank's "prime rate," as in effect from time to time, provided that in no event shall the Non-Qualified Tax-Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Non-Qualified Tax-Exempt Interest Rate will be redetermined by Bank on each day that the "prime rate" changes and any change in the Non-Qualified Tax-Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Non-Qualified Tax-Exempt Interest Rate. The "prime rate" is set by Bank based on various factors, including Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its "prime rate."

4. TAXABLE INTEREST RATE. If interest payable under this Note is included in the gross income of Bank under the Code and Regulations, or is otherwise subject to federal income tax or if a District does not file with the United States Internal Revenue Service a properly completed Form 8038-G as and when required by the Code and Regulations, or does not deliver a copy of any filed Form 8038-G to Bank upon request, then the Interest Rate ("Taxable Interest Rate") during each calendar quarter shall be the rate per annum equal to ninety percent (90.00%) of the rate per annum most recently publicly announced by Bank, or Bank's successors, in Phoenix, Arizona, as Bank's "prime rate," as in effect from time to time, provided that in no event shall the Taxable Interest Rate at any time exceed one hundred ten percent (110.00%) of the previous quarter's weighted average prime rate among the top three financial institutions by asset size in the State of Arizona. The Taxable Interest Rate will be redetermined by Bank on each day that the "prime rate" changes and any change in the Taxable Interest Rate will be effective on and after the date of such change and until the next change in the Taxable Interest Rate. The "prime rate" is set by Bank based on various factors, including Bank's costs and desired return, general economic

conditions and other factors, and is used as a reference point in pricing some loans. Bank may price loans to its customers at, above, or below its “prime rate.”

5. CHANGES IN TAX TREATMENT OF INTEREST.

(a) Borrower agrees that in the event that Borrower pays, on behalf of a District, interest at a Non-Qualified Tax-Exempt Rate or a Qualified Tax-Exempt Rate on any portion of the sums outstanding hereunder, and

(i) the Internal Revenue Service or a nationally-recognized bond counsel firm expert with respect to obligations, the interest on which is exempt from the gross income of the recipients thereof for federal income tax purposes, determines that the interest on such portion is not exempt from federal income taxation, or

(ii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that interest paid on such portion of the obligations of Borrower hereunder is not exempt from federal income tax,

then, the applicable interest rate hereunder for that portion shall be deemed always to have been the Taxable Interest Rate and the Borrower shall, on behalf of such District, immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Taxable Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by Borrower on behalf of such District under this Agreement. The obligations of Borrower on behalf of the District under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder.

(b) Borrower agrees that in the event that Borrower pays, on behalf of a District, interest at a Qualified Tax-Exempt Rate on any portion of the sums outstanding hereunder and

(i) the Internal Revenue Service or a nationally-recognized bond counsel firm expert with respect to obligations, the interest on which is exempt from the gross income of the recipients thereof for federal income tax purposes, determines that the interest on such portion is not subject to treatment as a “Qualified Tax-Exempt Obligation” pursuant to Section 265(b)(3) of the Code; or

(ii) The District causes or is deemed to have caused (whether by way of aggregation or otherwise) the amount of tax-exempt obligations issued in any calendar year for which Borrower is paying, on behalf of such District, interest at a Qualified Tax-Exempt Rate to exceed \$10,000,000; or

(iii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that interest paid on such portion of the obligations of Borrower hereunder are not “Qualified Tax-Exempt Obligations” as defined in Section 265(b)(3) of the Code,

then, the applicable interest rate hereunder for the portion that no longer qualifies as a Qualified Tax-Exempt Obligation but is otherwise exempt from federal income taxation shall be deemed always to have been the Non-Qualified Tax-Exempt Interest Rate and Borrower shall, on behalf of such District, (subject to subsection (a) above in the event interest is determined not to be exempt from federal income taxation), immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Non-Qualified Tax-Exempt Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by or on behalf of the District under this Agreement. The obligations of Borrower on behalf of the District under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder. This Section 6 shall, in each instance, be subject to the application of Section 5 hereof.

6. REQUIRED PAYMENTS; PAYMENT ON MATURITY. Prior to June 30, 2019 or if the Scheduled Commitment Expiration Date under the Loan Agreement has been extended by mutual agreement between Borrower and Bank (acting in its sole and absolute discretion), such Scheduled Commitment Expiration Date (the "Maturity Date"), payments under this Note shall be made as Borrower receives "nonrestricted operating revenues," as such term is used in the Act. On the Maturity Date Borrower shall pay on behalf of each District to Bank the unpaid Distributions, principal, all accrued and unpaid interest, and all other amounts ("Other Amounts") payable by such District to Bank under the Loan Documents. "Loan Documents" means this Note, the Loan Agreement, the Services Proposal (as defined in the Loan Agreement), and any other agreements, documents, and instruments relating to this Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time.

7. INTEREST ON PRINCIPAL; DEFAULT RATE. Principal shall bear interest at the Interest Rate from the date of disbursement until the due date thereof, whether by acceleration or otherwise. Principal, interest, and Other Amounts not paid when due and any judgment therefor shall bear interest from its due date or the judgment date, as applicable, until paid at a rate ("Default Rate") of ten percent (10%) per annum (unless a lower maximum rate of interest is then applicable under the Act, in which case, the Default Rate shall be such lower rate of interest under the Act), and such interest shall be immediately due and payable.

8. INTEREST ACCRUAL. All interest under the Loan Documents shall be computed on the basis of a 365-day year and accrue on a daily basis for the actual number of days elapsed. Borrower agrees to pay, on behalf of each District, an effective rate of Interest that is the sum of (i) the Interest Rate provided herein and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

9. PAYMENT IN FULL PRIOR TO THE MATURITY DATE. Notwithstanding any other provision herein or in the Loan Documents, Borrower shall pay to Bank, on behalf of each District, all outstanding principal, interest and Other Amounts on June 30 of each year relating to each District. So long as Borrower makes such payment, Borrower shall, subject to the provisions of the Loan Agreement, continue to be entitled to Advances pursuant to the Loan Agreement prior to the commitment expiration date specified therein. Principal, interest, and Other Amounts not paid on June 30 of each year shall bear interest from June 30 until paid at the Default Rate, and such interest shall be immediately due and payable.

10. APPLICATION OF PAYMENTS. At the option of Bank, payments shall be applied to principal, Interest, and Other Amounts in such order as Bank shall determine.

11. PREPAYMENT. Borrower may prepay the outstanding principal balance hereof relating to a District, in whole or in part, at any time prior to the Maturity Date without penalty or premium.

12. NO COUNTERCLAIMS, DEDUCTIONS, ETC. All payments and other obligations of each District under the Loan Documents will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

13. EVENTS OF DEFAULT. Each of the following shall be an event of default ("Event of Default") as to Borrower and to each District, as applicable to which the Event of Default applies:

(a) Failure by Borrower to pay when due (i) any amount payable by the Districts under any of the Loan Documents, or (ii) any other indebtedness of Borrower on behalf of a District to Bank.

(b) Failure by Borrower or a District to perform any material obligation not involving the payment of money, or to comply with any other term or condition applicable to Borrower or to a District, in any of the Loan Documents.

(c) Any representation or warranty made by Borrower or each District in any of the Loan Documents or otherwise or any information delivered by Borrower or a District to Bank in obtaining or hereafter in connection with the credit evidenced by this Note is or becomes materially incomplete, incorrect, or misleading from the representations or warranties made of the date of this Note or as of the date made or delivered.

(d) The occurrence of any change or other event that Bank determines has or will materially and adversely affect (i) any or all property, interests in property, or rights to property securing the obligations of Borrower or a District under the Loan Documents, including without limitation the security interest in the nonrestricted operating revenues received by Borrower on behalf of each District ("collectively, Collateral") as security for the obligations of Borrower and the Districts under the Loan Documents, (ii) the financial condition of Borrower, the County and each District, or (iii) the ability of Borrower and each District to pay the monetary obligations of Borrower under the Loan Documents.

(e) Borrower or a District, as applicable (i) is unable or admits in writing Borrower's or District's inability to pay Borrower's or District's monetary obligations as they become due, (ii) is generally not paying its debts as they become due, (iii) makes a general assignment for the benefit of creditors, or (iv) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for Borrower or a District or any or all of the property of Borrower or a District, or in the absence of such application, consent, or acquiescence by Borrower or a District, a trustee, receiver, or other custodian is appointed for Borrower or any or all of the property of Borrower or a District.

(f) Commencement of any case under the Bankruptcy Code (Title 9 of the United States Code) or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal or state law by or against Borrower or a District.

(g) Attachment, garnishment, levy of execution, or seizure by legal process of any or all Collateral of Borrower or a District, except any pre-judgment attachment or garnishment of any or all Collateral.

(h) Any legal proceeding or other action against or affecting any or all Collateral of Borrower or a District is commenced (including, without limitation, any prejudgment attachment or garnishment) and is not quashed, stayed, or released within twenty (20) days.

(i) Any Collateral of Borrower or a District is sold, disposed of, or otherwise transferred by Borrower or a District after the date of this Note, not in the ordinary course of operations of Borrower or a District.

(j) Any Collateral of Borrower or a District becomes subject to any lien or security interest, other than the security interest granted to Bank in this Note.

(k) Any Collateral of Borrower or a District is lost, stolen, suffers substantial damage or destruction, or is used in violation of any law, ordinance, regulation, or rule (federal, state, or local).

(l) Borrower or a District abandons or, except for expenditure of funds included in the Collateral in the ordinary operations of Borrower or a District, ceases to have exclusive possession of any Collateral or any books and records of Borrower or a District relating to the Collateral.

(m) Borrower, or a District, or any other person on behalf of Borrower or a District claims that any Loan Document is not legal, valid, binding, and enforceable against Borrower or a District, that any lien, security interest, or other encumbrance securing any of the obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any lien, security interest, or other encumbrance securing any of the obligations in the Loan Documents is different than the priority set forth in the Act (except as such priority may be affected by the laws regarding garnishment of wages of Borrower's or a District's employees and federal and state tax liens for withholding taxes of Borrower's or a District's employees).

(n) The occurrence of any condition or event that is a default or is designated as a default, an event of default, or an Event of Default in any other Loan Document or in any agreement, document, or instrument relating to any other indebtedness of Borrower or of a District to Bank.

(o) The occurrence of any condition or event that is designated as a default or an event of default and the expiration of any cure period with respect to any other indebtedness of Borrower or of a District to any other person.

(p) The failure of Borrower or a District to repay to Bank within five (5) Business Days of written notice from Bank to Borrower the amount by which the outstanding amount of Advances exceeds the Commitment.

14. RIGHTS AND REMEDIES OF BANK. Upon occurrence of an Event of Default, Bank may, at its option, in its absolute and sole discretion, and without demand or notice, (i) declare the obligations in the Loan Documents to be immediately due and payable, whereupon the obligations in the Loan Documents shall be immediately due and payable, and (ii) exercise any or all other rights and remedies of Bank concurrently or consecutively in such order as Bank elects. The rights and remedies of Bank shall be cumulative and non-exclusive. Delay, discontinuance, or failure to exercise any right or remedy of Bank shall not be a waiver thereof, or of any other right or remedy of Bank, or of the time, of the essence provision. Exercise of any right or remedy of Bank shall not cure or waive any Event of Default or invalidate any act done in response to any Event of Default.

15. LIMIT OF LIABILITY OF BANK. In exercising rights and remedies, neither Bank nor any affiliate thereof or any stockholder, director, officer, employee, agent, or representative of Bank or any affiliate thereof shall have any liability for any injury to the assets, business, operations, or property of Borrower or a District or any other liability to Borrower or a District, other than for its own gross negligence or willful misconduct.

16. PROVISIONS IN LOAN AGREEMENT GOVERN THIS AGREEMENT. This Note is subject to certain terms and provisions in the Loan Agreement, to which reference is made for a statement of such terms and provisions.

17. WAIVER OF STATUTE OF LIMITATIONS. Borrower waives, to the full extent permitted by law, the right to plead any statutes of limitations as a defense to any or all obligations under the Loan Documents.

18. WAIVERS BY BORROWER. Borrower and each District (i) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents), and (ii) agrees that Bank may enforce this Note and any other Loan Documents against Borrower without first having sought enforcement against any Collateral.

19. JURY WAIVER. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, BORROWER, EACH DISTRICT AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN BORROWER, OR A DISTRICT AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

20. WAIVER OF SPECIAL DAMAGES. BORROWER AND EACH DISTRICT WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL

ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR
CONSEQUENTIAL DAMAGES.

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first above stated.

GILA COUNTY TREASURER,

As Agent for Gila County, Arizona and the Districts listed in Schedule I attached hereto.

By: _____

Name: Debora Savage _____

Title: Gila County Treasurer

SCHEDULE I – COMMITMENT AMOUNTS

Fire Districts and Special Districts	Commitment Amount
Christopher-Kohls Fire District	\$100,000
Hellsgate Fire District	\$325,000
Houston Mesa Fire District	\$40,000
Pine Creek Canyon Domestic Water Improvement District	\$25,000
Pine-Strawberry Fire District	\$250,000
Pleasant Valley Fire District	\$20,000
Tonto Basin Fire District	\$150,000
Tonto Village Domestic Water Improvement District	\$7,000
Tri-City Fire District	\$245,000
Water Wheel Fire & Medical District	\$100,000
School Districts	Commitment Amount
Globe Unified School District No 1	\$1,500,000
Hayden-Winkelman Unified School District No 41	\$650,000
Miami Area Unified School District No 40	\$1,500,000
Payson Unified School District No 10	\$2,500,000
Pine Strawberry School District No 12	\$50,000
Tonto Basin School District No 33	\$155,000
Young Public School District No 5	\$325,000



Ryan Alcorn
Dan Benjamin
Denise Boode
June Ava Florescue
Kyle Hopson
Rick Husk
Diana Kanon
Patricia Pfeiffer
Jessica Richardson
Travis Shields
Charles Shire

GILA COUNTY ATTORNEY
Bradley D. Beauchamp

January 8, 2019

JPMorgan Chase Bank, N.A.
201 North Central Avenue
Floor 21, Dept. AZ1-1175
Phoenix AZ 85004

Ladies and Gentlemen:

We have acted as counsel for Gila County, Arizona (the "County"), and the Gila County Treasurer (the "Treasurer"), in connection with the execution and delivery of the Business Loan Agreement (Gila County Districts Revolving Line of Credit), dated as of January 8, 2019 (the "Loan Agreement"), between the County, the Treasurer and JPMorgan Chase Bank, N.A. (the "Bank"), the Gila County Districts Revolving Line of Credit Promissory Note, dated January 8, 2019 (the "Note") relating to the Loan Agreement, and all other documents and agreements executed in connection with the Loan Agreement and the Note.

Pursuant to A.R.S. §11-604.01, the Treasurer, as agent for and acting on behalf of the County and for each political subdivision of Arizona for which the Treasurer acts as treasurer (hereafter referred to as a "District" or "Districts") may enter into revolving lines of credit with the Bank for fiscal year 2018-2019 to pay the lawful claims and obligations of a District until sufficient monies for payment from property taxes and other nonrestricted revenues are received by the Treasurer, as more particularly described in the Loan Agreement.

This opinion is provided to the Bank pursuant to Paragraph 3.1.1 of the Loan Agreement. Capitalized terms not otherwise defined herein have the respective meanings set forth in the Loan Agreement and the Note.

We have examined executed copies of the Loan Agreement, the Note, and applicable statutes of and relating to the lines of credit made available under the Loan Agreement, in each case, as amended to date; records of proceedings of the Board of Supervisors of the County during or by which resolutions were adopted relating to matters covered by this opinion. We have made no independent investigation of any of the Districts to whom the Bank will extend a revolving line of credit under the Loan Agreement. However, we have made such other investigations as we have deemed necessary to enable us to express the opinions hereinafter set forth. We have assumed the genuineness of all signatures of persons signing the Loan Documents on behalf of parties thereto other than the County and the Treasurer, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed or photo static copies.

Based upon the foregoing, and further subject to their last two paragraphs of this letter, we hereby advise you that in our opinion:

1. The County and the Treasurer have the power and authority to execute, deliver and perform the Loan Agreement and the Note without any action by each of the Districts to confirm or ratify such action.

2. The Loan Agreement and the Note have each been duly authorized by the County and no further corporate action is required in connection therewith. The execution and delivery of the Loan Agreement and the Note and the due performance of the provisions therein do not and will not violate, contravene, or constitute a default under any statutes relating to the formation and operations of the County, or any agreement, indenture, or other document or instrument to which the County is a party or by the terms by which the County or any of its property is bound or affected. The Loan Agreement and the Note have each been duly executed and delivered on behalf of the County and the Treasurer and constitute the legal, valid, and binding obligations enforceable against the Treasurer receiving advances thereunder in accordance with its terms.

3. No consent, approval, authorization, registration, or filing with any governmental authority is required in connection with the execution, delivery, or performance of the Loan Agreement or the Note, except as may have been obtained and certified copies of which have been delivered to the Bank.

4. (a) There are no actions, suits, proceedings, claims, or disputes pending, or to the best of our knowledge, threatened or contemplated, at law, in equity, in arbitration or before any governmental authority against the County, the Treasurer or any of its properties with respect to the Loan Agreement or the Note.

(b) No injunction, writ, temporary restraining order, or any order of any nature has been issued by any court or other governmental authority purporting to enjoin or restrain the execution, delivery, or performance of the Loan Agreement or the Note, or directing that the transactions provided for therein not be consummated as therein provided.

5. To the best of our knowledge, but without an investigation of any sort as to the Treasurer or the County, no event has occurred or would result from the incurring of the obligations by the Treasurer (in its capacity as agent to the Districts) or the County under the Loan Agreement or the Note which is, or with the lapse of time or notice or both would become an Event of Default.

Our opinion set forth in paragraph 2 above is subject to the qualification that the enforceability of the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and by general equity principles.

We are members of the State Bar of Arizona, and we do not express any opinion herein concerning any law other than the law of the State of Arizona, and the federal law of the United States.

This letter has been furnished to you pursuant to the Loan Agreement for your use in connection with the Loan Agreement and may not be relied upon for any other purpose or by any other party without our consent.

Sincerely,

Bradley D. Beauchamp,
Gila County Attorney
By: Charles R. Shire
Deputy County Attorney



RESOLUTION NO. 19-01-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA APPROVING THE EXECUTION AND DELIVERY OF A BUSINESS LOAN AGREEMENT AND PROMISSORY NOTE BETWEEN THE GILA COUNTY TREASURER AND JPMORGAN CHASE BANK, N.A. PROVIDING FOR A REVOLVING LINE OF CREDIT FOR POLITICAL SUBDIVISIONS OF THE STATE FOR WHICH THE GILA COUNTY TREASURER ACTS AS TREASURER.

WHEREAS, Gila County, Arizona (the "County"), acting through its Board of Supervisors (the "Board"), acting as a Board of Deposit (the "Board of Deposit"), has heretofore ordered the receipt of bids for servicing bank for the County for the period commencing July 1, 2018, and ending June 30, 2022, with permitted extensions pursuant to Arizona Revised Statute ("A.R.S.") § 35-325; and

WHEREAS, included in the proposals for servicing bank were proposals for a line of credit for each political subdivision of the state for which the Gila County Treasurer (the "Treasurer") acts as treasurer pursuant to A.R.S. § 11-604.01; and

WHEREAS, the proposal of JPMorgan Chase Bank N.A., was announced as the best bid for services as servicing bank and the best bid to provide the line of credit for the period commencing July 1, 2018, and ending June 30, 2022, with permitted extensions pursuant to A.R.S. § 35-325; and

WHEREAS, pursuant to and in accordance with Arizona Revised Statutes § 11-604.01 et. seq., the Treasurer acting as the agent for the County and for any political subdivision of the State of Arizona for which the Treasurer acts as treasurer may take any action required under an agreement for obtaining a line of credit for each of the political subdivisions of the County for which the Treasurer acts as treasurer; and


WHEREAS, a draft of the Business Loan Agreement providing a line of credit for the districts listed in Schedule 1 attached thereto (the "Districts") as evidenced by a Promissory Note have been provided by the Bank and placed on file with the Clerk of the Board and presented at the meeting at which this resolution was adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA, AS FOLLOWS:


- The Business Loan Agreement and Promissory Note on file with the Clerk, are approved by the Board and the Treasurer is authorized and directed to execute and deliver the Business Loan Agreement and Promissory Note as agent for the County and the Districts.
- As agent for the County and the Districts, the Treasurer is authorized to take all acts and do all things on behalf of the County and the Districts as set forth and enumerated in the Business Loan Agreement and Promissory Note.
- All actions taken by the Treasurer and any person representing the Treasurer with respect to the Business Loan Agreement and Promissory Note, and the procedures pertaining thereto, are hereby ratified and affirmed.
- This resolution shall become effective immediately upon adoption and execution.

PASSED AND ADOPTED this 8th day of January 2019, at Globe, Gila County, Arizona.

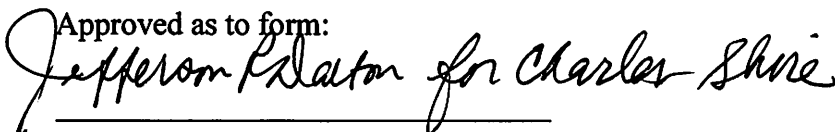
Attest:


Marian Sheppard, Clerk

GILA COUNTY BOARD OF SUPERVISORS


Tim R. Humphrey, Chairman

Approved as to form:


The Gila County Attorney's Office

ARF-5544

2. C.

Special BOS Meeting

Meeting Date: 06/25/2019

Submitted For: Mary Springer, Finance Director

Submitted By: Mary Springer, Finance Director

Department: Finance

Information

Request/Subject

Approve budgeted and unbudgeted fund transfers from FY 2017, FY 2018, and FY 2019.

Background Information

During the course of routine business the Finance Department prepares fund transfers. The Finance Department shall bring forth each year the transfers for the Boards review, discussion, and approval to remain compliant with A.R.S. § 42-17106.

A.R.S. § 42-17106. Expenditures limited to budgeted purposes; transfer of monies A. Except as provided in subsection B, a county, city or town shall not: 1. Spend money for a purpose that is not included in its budget. 2. Spend money or incur or create a debt, obligation or liability in a fiscal year in excess of the amount stated for each purpose in the finally adopted budget for that year, except as provided by law, regardless of whether the county, city or town has received at any time, or has on hand, monies or revenue in excess of the amount required to meet expenditures, debts, obligations and liabilities that are incurred under the budget. B. A governing body may transfer monies between budget items if all of the following apply: 1. The monies are available. 2. The transfer is in the public interest and based on a demonstrated need. 3. The transfer does not result in a violation of the limitations prescribed in article IX, sections 19 and 20, Constitution of Arizona. 4. A majority of the members of the governing body votes affirmatively on the transfer at a public meeting.

Evaluation

A.R.S. § 42-17106 requires the Board of Supervisors, by majority vote, to approve the budgeted and unbudgeted funds transfers at a public meeting.

Conclusion

In order to be compliant with A.R.S. § 42-17106, the Finance Department requests the Board approve the inter-fund budgeted and unbudgeted transfers for FY 2017, FY 2018, and FY 2019.

Recommendation

Staff recommends approval.

Suggested Motion

Information/Discussion/Action to approve the budgeted and unbudgeted inter-fund transfers for FY 2017, FY 2018, and FY 2019. **(Mary Springer)**

Attachments

A.R.S. 42-17106

FY2017 Transfers

FY 2018 Transfers

FY 2019 Transfers

42-17106. Expenditures limited to budgeted purposes; transfer of monies

A. Except as provided in subsection B, a county, city or town shall not:

1. Spend money for a purpose that is not included in its budget.
2. Spend money or incur or create a debt, obligation or liability in a fiscal year in excess of the amount stated for each purpose in the finally adopted budget for that year, except as provided by law, regardless of whether the county, city or town has received at any time, or has on hand, monies or revenue in excess of the amount required to meet expenditures, debts, obligations and liabilities that are incurred under the budget.

B. A governing body may transfer monies between budget items if all of the following apply:

1. The monies are available.
2. The transfer is in the public interest and based on a demonstrated need.
3. The transfer does not result in a violation of the limitations prescribed in article IX, sections 19 and 20, Constitution of Arizona.
4. A majority of the members of the governing body votes affirmatively on the transfer at a public meeting.



G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 1005.201.140_3940.10 Transfers Out Budgetary									
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16			2,434,297.72	Balance To Date:	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals	5,021,014.80		2,434,297.72
Account Transfers Out Budgetary Totals							\$7,455,312.52	\$0.00	\$7,455,312.52
Program General Administration Totals							\$7,455,312.52	\$0.00	
Department Finance Totals							\$7,455,312.52	\$0.00	
Fund General Fund Totals							\$7,455,312.52	\$0.00	
G/L Account Number 1007.101.811_3930.10 Transfer In Budgetary transfers in									
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		621,955.20	\$0.00
Account Transfer In Budgetary transfers in Totals							\$0.00	\$621,955.20	(621,955.20)
Program New Facilities Totals							\$0.00	\$621,955.20	
Department Board of Supervisors Totals							\$0.00	\$621,955.20	
Fund Capital Improvements Totals							\$0.00	\$621,955.20	
G/L Account Number 1008.404_3930.10 Transfer In Budgetary transfers in									
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				436,683.82	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		607,136.85	(436,683.82)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$1,043,820.67	(1,043,820.67)
G/L Account Number 1008.404_3940.20 Transfers Out Unbudgeted									
04/24/2017	2017-00002399	JE	GL	Transfer of cash from 1008.404 to 2570 to make \$0 cash balance	dblevins		569.63	Balance To Date:	\$0.00
Account Transfers Out Unbudgeted Totals							\$569.63	\$0.00	569.63
Department Health Totals							\$569.63	\$1,043,820.67	
Fund Health Service Fund Totals							\$569.63	\$1,043,820.67	
G/L Account Number 1009.404_3930.10 Transfer In Budgetary transfers in									
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				216,809.02	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		288,060.42	(216,809.02)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$504,869.44	(504,869.44)
Department Health Totals							\$0.00	\$504,869.44	
Fund Rabies Control Totals							\$0.00	\$504,869.44	



G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	1115.101.945_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				414,843.32	(414,843.32)
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		834,295.64	(1,249,138.96)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$1,249,138.96	(\$1,249,138.96)
Program Public Information/Transparency Totals							\$0.00	\$1,249,138.96	
Department Board of Supervisors Totals							\$0.00	\$1,249,138.96	
Fund Non-Capitalized Projects Totals							\$0.00	\$1,249,138.96	
G/L Account Number	1124.201.140_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		326,447.05	(326,447.05)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$326,447.05	(\$326,447.05)
Program General Administration Totals							\$0.00	\$326,447.05	
Department Finance Totals							\$0.00	\$326,447.05	
Fund Superior & JP Crts Security Totals							\$0.00	\$326,447.05	
G/L Account Number	1825.600_3930.20	Transfer In Non-budgeted						Balance To Date:	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		161.57	(161.57)
Account Transfer In Non-budgeted Totals							\$0.00	\$161.57	(\$161.57)
Department Library Totals							\$0.00	\$161.57	
Fund Gila County Wellness Program Totals							\$0.00	\$161.57	
G/L Account Number	1827.107_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		171,306.06	(171,306.06)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$171,306.06	(\$171,306.06)
Department Human Resources Totals							\$0.00	\$171,306.06	
Fund @County Health Insurance Pool Totals							\$0.00	\$171,306.06	
G/L Account Number	2570.404_3930.20	Transfer In Non-budgeted						Balance To Date:	\$0.00
04/24/2017	2017-00002399	JE	GL	Transfer of cash from 1008.404 to 2570 to make \$0 cash balance	dblevins			569.63	(569.63)
Account Transfer In Non-budgeted Totals							\$0.00	\$569.63	(\$569.63)
Department Health Totals							\$0.00	\$569.63	
Fund @Maternal & Child Home Visiting Totals							\$0.00	\$569.63	
G/L Account Number	4501.337_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				35,090.86	(35,090.86)



G/L Date Range 07/01/16 - 06/30/17

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	4501.337_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		46,173.19	(81,264.05)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$81,264.05	(\$81,264.05)
Department Law Library Totals							\$0.00	\$81,264.05	
Fund Law Library Fund Totals							\$0.00	\$81,264.05	
G/L Account Number	4502.303_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				31,737.79	(31,737.79)
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		79,199.65	(110,937.44)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$110,937.44	(\$110,937.44)
Department Conciliation Court Totals							\$0.00	\$110,937.44	
Fund Conciliation Court Fund Totals							\$0.00	\$110,937.44	
G/L Account Number	6010.600_3930.10	Transfer In Budgetary transfers in						Balance To Date:	\$0.00
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				50,000.00	(50,000.00)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$50,000.00	(\$50,000.00)
Department Library Totals							\$0.00	\$50,000.00	
Fund Library Assistance Totals							\$0.00	\$50,000.00	
G/L Account Number	6500.341.510.000_3930.20	Transfer In Non-budgeted						Balance To Date:	\$0.00
04/25/2017	2017-00002412	JE	GL	Zero out Fund 6512 to 6500 for RAC projects	SCoons	Departmental - Departmental Journals		58,905.35	(58,905.35)
Account Transfer In Non-budgeted Totals							\$0.00	\$58,905.35	(\$58,905.35)
Location Non-specified Totals							\$0.00	\$58,905.35	
Program Consolidated Roads Totals							\$0.00	\$58,905.35	
Department Public Works Totals							\$0.00	\$58,905.35	
Fund Public Works Totals							\$0.00	\$58,905.35	
G/L Account Number	6510.341.526.000_3940.10	Transfers Out Budgetary						Balance To Date:	\$0.00
03/01/2017	2017-00001944	JE	GL	Transfer fr 6510 to 6594 MainSt Sidewalk	SCoons	Departmental - Departmental Journals		29,706.00	(29,706.00)



G/L Date Range 07/01/16 - 06/30/17

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	6510.341.526.000_3940.10	Transfers	Out Budgetary					Balance To Date:	\$0.00
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
					Account	Transfers Out Budgetary Totals	\$0.00	\$29,706.00	(\$29,706.00)
G/L Account Number	6510.341.526.000_3940.20	Transfers	Out Unbudgeted					Balance To Date:	\$0.00
03/01/2017	2017-00001944	JE	GL	Transfer fr 6510 to 6594 MainSt Sidewalk	SCoons	Departmental - Departmental Journals		4,779.00	(4,779.00)
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
					Account	Transfers Out Unbudgeted Totals	\$0.00	\$4,779.00	(\$4,779.00)
					Location	Non-specified Totals	\$0.00	\$34,485.00	
				Program	Engineering CIP 1/2 Cent Excise Totals		\$0.00	\$34,485.00	
					Department	Public Works Totals	\$0.00	\$34,485.00	
				Fund	PW Half Cent Transp Excise Tax Totals		\$0.00	\$34,485.00	
G/L Account Number	6512.341.529.000_3940.40	Transfers	Out Residual equity					Balance To Date:	\$0.00
04/25/2017	2017-00002412	JE	GL	Zero out Fund 6512 to 6500 for RAC projects	SCoons	Departmental - Departmental Journals	58,905.35		58,905.35
					Account	Transfers Out Residual equity Totals	\$58,905.35	\$0.00	\$58,905.35
					Location	Non-specified Totals	\$58,905.35	\$0.00	
				Program	HURF/VLT Road CIP Projects Totals		\$58,905.35	\$0.00	
					Department	Public Works Totals	\$58,905.35	\$0.00	
				Fund	RAC Forest Service 10.665 Totals		\$58,905.35	\$0.00	
G/L Account Number	6594.341.526.000_3930.10	Transfer In	Budgetary transfers in					Balance To Date:	\$0.00
03/01/2017	2017-00001944	JE	GL	Transfer fr 6510 to 6594 MainSt Sidewalk	SCoons	Departmental - Departmental Journals	34,485.00		34,485.00
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
					Account	Transfer In Budgetary transfers in Totals	\$34,485.00	\$0.00	\$34,485.00
					Location	Non-specified Totals	\$34,485.00	\$0.00	
				Program	Engineering CIP 1/2 Cent Excise Totals		\$34,485.00	\$0.00	
					Department	Public Works Totals	\$34,485.00	\$0.00	
				Fund	TE Sidewalks Main Totals		\$34,485.00	\$0.00	



G/L Date Range 07/01/16 - 06/30/17

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 6850.341.436_3930.20 Transfer In Non-budgeted									Balance To Date: \$0.00
03/01/2017	2017-00001945	JE	GL	Pay for demo 1309 South St fr 6880 to 6850	SCoons	Departmental - Departmental Journals		5,337.91	(5,337.91)
Account Transfer In Non-budgeted Totals							\$0.00	\$5,337.91	(\$5,337.91)
Program Russell Gulch Landfill Totals							\$0.00	\$5,337.91	
Department Public Works Totals							\$0.00	\$5,337.91	
Fund Recycling & Ldfl Mngmt Totals							\$0.00	\$5,337.91	
G/L Account Number 6870.341.527.000_3930.10 Transfer In Budgetary transfers in									Balance To Date: \$0.00
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		106,601.59	(106,601.59)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$106,601.59	(\$106,601.59)
Location Non-specified Totals							\$0.00	\$106,601.59	
Program Auto/Equipment Maintenance Totals							\$0.00	\$106,601.59	
Department Public Works Totals							\$0.00	\$106,601.59	
Fund Fleet Management Totals							\$0.00	\$106,601.59	
G/L Account Number 6880.341.102.000_3930.10 Transfer In Budgetary transfers in									Balance To Date: \$0.00
06/28/2017	2017-00002923	JE	GL	Cash Transfers for budget FY15-16				1,249,132.91	(1,249,132.91)
06/30/2017	2017-00002960	JE	GL	Year End Transfers for FY 2017	Cross Fund	Departmental - Departmental Journals		2,110,977.23	(3,360,110.14)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$3,360,110.14	(\$3,360,110.14)
G/L Account Number 6880.341.102.000_3940.20 Transfers Out Unbudgeted									Balance To Date: \$0.00
03/01/2017	2017-00001945	JE	GL	Pay for demo 1309 South St fr 6880 to 6850	SCoons	Departmental - Departmental Journals	5,337.91		5,337.91
Account Transfers Out Unbudgeted Totals							\$5,337.91	\$0.00	\$5,337.91
Location Non-specified Totals							\$5,337.91	\$3,360,110.14	
Program Buildings/Land Totals							\$5,337.91	\$3,360,110.14	
Department Public Works Totals							\$5,337.91	\$3,360,110.14	
Fund Facilities Management Totals							\$5,337.91	\$3,360,110.14	
Grand Totals							\$7,554,610.41	\$7,725,910.06	



G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 1005.201.140_3930.20 Transfer In Non-budgeted								Balance To Date:	\$0.00
08/31/2017	2018-0000431	JE	GL	Transfer to GF signed by James Menlove				1,000,000.00	(1,000,000.00)
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		1,199,700.87	(2,199,700.87)
Account Transfer In Non-budgeted Totals							\$0.00	\$2,199,700.87	(\$2,199,700.87)
G/L Account Number 1005.201.140_3940.10 Transfers Out Budgetary								Balance To Date:	\$0.00
06/26/2018	2018-00002752	JE	GL	Budgeted transfers for fiscal years, 15, 17. 18 County Match	awarden	Departmental - Departmental Journals	141,000.00		141,000.00
06/26/2018	2018-00002756	JE	GL	Budgeted transfers for fiscal years, 15, 17. 18 County Match	awarden	Departmental - Departmental Journals		141,000.00	.00
06/27/2018	2018-00002757	JE	GL	Transfers for fiscal years 15, 17, 18 county match of funds	awarden	Departmental - Departmental Journals	141,000.00		141,000.00
06/27/2018	2018-00002765	JE	GL	Budgeted transfer county match fy 18	awarden	Departmental - Departmental Journals	79,593.00		220,593.00
Account Transfers Out Budgetary Totals							\$361,593.00	\$141,000.00	\$220,593.00
G/L Account Number 1005.201.140_3940.20 Transfers Out Unbudgeted								Balance To Date:	\$0.00
06/26/2018	2018-00002750	JE	GL	Purchase from Public Works home for Community Services Use	awarden	Departmental - Departmental Journals	77,747.86		77,747.86
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals	4,164,212.19		4,241,960.05
Account Transfers Out Unbudgeted Totals							\$4,241,960.05	\$0.00	\$4,241,960.05
Program General Administration Totals							\$4,603,553.05	\$2,340,700.87	
Department Finance Totals							\$4,603,553.05	\$2,340,700.87	
G/L Account Number 1005.300.441.000_3940.20 Transfers Out Unbudgeted								Balance To Date:	\$0.00
12/05/2017	2018-00001144	JE	GL	Prior Year match not made by Finance	LMellema		267,915.00		267,915.00
12/05/2017	2018-00001145	JE	GL	Transfer General Fund to Marij Erad	LMellema		1,090.62		269,005.62
Account Transfers Out Unbudgeted Totals							\$269,005.62	\$0.00	\$269,005.62
Location Non-specified Totals							\$269,005.62	\$0.00	
Program Administration Totals							\$269,005.62	\$0.00	
Department Sheriff Totals							\$269,005.62	\$0.00	
Fund General Fund Totals							\$4,872,558.67	\$2,340,700.87	



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 1006.201.140_3940.20 Transfers Out Unbudgeted									
08/31/2017	2018-0000431	JE	GL	Transfer to GF signed by James Menlove			1,000,000.00	Balance To Date:	\$0.00
									1,000,000.00
					Account	Transfers Out Unbudgeted Totals	\$1,000,000.00	\$0.00	\$1,000,000.00
					Program	General Administration Totals	\$1,000,000.00	\$0.00	
					Department	Finance Totals	\$1,000,000.00	\$0.00	
					Fund	Cash Flow Reserve Totals	\$1,000,000.00	\$0.00	
G/L Account Number 1007.3930.20 Transfer In Non-budgeted									
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		950,420.26	\$0.00
									(950,420.26)
					Account	Transfer In Non-budgeted Totals	\$0.00	\$950,420.26	(\$950,420.26)
G/L Account Number 1007.300.500_3940.20 Transfers Out Unbudgeted									
10/03/2017	2018-00000658	JE	GL	Transfer (1007.201) Rev to (3076) Dispatch Comm	LMellema		12,956.03	Balance To Date:	\$0.00
									12,956.03
					Account	Transfers Out Unbudgeted Totals	\$12,956.03	\$0.00	\$12,956.03
					Program	Capital Outlay Totals	\$12,956.03	\$0.00	
					Department	Sheriff Totals	\$12,956.03	\$0.00	
					Fund	Capital Improvements Totals	\$12,956.03	\$950,420.26	
G/L Account Number 1008.404_3930.20 Transfer In Non-budgeted									
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		481,572.66	\$0.00
									(481,572.66)
					Account	Transfer In Non-budgeted Totals	\$0.00	\$481,572.66	(\$481,572.66)
					Department	Health Totals	\$0.00	\$481,572.66	
					Fund	Health Service Fund Totals	\$0.00	\$481,572.66	
G/L Account Number 1009.404_3930.20 Transfer In Non-budgeted									
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		316,561.03	\$0.00
									(316,561.03)
					Account	Transfer In Non-budgeted Totals	\$0.00	\$316,561.03	(\$316,561.03)
					Department	Health Totals	\$0.00	\$316,561.03	
					Fund	Rabies Control Totals	\$0.00	\$316,561.03	



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 1111_3940.20 Transfers Out Unbudgeted									\$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals	1,002,897.66	Balance To Date:	1,002,897.66
Account Transfers Out Unbudgeted Totals							\$1,002,897.66	\$0.00	\$1,002,897.66
Fund Indirect Costs Totals							\$1,002,897.66	\$0.00	
G/L Account Number 1114_3930.20 Transfer In Non-budgeted									\$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		307.20	(307.20)
Account Transfer In Non-budgeted Totals							\$0.00	\$307.20	(307.20)
Fund Bond Issuance 2009 Totals							\$0.00	\$307.20	
G/L Account Number 1115_3940.20 Transfers Out Unbudgeted									\$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals	78,418.07	Balance To Date:	78,418.07
Account Transfers Out Unbudgeted Totals							\$78,418.07	\$0.00	\$78,418.07
Fund Non-Capitalized Projects Totals							\$78,418.07	\$0.00	
G/L Account Number 1119_3940.20 Transfers Out Unbudgeted									\$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals	118,385.14	Balance To Date:	118,385.14
Account Transfers Out Unbudgeted Totals							\$118,385.14	\$0.00	\$118,385.14
Fund Emergency Response Totals							\$118,385.14	\$0.00	
G/L Account Number 1124_3930.20 Transfer In Non-budgeted									\$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		188,299.32	(188,299.32)
Account Transfer In Non-budgeted Totals							\$0.00	\$188,299.32	(188,299.32)
Fund Superior & JP Crts Security Totals							\$0.00	\$188,299.32	
G/L Account Number 2000.171_3930.10 Transfer In Budgetary transfers in									\$0.00
06/26/2018	2018-00002752	JE	GL	Budgeted transfers for fiscal years 15 County Match	awarden	Departmental - Departmental Journals		47,000.00	(47,000.00)
06/26/2018	2018-00002752	JE	GL	Budgeted transfers for fiscal years 17 County Match	awarden	Departmental - Departmental Journals		47,000.00	(94,000.00)
06/26/2018	2018-00002756	JE	GL	Budgeted transfers for fiscal years 15 County Match	awarden	Departmental - Departmental Journals	47,000.00		(47,000.00)



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 2000.171_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
06/26/2018	2018-00002756	JE	GL	Budgeted transfers for fiscal years 17 County Match	awarden	Departmental - Departmental Journals	47,000.00		.00
06/27/2018	2018-00002757	JE	GL	Transfers for fiscal years 15 county match of funds	awarden	Departmental - Departmental Journals		47,000.00	(47,000.00)
06/27/2018	2018-00002757	JE	GL	Transfers for fiscal years 17 county match of funds	awarden	Departmental - Departmental Journals		47,000.00	(94,000.00)
06/27/2018	2018-00002757	JE	GL	Transfers for fiscal years 18 county match of funds	awarden	Departmental - Departmental Journals		47,000.00	(141,000.00)
06/28/2018	2018-00002773	JE	GL	Correction to JE 2018-2752	nweaver	Departmental - Departmental Journals	141,000.00		.00
Account Transfer In Budgetary transfers in Totals							\$235,000.00	\$235,000.00	\$0.00
G/L Account Number 2000.171.215_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
06/28/2018	2018-00002773	JE	GL	Correction to JE 2018-2752	nweaver	Departmental - Departmental Journals		47,000.00	(47,000.00)
06/28/2018	2018-00002773	JE	GL	Correction to JE 2018-2752	nweaver	Departmental - Departmental Journals		47,000.00	(94,000.00)
06/28/2018	2018-00002773	JE	GL	Correction to JE 2018-2752	nweaver	Departmental - Departmental Journals		47,000.00	(141,000.00)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$141,000.00	(\$141,000.00)
Program HAP Gila Budgetary Totals							\$0.00	\$141,000.00	
Department Community Services Totals							\$235,000.00	\$376,000.00	
Fund Housing Totals							\$235,000.00	\$376,000.00	
G/L Account Number 3001.300.340.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
06/27/2018	2018-00002765	JE	GL	Budgeted transfer county match fy 18	awarden	Departmental - Departmental Journals		79,593.00	(79,593.00)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$79,593.00	(\$79,593.00)
G/L Account Number 3001.300.340.000_3930.20 Transfer In Non-budgeted								Balance To Date:	\$0.00
12/05/2017	2018-00001144	JE	GL	Prior Year match not made by LMellema Finance				267,915.00	(267,915.00)
Account Transfer In Non-budgeted Totals							\$0.00	\$267,915.00	(\$267,915.00)
Location Non-specified Totals							\$0.00	\$347,508.00	
Program Patrol Totals							\$0.00	\$347,508.00	
Department Sheriff Totals							\$0.00	\$347,508.00	
Fund Drug Gang Violent Crime 16.738 Totals							\$0.00	\$347,508.00	



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	3064.300.340.000_3930.20	Transfer In Non-budgeted							Balance To Date: \$0.00
12/05/2017	2018-00001145	JE	GL	Transfer General Fund to Marij Erad	LMellema			1,090.62	(1,090.62)
Account Transfer In Non-budgeted Totals							\$0.00	\$1,090.62	(\$1,090.62)
Location Non-specified Totals							\$0.00	\$1,090.62	
Program Patrol Totals							\$0.00	\$1,090.62	
Department Sheriff Totals							\$0.00	\$1,090.62	
Fund Marijuana Eradication 16.Unk Totals							\$0.00	\$1,090.62	
G/L Account Number	3076.300.440.000_3930.20	Transfer In Non-budgeted							Balance To Date: \$0.00
10/03/2017	2018-00000658	JE	GL	Transfer (1007.201) Rev to (3076) Dispatch Comm	LMellema			12,956.03	(12,956.03)
Account Transfer In Non-budgeted Totals							\$0.00	\$12,956.03	(\$12,956.03)
Location Non-specified Totals							\$0.00	\$12,956.03	
Program Dispatch Totals							\$0.00	\$12,956.03	
Department Sheriff Totals							\$0.00	\$12,956.03	
Fund HSGP-Dispatch Comm 97.067 Totals							\$0.00	\$12,956.03	
G/L Account Number	4501.337_3930.20	Transfer In Non-budgeted							Balance To Date: \$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		39,586.59	(39,586.59)
Account Transfer In Non-budgeted Totals							\$0.00	\$39,586.59	(\$39,586.59)
Department Law Library Totals							\$0.00	\$39,586.59	
Fund Law Library Fund Totals							\$0.00	\$39,586.59	
G/L Account Number	4502.303_3930.20	Transfer In Non-budgeted							Balance To Date: \$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		59,141.30	(59,141.30)
Account Transfer In Non-budgeted Totals							\$0.00	\$59,141.30	(\$59,141.30)
Department Conciliation Court Totals							\$0.00	\$59,141.30	
Fund Conciliation Court Fund Totals							\$0.00	\$59,141.30	
G/L Account Number	6510.341.526.000_3930.10	Transfer In Budgetary transfers in							Balance To Date: \$0.00
06/16/2018	2018-00002636	JE	GL	Trnfr funds fr 6594 to 6510 to zero out 6594 fund	SCoons	Departmental - Departmental Journals		90,422.00	(90,422.00)
06/16/2018	2018-00002715	JE	GL	Trnfr funds fr 6594 to 6510 to zero out 6594 fund	SCoons	Departmental - Departmental Journals	90,422.00		.00



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 6510.341.526.000_3930.10 Transfer In Budgetary transfers in									
06/22/2018	2018-00002722	JE	GL	Corr Balance to Zero in 6594 Trnfr to 6510	SCoons	Departmental - Departmental Journals	90,422.00	Balance To Date:	\$0.00 90,422.00
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
Account Transfer In Budgetary transfers in Totals							\$180,844.00	\$90,422.00	\$90,422.00
G/L Account Number 6510.341.526.000_3930.20 Transfer In Non-budgeted									
06/22/2018	2018-00002725	JE	GL	Fund 6593 Balance Transfer to 6510 Project Complete	SCoons	Departmental - Departmental Journals	17,647.00	Balance To Date:	\$0.00 17,647.00
				WALKS_SIXSH - Sidewalk Reconstructions, Six Shooter Sidewalks - Globe					
06/26/2018	2018-00002750	JE	GL	Purchase from Public Works home for Community Services Use	awarden	Departmental - Departmental Journals		77,747.86	(60,100.86)
Account Transfer In Non-budgeted Totals							\$17,647.00	\$77,747.86	(\$60,100.86)
G/L Account Number 6510.341.526.000_3940.10 Transfers Out Budgetary									
03/14/2018	2018-00001953	JE	GL	Correcting Transfer of JE2017 -1944 fr 6510 to 6594	SCoons	Departmental - Departmental Journals	59,412.00	Balance To Date:	\$0.00 59,412.00
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
06/21/2018	2018-00002713	JE	GL	Trnfr fr 6510 Trans Tax to 6512 for RAC Baker project	SCoons	Departmental - Departmental Journals	250,000.00		309,412.00
Account Transfers Out Budgetary Totals							\$309,412.00	\$0.00	\$309,412.00
G/L Account Number 6510.341.526.000_3940.20 Transfers Out Unbudgeted									
03/14/2018	2018-00001953	JE	GL	Correcting Transfer of JE2017 -1944 fr 6510 to 6594	SCoons	Departmental - Departmental Journals	9,558.00	Balance To Date:	\$0.00 9,558.00
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
Account Transfers Out Unbudgeted Totals							\$9,558.00	\$0.00	\$9,558.00
Location Non-specified Totals							\$517,461.00	\$168,169.86	
Program Engineering CIP 1/2 Cent Excise Totals							\$517,461.00	\$168,169.86	
Department Public Works Totals							\$517,461.00	\$168,169.86	
Fund PW Half Cent Transp Excise Tax Totals							\$517,461.00	\$168,169.86	



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 6512.341.529.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
06/21/2018	2018-00002713	JE	GL	Trnfr fr 6510 Trans Tax to 6512 for RAC Baker project	SCoons	Departmental - Departmental Journals		250,000.00	(250,000.00)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$250,000.00	(\$250,000.00)
Location Non-specified Totals							\$0.00	\$250,000.00	
Program HURF/VT Road CIP Projects Totals							\$0.00	\$250,000.00	
Department Public Works Totals							\$0.00	\$250,000.00	
Fund RAC Forest Service 10.665 Totals							\$0.00	\$250,000.00	
G/L Account Number 6593.341.526.000_3940.20 Transfers Out Unbudgeted								Balance To Date:	\$0.00
06/22/2018	2018-00002725	JE	GL	Fund 6593 Balance Transfer to 6510 Project Complete	SCoons	Departmental - Departmental Journals		17,647.00	(17,647.00)
				WALKS_SIXSH - Sidewalk Reconstructions, Six Shooter Sidewalks - Globe					
Account Transfers Out Unbudgeted Totals							\$0.00	\$17,647.00	(\$17,647.00)
Location Non-specified Totals							\$0.00	\$17,647.00	
Program Engineering CIP 1/2 Cent Excise Totals							\$0.00	\$17,647.00	
Department Public Works Totals							\$0.00	\$17,647.00	
Fund TE Sidewalks Sixshooter Totals							\$0.00	\$17,647.00	
G/L Account Number 6594.341.526.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
03/14/2018	2018-00001953	JE	GL	Correcting Transfer of JE2017 -1944 fr 6510 to 6594	SCoons	Departmental - Departmental Journals		68,970.00	(68,970.00)
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe					
06/16/2018	2018-00002636	JE	GL	Trnfr funds fr 6594 to 6510 to zero out 6594 fund	SCoons	Departmental - Departmental Journals	90,422.00		21,452.00
06/16/2018	2018-00002715	JE	GL	Trnfr funds fr 6594 to 6510 to zero out 6594 fund	SCoons	Departmental - Departmental Journals		90,422.00	(68,970.00)
06/22/2018	2018-00002722	JE	GL	Corr Balance to Zero in 6594 Trnfr to 6510	SCoons	Departmental - Departmental Journals		90,422.00	(159,392.00)



G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	6594.341.526.000_3930.10	Transfer In Budgetary transfers in							
				WALKS_MAINST - Sidewalk Reconstructions, Main Street Sidewalks in Globe				Balance To Date:	\$0.00
			Account	Transfer In Budgetary transfers in	Totals		\$90,422.00	\$249,814.00	(\$159,392.00)
			Location	Non-specified	Totals		\$90,422.00	\$249,814.00	
			Program	Engineering CIP 1/2 Cent Excise	Totals		\$90,422.00	\$249,814.00	
			Department	Public Works	Totals		\$90,422.00	\$249,814.00	
			Fund	TE Sidewalks Main	Totals		\$90,422.00	\$249,814.00	
G/L Account Number	6850.341.430_3940.10	Transfers Out Budgetary							
06/21/2018	2018-00002711	JE	GL	Trnfr from 6850 RLM to 6856 Buckhead Expansion for Construction	SCoons	Departmental - Departmental Journals	900,000.00		900,000.00
			Account	Transfers Out Budgetary	Totals		\$900,000.00	\$0.00	\$900,000.00
			Program	Sanitation/Landfills	Totals		\$900,000.00	\$0.00	
			Department	Public Works	Totals		\$900,000.00	\$0.00	
			Fund	Recycling & Ldfl Mngmt	Totals		\$900,000.00	\$0.00	
G/L Account Number	6856.341_3930.10	Transfer In Budgetary transfers in							
06/21/2018	2018-00002711	JE	GL	Trnfr from 6850 RLM to 6856 Buckhead Expansion for Construction	SCoons	Departmental - Departmental Journals		900,000.00	(900,000.00)
			Account	Transfer In Budgetary transfers in	Totals		\$0.00	\$900,000.00	(\$900,000.00)
			Department	Public Works	Totals		\$0.00	\$900,000.00	
			Fund	Buckhead Mesa Expansion Reserve	Totals		\$0.00	\$900,000.00	
G/L Account Number	6880.341.102.000_3930.20	Transfer In Non-budgeted							
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		2,122,323.83	(2,122,323.83)
			Account	Transfer In Non-budgeted	Totals		\$0.00	\$2,122,323.83	(\$2,122,323.83)
			Location	Non-specified	Totals		\$0.00	\$2,122,323.83	
			Program	Buildings/Land	Totals		\$0.00	\$2,122,323.83	
			Department	Public Works	Totals		\$0.00	\$2,122,323.83	
			Fund	Facilities Management	Totals		\$0.00	\$2,122,323.83	



GILA COUNTY AZ

Detail General Ledger Report

G/L Date Range 07/01/17 - 06/30/18

Exclude Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	7494_3930.20	Transfer In Non-budgeted							\$0.00
06/27/2018	2018-00002760	JE	GL	Cash Transfers for budget year FY 17/18	awarden	Departmental - Departmental Journals		6,000.00	(6,000.00)
Account Transfer In Non-budgeted Totals							\$0.00	\$6,000.00	(\$6,000.00)
Fund EECO Totals							\$0.00	\$6,000.00	
Grand Totals							\$8,828,098.57	\$8,828,098.57	



G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 1003.201.140_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
03/27/2019	2019-00001757	JE	GL	To Restore the 1003 Fund to the budgeted fund balance of \$5M	JMenlove			2,550,000.00	(2,550,000.00)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$2,550,000.00	(2,550,000.00)
Program General Administration Totals							\$0.00	\$2,550,000.00	
Department Finance Totals							\$0.00	\$2,550,000.00	
Fund CIP Reserve Totals							\$0.00	\$2,550,000.00	
G/L Account Number 1005.201.140_3940.10 Transfers Out Budgetary								Balance To Date:	\$0.00
03/24/2019	2019-00001758	JE	GL	To Restore the 1006 Fund to the budgeted fund balance of \$5M	JMenlove		1,000,000.00		1,000,000.00
03/27/2019	2019-00001757	JE	GL	To Restore the 1003 Fund to the budgeted fund balance of \$5M	JMenlove		2,550,000.00		3,550,000.00
Account Transfers Out Budgetary Totals							\$3,550,000.00	\$0.00	\$3,550,000.00
Program General Administration Totals							\$3,550,000.00	\$0.00	
Department Finance Totals							\$3,550,000.00	\$0.00	
Fund General Fund Totals							\$3,550,000.00	\$0.00	
G/L Account Number 1006.201.140_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
03/24/2019	2019-00001758	JE	GL	To Restore the 1006 Fund to the budgeted fund balance of \$5M	JMenlove			1,000,000.00	(1,000,000.00)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$1,000,000.00	(1,000,000.00)
Program General Administration Totals							\$0.00	\$1,000,000.00	
Department Finance Totals							\$0.00	\$1,000,000.00	
Fund Cash Flow Reserve Totals							\$0.00	\$1,000,000.00	
G/L Account Number 1007.341.817_3940.10 Transfers Out Budgetary								Balance To Date:	\$0.00
02/15/2019	2019-00001514	JE	GL	Transfer Funds back to 6510 fr 1007 TE Pedestrian Rest Shelters RD SHELTERS_PEDSHELTER - Pedestrian Road Shelters, Pine-Strawberry Pedestrian Shelters-Fed Grant w/match & review	SCoons	Departmental - Departmental Journals	10,120.78		10,120.78
Account Transfers Out Budgetary Totals							\$10,120.78	\$0.00	\$10,120.78
Program Pine/Strawberry Shelters Totals							\$10,120.78	\$0.00	
Department Public Works Totals							\$10,120.78	\$0.00	
Fund Capital Improvements Totals							\$10,120.78	\$0.00	
G/L Account Number 6510.341.526.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
02/15/2019	2019-00001514	JE	GL	Transfer Funds back to 6510 fr 1007 TE Pedestrian Rest Shelters RD SHELTERS_PEDSHELTER - Pedestrian Road Shelters, Pine-Strawberry Pedestrian Shelters-Fed Grant w/match & review	SCoons	Departmental - Departmental Journals		10,120.78	(10,120.78)



G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 6510.341.526.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
02/19/2019	2019-00001521	JE	GL	Transfer Funds back to 6510 from 6593 for TE Six Shooter Rd proj WALKS_SIXSH - Sidewalk Reconstructions, Six Shooter Sidewalks - Globe	SCoons	Departmental - Departmental Journals		18,949.98	(29,070.76)
Account Transfer In Budgetary transfers in Totals							\$0.00	\$29,070.76	(\$29,070.76)
G/L Account Number 6510.341.526.000_3940.10 Transfers Out Budgetary								Balance To Date:	\$0.00
12/28/2018	2019-00001257	JE	GL	Trfr Funds fr 6510 to 6513 for IGA Road & Sidewalks projects REC_10 - RECONSTRUCTION OF PAVED ROADS, Broadway Road Reconstruction-Claypool	SCoons	Departmental - Departmental Journals	359,463.00		359,463.00
12/28/2018	2019-00001257	JE	GL	Trfr Funds fr 6510 to 6513 for IGA Road & Sidewalks projects WALKS_GOLDENHILL - Sidewalk Reconstructions, FHWA project for walks along Golden Hill Rd	SCoons	Departmental - Departmental Journals	22,360.00		381,823.00
03/16/2019	2019-00001692	JE	GL	Budget Transfer fr 6510 to 6513 for Projects REC_10 - RECONSTRUCTION OF PAVED ROADS, Broadway Road Reconstruction-Claypool	SCoons	Departmental - Departmental Journals	5,761.88		387,584.88
03/16/2019	2019-00001692	JE	GL	Budget Transfer fr 6510 to 6513 for Projects WALKS_GOLDENHILL - Sidewalk Reconstructions, FHWA project for walks along Golden Hill Rd	SCoons	Departmental - Departmental Journals	20,000.00		407,584.88
Account Transfers Out Budgetary Totals							\$407,584.88	\$0.00	\$407,584.88
Location Non-specified Totals							\$407,584.88	\$29,070.76	
Program Engineering CIP 1/2 Cent Excise Totals							\$407,584.88	\$29,070.76	
Department Public Works Totals							\$407,584.88	\$29,070.76	
Fund PW Half Cent Transp Excise Tax Totals							\$407,584.88	\$29,070.76	
G/L Account Number 6513.341.526.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
12/28/2018	2019-00001257	JE	GL	Trfr Funds fr 6510 to 6513 for IGA Road & Sidewalks projects REC_10 - RECONSTRUCTION OF PAVED ROADS, Broadway Road Reconstruction-Claypool	SCoons	Departmental - Departmental Journals		359,463.00	(359,463.00)
12/28/2018	2019-00001257	JE	GL	Trfr Funds fr 6510 to 6513 for IGA Road & Sidewalks projects WALKS_GOLDENHILL - Sidewalk Reconstructions, FHWA project for walks along Golden Hill Rd	SCoons	Departmental - Departmental Journals		22,360.00	(381,823.00)



G/L Date Range 07/01/18 - 06/30/19

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 6513.341.526.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
03/16/2019	2019-00001692	JE	GL	Budget Transfer fr 6510 to 6513 for Projects	SCoons	Departmental - Departmental Journals		5,761.88	(387,584.88)
REC_10 - RECONSTRUCTION OF PAVED ROADS, Broadway Road Reconstruction-Claypool									
03/16/2019	2019-00001692	JE	GL	Budget Transfer fr 6510 to 6513 for Projects	SCoons	Departmental - Departmental Journals		20,000.00	(407,584.88)
WALKS_GOLDENHILL - Sidewalk Reconstructions, FHWA project for walks along Golden Hill Rd									
Account Transfer In Budgetary transfers in Totals							\$0.00	\$407,584.88	(\$407,584.88)
Location Non-specified Totals							\$0.00	\$407,584.88	
Program Engineering CIP 1/2 Cent Excise Totals							\$0.00	\$407,584.88	
Department Public Works Totals							\$0.00	\$407,584.88	
Fund Intergovernmental Projects Totals							\$0.00	\$407,584.88	
G/L Account Number 6593.341.526.000_3930.10 Transfer In Budgetary transfers in								Balance To Date:	\$0.00
02/19/2019	2019-00001521	JE	GL	Transfer Funds back to 6510 from 6593 for TE Six Shooter Rd proj	SCoons	Departmental - Departmental Journals		1,302.98	(1,302.98)
WALKS_SIXSH - Sidewalk Reconstructions, Six Shooter Sidewalks - Globe									
Account Transfer In Budgetary transfers in Totals							\$0.00	\$1,302.98	(\$1,302.98)
G/L Account Number 6593.341.526.000_3940.20 Transfers Out Unbudgeted									
02/19/2019	2019-00001521	JE	GL	Transfer Funds back to 6510 from 6593 for TE Six Shooter Rd proj	SCoons	Departmental - Departmental Journals	18,949.98		18,949.98
WALKS_SIXSH - Sidewalk Reconstructions, Six Shooter Sidewalks - Globe									
Account Transfers Out Unbudgeted Totals							\$18,949.98	\$0.00	\$18,949.98
Location Non-specified Totals							\$18,949.98	\$1,302.98	
Program Engineering CIP 1/2 Cent Excise Totals							\$18,949.98	\$1,302.98	
Department Public Works Totals							\$18,949.98	\$1,302.98	
Fund TE Sidewalks Sixshooter Totals							\$18,949.98	\$1,302.98	
Grand Totals							\$3,986,655.64	\$3,987,958.62	

ARF-5559

Regular Agenda Item 2. D.

Special BOS Meeting

Meeting Date: 06/25/2019

Submitted For: Mary Springer, Finance Director

Submitted By: Marian Sheppard, Clerk of the Board

Department: Finance

Information

Request/Subject

Proposed Revision to Policy No. BOS-FIN-113 - Procurement to reflect a change to Section 2 (C).

Background Information

On November 20, 2018, the Board approved the new Procurement Policy (No. BOS-FIN-113). Section 2(C) Formal Solicitation Bid Threshold is currently set at \$50,000. The \$50,000 threshold limits the ability to solicit informal written quotes from small businesses and local suppliers. Staff proposes to increase the Informal Bid Threshold from \$50,000 to \$100,000 to streamline the ability to procure items with competitive three written quotes instead of a full formal bid process.

Chapter 23 of the Arizona Procurement Code, Part D., paragraph B states, *"Any procurement that does not exceed the aggregate dollar amount of less than one hundred thousand dollars shall be restricted, if practicable, to small businesses as defined in rules adopted by the director. The procurement officer shall rotate the small business solicited to compete for any procurement of less than one hundred thousand dollars. If it is impracticable to restrict a particular procurement to small businesses, the procurement officer shall make a determination setting forth the reasons and place it in the contract file."*

On June 18, 2019, the Board was presented with a proposed change to Section 2 (C) of Policy No. BOS-FIN-113 to increase the amount of \$50,000 to \$100,000 for the informal bid threshold for discussion. At that time Mary Springer, Finance Director, advised that the revised policy would be presented to the Board for action at its June 25th meeting.

Evaluation

The Board of Supervisors was provided an opportunity to have a thorough discussion on the proposed policy change at its June 18, 2019, Work Session. The Board must vote to accept the proposed policy change.

Conclusion

The proposed change to Policy No. BOS-FIN-113 - Procurement is being presented to the Board to approve the change.

Recommendation

Staff recommends that the Board of Supervisors approve the increase in the Informal Bid Threshold from \$50,000 to \$100,000 to streamline the ability to procure items with competitive three written quotes instead of a full formal bid process.

Suggested Motion

Information/Discussion/Action to approve a proposed revision to Section 2(C)-Formal Solicitation Bid of Policy No. BOS-FIN-113 - Procurement.

(Mary Springer)

Attachments

Revised Policy No. BOS-FIN-113

Chapter 23-Arizona Procurement Code

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1. LEGAL AUTHORITY

The Gila County Board of Supervisors (the "Board") in accordance with A.R.S. § 254.01 C adopts this Procurement Policy (the "Procurement Policy") in compliance with the uniform accounting system prescribed by the auditor general under A.R.S § 41-1279.21.

2. PURPOSE

- A. This Procurement Policy provides for a uniform system of control to enhance accountability and transparency and increase public confidence in Gila County (the "County") procurement. The Procurement Policy identifies procedures for the acquisition of supplies and services, including construction, research and development, architect-engineer and commercial items. This Procurement Policy applies to expenditure of public funds irrespective of funding source, including state and federal assistance monies. The County shall comply with terms and conditions of any grant, gift, bequest, cooperative agreement, or federal or state guideline. In those cases where this Procurement Policy does not address a procurement situation, the Arizona State Procurement Code found in Title 41, Chapter 23 of the Arizona Revised Statutes will be followed.
- B. This is a general guide to the supplier selection techniques and level of competition required for procurement by the County in compliance with the Arizona Revised Statutes and are generally based upon the dollar value (threshold) of the estimated or projected dollar amount of the entire procurement.
- C.

Type	Dollar Amount	Supplier Selection Method
Under Existing Vendor Contract	Any Amount	No competition required. May request level of effort costs from several contracted vendors and accept the lowest estimate.
Small Dollar Procurement	\$0.01 to <\$5,000	Use adequate and reasonable competition. May use County credit card as payment method.
Informal Solicitations	\$5,000 to <\$100,000	A minimum of three documented written quotes required. May use County credit card as payment method.
Formal Solicitations	More than \$100,000	Formal Bid Process

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3. SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLICABLE

- A. Unless expressly provided otherwise by a particular provision of this Procurement Policy, the principles of law and equity, including the Uniform Commercial Code as adopted by the State of Arizona, the common law of contracts as applied in the state of Arizona and law relative to agency, fraud, misrepresentation, duress, coercion and mistake or other applicable laws supplement the provisions of this Procurement Policy.

4. REQUIREMENT OF GOOD FAITH

- A. This Procurement Policy and the Uniform Commercial Code adopted by the State of Arizona requires all parties involved in the negotiation, performance, or administration of County contracts to act with utmost good faith.

5. PROCUREMENT ETHICS

- A. It is the policy of the County to promote the County's reputation for courtesy, fairness, impartiality, integrity, service economy, and government by law. The responsibility for implementing this Procurement Policy rests with each individual who participates in the procurement process, including the using department, suppliers, and procurement staff.

1. Employee Ethics

- a. No County employee, having official responsibility for a procurement transaction, shall represent the County in that transaction when the employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction.
- b. The employee, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee or partner, has a personal and substantial participation in the transaction, or owns or controls more than five (5%) of the firm.
- c. The employee, or any member of the employee's immediate family has a pecuniary interest arising from the transaction.
- d. The employee or any member of the employee's immediate family is negotiating, or has an arrangement concerning prospective employment with a bidder, offeror or contractor.
- e. No employee having official responsibility for a procurement transaction shall solicit, demand, accept, or agree to accept any payment, loan,

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subscription, advance deposit of money, services, entertainment, gift or anything of more than a nominal value from any bidder, offeror, contractor or subcontractor.

2. Vendor Ethics

- a. No bidder, offeror, contractor or subcontractor shall confer upon any public employee having official responsibility for a procurement transaction any payment, loan, subscription, advance deposit of money, services or anything of more than nominal value, present or promised.
- b. No bidder, offeror, contractor or subcontractor shall give, demand or receive from any supplier, subcontractor, or competitor any bribe, kickback, or anything of value in return for participation in a procurement transaction or agreeing not to compete in a transaction.
- c. Reporting of Anticompetitive Practices. If for any reason collusion or other anticompetitive practices are suspected among any bidders or offerors, a notice of the relevant facts shall be transmitted to the Procurement Officer and the County Attorney. This section does not require a law enforcement agency to investigate such practices to convey such notice to the Procurement Officer.

6. CONFIDENTIAL INFORMATION

A. Confidential information shall be designated as follows:

1. If a person or legal entity (the "Disclosing Party") asserts that a bid, proposal, offer, specification, or protest contains trade secret or other proprietary information (the "Confidential Information") should be held in confidence by the County, the Disclosing Party shall include a statement with the submission supporting the assertion and advising the Procurement Officer or his/her designee of this fact. In addition, the Disclosing Party shall clearly mark any Confidential Information disclosed as "Confidential" wherever it appears. In no event shall contract terms and conditions, pricing, and information generally available to the public be considered Confidential Information.
2. The Confidential Information identified by the Disclosing Party as Confidential may not be disclosed until the Procurement Officer or designee makes a written determination.
3. The Procurement Officer or designee shall review the statement and the Confidential Information and determine in writing whether the Confidential

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Information shall be retained by the County and treated as Confidential Information or returned to the Disclosing Party. In making the determination, the Procurement Officer or designee may consult with the County Attorney. In either case, the Procurement Officer or designee shall inform the Disclosing Party in writing of such determination. Determinations are retained by the Procurement Group.

4. If the Confidential Information is retained by the County, the County shall use reasonable efforts to maintain the secrecy of the Confidential Information and disclose such Confidential Information only to County employees with a need to know for the purposes of evaluating the bid, proposal, offer, specification or protest of the Disclosing Party.
5. At the conclusion of the process (bid, protest or otherwise) for which the Confidential Information was disclosed the Confidential Information shall be returned to Disclosing Party or destroyed at the discretion of the Procurement Officer or designee.

7. AUTHORITY OF THE FINANCE DIRECTOR

- A. The Finance Director shall serve as the Procurement Officer for the County and shall be responsible for the following:
 1. The purchase, renting, leasing or otherwise acquiring of all materials, services and construction, including all functions that pertain to the obtaining of any material, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
 2. Establishment of policies and procedures for the management of all inventories of materials.
 3. The sale, trade, or disposal of surplus materials belonging to the County in compliance with A.R.S. §11-251(9).
 4. Establish and maintain programs for the inspection, testing and acceptance of materials, services and construction.
 5. Supervise the County Procurement Group (the "Procurement Group") consisting of employees within the County that generally performs the following functions:

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- a. Research and request bid proposals and maintain vendor relationships to facilitate the preparation of all contractual agreements on behalf of the County;
 - b. Work with and supports all elected offices and departments within the County;
 - c. Operate as the point through which all County contracts will be processed to ensure proper administrative review prior to being submitted to the Procurement Officer, County Attorney's Office, County Manager or Board for approval.
 - d. Maintenance of a central file for all County contracts under an indexing system that will provide positive identification of all documents and facilitate document retrieval.
6. Delegate procurement authority to designees within the Procurement Group or other County governmental departments as may be required at the discretion of the Procurement Officer, provided that the delegation or any modification of authority shall be in writing and shall specify:
- a. The scope and type of authority delegated or modified;
 - b. Any limits or restrictions on the exercise of the delegated authority; and
 - c. The duration of the delegation.

8. SOURCE SELECTION & CONTRACT FORMATION

- A. In accordance with A.R.S. § 11-254.01 A, except as otherwise provided hereafter in paragraph C. (Sole Source Procurement); paragraph D. (Emergency Procurements); paragraph E. (Other Non-Procurement Contracts); and paragraph F. (Professional Services), all purchases of supplies, materials, equipment and contractual services, except professional services, made by the County having an estimated cost of more than One Hundred thousand (\$100,000) dollars per transaction shall be based on sealed, competitive bids.

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B. Competitive Sealed Bidding or Competitive Sealed Proposals

1. Invitation for Bids or Proposals. An Invitation for Bids shall be issued and shall include specifications, any applicable evaluation criteria, and all contractual terms and conditions specifically applicable to the procurement. Standard contractual terms and conditions may be included within the solicitation document or incorporated by reference.
2. Public Notice. Adequate public notice of the Invitation for Bids shall be given not less than twenty-one (21) days prior to the date set forth therein for the opening of bids. A shorter time may be deemed necessary for a procurement as determined in writing by the Procurement Group. The public notice shall state the place, date, and time of bid opening. Notice of the Invitation for Bids shall be posted on the County website, and a copy of the invitation for bids shall be available for public inspection.
3. Late Bids. A bid is late if it is received at the location designated in the Invitation for Bids after the time and date set for bid opening. The Procurement Group shall designate the governing clock. A late bid shall be rejected. A late bid shall not be opened except for, if necessary, identification purposes. Such bids shall be returned to the bidder. Bidders submitting bids that are rejected as late shall be so notified.
4. Bid Opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The amount of each bid and such other relevant information as the Procurement Officer deems appropriate, together with the name of each bidder, shall be recorded. In the event no attendees are present for bid opening, the sealed bids shall be opened by the Procurement Group and a "bid" or "no bid" may be recorded on the tabulation sheet. The bid may then be given to the appropriate person for recording. The attendance sheets shall indicate that there were no attendees present. Bids shall not be open for public inspection until after a contract is awarded. After contract award, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law.
5. Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Procurement Policy. Bids shall be evaluated based on the requirements set forth in the Invitations for Bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The Invitation for Bids shall set forth the evaluation

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criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Invitation for Bids.

6. Discussion with Offerors. Discussions may be conducted with responsible offerors.
7. Negotiations with Responsible Offerors and Revisions to Proposals. Negotiations may be conducted with responsible offerors. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors.
 - a. Concurrent Negotiations. Negotiations may be conducted concurrently with responsible offerors for the purpose of determining source selection and/or contract award.
8. Exclusive Negotiations. Exclusive negotiations may be conducted with the responsible offeror whose proposal is determined in the selection process to be most advantageous to the County. Exclusive negotiations may be conducted subsequent to concurrent negotiations or may be conducted without requiring previous concurrent negotiations. Exclusive negotiations shall not constitute a contract award, nor shall it confer any property rights to the successful offeror. If exclusive negotiations are conducted and an agreement is not reached, the County may enter exclusive negotiations with the next highest ranked offeror without the need to repeat the formal solicitation process.
9. Evaluation of Proposals
 - a. Selection Committee. The Procurement Officer or designee shall appoint a selection committee to evaluate the proposals and make a recommendation based on the criteria set forth in the request for proposals. No other factors or criteria may be used in the evaluation.
10. Correction or Withdrawal of Bids; Cancellation of Awards. Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the Procurement Group prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended.

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After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interests of the County or fair competition shall be permitted. In lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if:

- a. The mistake is clearly evident on the face of the bid document, but the intended correct bid is not similarly evident; or
- b. The bidder submits evidence that clearly and convincingly demonstrates that a mistake was made. All decisions to permit the correction or withdrawal of bids, or to cancel awards or contracts based on bid mistakes, shall be supported by a written determination made by the Procurement Officer.

11. Contract Awards

- a. Contract awards shall be made by the County Manager or designee for those contracts under \$50,000.00, or if above \$50,000.00 by the Board, to the responsible offeror whose proposal is determined in writing to be the most advantageous to the County taking into consideration price and the other evaluation criteria set forth in the request for proposals.
- b. The contract file shall contain the basis on which the award is made.
- c. Contracts that are awarded with Federal grant funding shall require a search for debarment prior to contract award. The search shall be conducted on the System for Award Management, <https://sam.gov/portal/SAM/#1#1>.
- d. General. The contract shall be awarded by appropriate notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the Invitation for Bids.
- e. Contract Award Based on Best Value. The contract may be awarded on best value analysis provided that the criteria for analysis were included in the Invitation for Bids. The contract shall be awarded by appropriate written notice to the response bidder determined to be the best value to the County and whose bid conforms in all material respects to requirements and criteria set forth in the Invitation for Bids.

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- f. Exceeding Available Funds. In the event the low responsive and responsible bid for a construction project exceeds available funds and such bid does not exceed such funds by more than five (5%) percent, the Procurement Officer or designee is authorized, when time or economic considerations preclude re-solicitation of work of a reduced scope, to negotiate an adjustment of the bid price with the low responsive and responsible bidder, in order to bring the bid within the amount of available funds.
 - g. Public Record. After the County approves a contract execution, the bids shall be available for public inspection.
 - h. Low Tie Bids. If there are two or more low responsive bids from responsible bidders that are identical in price and that meet all of the requirements and criteria set forth in the Invitation for Bids, award may be made by random selection in a manner prescribed by the Procurement Officer.
 - i. Each month a report will be compiled by the Finance Department for contracts signed by the County Manager under \$50,000.00 and presented to the Board on the consent agenda in the following month regularly scheduled Board meeting.
- C. Sole Source Procurement. A contract may be awarded without competition when the Procurement Officer determines in writing, after conducting a good faith review of available sources, that there is only one source for the required material, service or construction item. The requesting department shall provide written evidence to support a sole source determination. The Procurement Officer may require that negotiations are conducted as to price, delivery and terms. The Procurement Officer may require the submission of cost or pricing data in connection with an award under this section. Sole source procurement shall be avoided, except when no reasonable alternative sources exist.
- D. Emergency Procurements. The Procurement Officer may make or authorize others to make emergency procurements of materials, services or construction items when there exists a threat to public health, welfare, property or safety or if a situation exists which makes compliance contrary to the public interest; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. An emergency procurement shall be limited to those materials, services or construction necessary to satisfy the emergency need. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

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- E. Other Non-Procurement Contracts. The County may enter into other types of contractual arrangements which do not involve the acquisition of materials, services, equipment or construction. The County Manager or designee may approve these contracts if they do not obligate the County for more than two (2) years or involve expenditures to the other party of more than \$50,000.00. Examples of contractual arrangements include but are not limited to:
1. Acquisition and leasing of interests in real property
 2. Subordination agreements
 3. Lien Releases
 4. Franchises
 5. Licenses
 6. Software license agreements
 7. Use permits
 8. Revenue agreements
 9. Excise tax certification
- F. Professional Services. Professional services are those services rendered by a person/firm engaging in a recognized discipline that necessarily requires advanced training and specialized knowledge to perform. Such services typically result from the predominant use in intellectual skills rather than physical skills. Professional services for the purposes of this Procurement Policy include but are not limited to:
1. Attorneys
 2. Contractual services used by counties when issuing bonds, including consultants, underwriters, and bond servicing companies
 3. Architects
 4. Court reporters
 5. Physicians, nurse practitioners, physical therapists
 6. Mental health therapists and psychiatrists
 7. Engineers
 8. Land surveyors
 9. Geologists
 10. Hydrologists
 11. Real estate appraisers

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12. Financial advising services
13. Auditors, except for the State Auditor General

As authorized by A.R.S. § 41-2581 and in accordance with A.R.S. § 11-254.01 D, the contract for professional services may be awarded without competitive bids pursuant to the following policies:

- a. The Procurement Officer shall encourage persons or firms engaged in the lawful practice of the professional services listed above desiring to provide the services to the County submit annually a statement of qualifications and experience on a prescribed form which shall include, but not be limited to the following information:
 - Technical education and training;
 - General or special experience, certifications, licenses, and memberships in professional associations, societies, or boards; and;
 - Any other relevant information requested by the purchasing agency.
- b. Persons or firms who have submitted statement of qualifications may submit additional information or change information that was previously submitted at any time.
- c. A County department requiring professional services will prepare a scope of work and purchase requisition and forward it to the Procurement Officer for processing. Based on the scope of work and the professional services required, the Procurement Officer shall provide a notice of the need for such professional services to persons or firms who have submitted statement of qualifications for those professional services. The Procurement Officer or designee of such officer may conduct discussions with any offerors who submit a proposal to provide the professional services to determine the offeror's qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other offerors.
- d. The contract award shall be made to the offeror determined in writing by the Procurement Officer to be best qualified based on the evaluation factors set forth in the request for qualifications and after

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a written determination that the compensation is fair and reasonable. Selection may be made pursuant to the provisions of this section without requiring pricing proposals, but if price is included in proposals submitted, no contract may be awarded solely on the basis of price.

G. Cancellation of Solicitations

1. Cancellation of Solicitation. An invitation for bids, a request for proposals, a request for qualifications or other solicitation may be cancelled, or any or all bids, proposals or statement of qualifications may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the County. Each solicitation issued by the County shall state that the solicitation may be cancelled and that any bid, proposal or statement of qualification may be rejected in whole or in part when in the best interests of the County.
2. Prior to Opening
 - a. As used in this Section, "opening" means the date and time set for opening of bids, receipt of statements of qualifications or receipt of proposals in competitive sealed proposals.
 - b. Prior to opening, a solicitation may be cancelled in whole or in part when the Procurement Group determines in writing that such action is in the County's best interest for reasons including but not limited to:
 - 1) The County no longer requires the materials, services, or construction;
 - 2) The County no longer can reasonably expect to fund the procurement; or
 - 3) Proposed amendments to the solicitation would be of such magnitude that a new solicitation is desirable.
 - c. When a solicitation is cancelled prior to opening, notice of cancellation shall be sent to all persons solicited.
 - d. The notice of cancellation shall:
 - 1) Identify the solicitation;

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- 2) Briefly explain the reason for cancellation; and
 - 3) Where appropriate, explain that an opportunity will be given to compete on any re-solicitation or any future procurements of similar materials, services or construction.
3. After Opening
- a. After opening but prior to award, all bids, proposals or requests for qualifications may be rejected in whole or in part when the Procurement Officer or designee determines in writing that such action is in the County's best interest for reasons including but not limited to:
 - 1) The materials, services, or construction being procured are no longer required;
 - 2) Ambiguous or otherwise inadequate specifications or scopes of work were part of the solicitation;
 - 3) The solicitation did not provide for consideration of all factors of significance to the County;
 - 4) Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 - 5) All otherwise acceptable bids, statements of qualifications or proposals received are at clearly unreasonable prices; or
 - i. There is reason to believe that the bids, statements of qualifications or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith. A notice of rejection shall be sent to all persons that submitted bids, statements of qualifications or proposals.
 - ii. If all bids, proposals, or request for qualifications are rejected, all bids, proposals or statements received shall remain, to the extent possible, confidential.
4. Documentation. The reasons for cancellation or rejection shall be made a part of the procurement file and shall be available for public inspection.

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H. Rejection of Individual Bids, Proposals or Statements of Qualifications

1. A bid or proposal may be rejected if:
 - a. The bidder is determined to be non-responsive;
 - b. The bid is nonresponsive;
 - c. The proposed price, unless prohibited, is unreasonable; or
 - d. It is otherwise not advantageous to the County.
2. Reasons for rejection shall be provided to the unsuccessful bidders or offerors.

I. Responsibility of Bidders and Offerors

1. Factors to be considered in determining if a prospective bidder or offeror is responsible include:
 - a. The proposed bidder or offeror 's financial, physical, personnel or other resources, including subcontracts;
 - b. The proposed bidder or offeror's record of performance and integrity;
 - c. Whether the proposed bidder or offeror is qualified legally to contract with the County; and
 - d. Whether the proposed bidder or offeror supplied all necessary information concerning its responsibility;
 - e. Whether the proposed bidder or offeror is currently on a debarment list.
2. The Procurement Officer or designee may establish specific responsibility criteria for a particular procurement. Any specific responsibility criteria shall be set forth in the solicitation.
3. Determination of Non-responsibility. If a bidder or offeror who otherwise would have been awarded a contract is found non-responsive, a written finding of non-responsibility, setting forth the basis of the finding, shall be prepared by the Procurement Officer. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a finding of non-responsibility

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with respect to such bidder or offeror. The final determination shall be made part of the contract file and be made a public record.

J. Bid and Contract Security, Material or Service Contracts

1. The Procurement Officer or designee may require the submission of security to guarantee faithful bid and contract performance. In determining the amount and type of security required for each contract, the Procurement Officer or designee shall consider the nature of the performance and the need for future protection to the County. The requirement for security must be included in the invitation for bids or request for proposals. Failure to submit security in the amount and type of security required may result in the rejection of the bid, statement of qualifications or proposal.

K. Contract Term

1. Subject to the following guidelines, unless otherwise provided by law, a contract for materials or services may be entered into for any period of time deemed to be in the best interest of the County, if the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods are subject to the availability and appropriation of monies.
 - a. Contracts for materials and services shall have a specific term (date of commencement and expiration date).
 - b. A contract that does not exceed one (1) year may be approved by the County Manager or designee, if it is also for a contract amount less than \$50,000.
 - c. A contract that exceeds one (1) year in duration shall be approved by the Board and should not obligate the County for more than four (4) years.
 - d. Contracts between the County and a state or federal agency using a contract form that was developed by that agency and that the agency uses in its ordinary course of business may be for longer than four (4) years and will not require separate Board approval.

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- e. With Board approval, other contracts may exceed four (4) years. Examples of such contracts include real-property lease agreements, rights-of-way agreements for utility companies, and contracts that allow the County to use limited financial resources in the most effective and efficient manner. Contracts may have a provision that allows for renewal if the County has the option not to renew.
 2. Prior to use of a multi-term contract, it shall be determined that:
 - a. Estimated requirements cover the period of the contract and are reasonably firm and continuing;
 - b. The contract will serve the best interests of the County by encouraging effective competition or otherwise promoting economies in County procurement.
 3. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the contract may be cancelled by the County and the contractor may be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the contract.
- L. Right to Inspect. The County may, at reasonable times, inspect the part of the plant or place of business of a contractor, consultant or any subcontractor or sub-consultant that is related to the performance of any contract awarded or to be awarded by the County.
- M. Right to Audit Records
 1. The County may, at reasonable times and places, audit the books and records of any person who submits cost or pricing data to the extent that the books and records relate to the awarded contract. Any person who receives a contract, change order or contract modification for which cost or pricing data is required shall maintain the books and records that relate to the cost or pricing data for three years from the date of final payment under the contract, unless a shorter period is otherwise authorized in writing by the Procurement Officer.
 2. The County is entitled to audit the books and records of a contractor, consultant or any subcontractor or sub-consultant under any contract or subcontract to the extent that the books and records relate to the performance of the contract or subcontract. The books and records shall be maintained by the contractor for a period of five (5) years from the date

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of final payment under the prime contractor or consultant, and by the subcontractor or sub-consultant for a period of five (5) years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing by the Procurement Officer.

N. Prospective Vendors Lists

1. The Procurement Group shall maintain a prospective vendors list. Inclusion of the name of a person shall not indicate whether the person is responsible concerning a particular procurement or otherwise capable of successfully performing a County contract.
2. Persons desiring to be included on the prospective vendors list may notify the Procurement Group or may register with the Procurement Group in-person. The Procurement Group may remove a person from the prospective vendors list if it is determined that inclusion is not advantageous to the County.
3. It shall be the vendor's sole responsibility to ensure that vendor registration information is current and active.

O. Contract Form and Execution. All contracts and amendments, regardless of value shall be approved by the appropriate authority in the County prior to authorization to proceed. All contracts entered into under this Procurement Policy shall be executed in the name of the County by the County Manager or designee for contracts under \$50,000.00 or if above \$50,000.00 by the Board. The County Manager or designee may execute an amendment to any contract initially approved by the Board as long as the amendment does not alter the scope of the contract or the monetary commitment of the original Board award.

1. **Grant Contracts.** Grant Contracts due to the various complexities and time requirements, often necessitate immediate approval to take advantage of available funds. Based on the requirements/restrictions imposed by the grantor it may not always possible to follow the approved Procurement Policy. As such, grant contracts may be expedited by requesting that, with the approval of the Procurement Officer and County Manager, the Chairman of the Board of ~~Supervisors~~ execute the contract to be subsequently ratified by the Board, regardless of value. Grant applications submitted and approved by the County Manager which automatically become contracts must be submitted to the Board of ~~Supervisors~~ for ratification.

P. Assignment of Rights and Duties - The rights and duties of a County contract are not transferable or otherwise assignable without the written consent of the Procurement Officer.

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9. SPECIFICATIONS

A. Maximum Practicable Competition

1. All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the County's needs and shall not be unduly restrictive.
 - a. To the extent practicable and unless otherwise permitted by this Procurement Policy, all specifications shall describe the County's requirements in a manner that does not unnecessarily exclude a material, service or construction item.
 - b. Proprietary specifications shall not be used unless the Procurement Officer determines in writing that such specifications are required by demonstrable technological justification and that it is not practicable or advantageous to use a less restrictive specification. Past success in the material's performance, traditional purchasing practices or inconvenience of drawing specifications do not justify the use of proprietary specifications.
2. When practicable, the County shall use accepted commercial specifications and shall procure standard commercial materials.
3. Brand Name
 - a. A brand name or equal specification may be used when the Procurement staff determines that use of brand name or equal specifications is advantageous to the County.
 - b. A brand name specification may be prepared and utilized only if the Procurement staff makes a written determination that only the identified brand name item will satisfy the County's needs.

10. PROCUREMENT OF CONSTRUCTION

- A. All contracts entered into under this section 13.10 shall be executed in the name of the County by the County Manager for contracts under \$50,000.00 or if above \$50,000.00 by the Board in accordance with the requirements of A.R.S. §Title 34 and this Procurement Policy.

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- B. Procurement of Construction. Contracts for construction shall be solicited through a competitive sealed bid process for the procurement of Construction Services, Small Purchases, Sole Source Procurement, Emergency Procurements and Special Procurements in accordance with the requirements of A.R.S. §Title 34 and this Procurement Policy.
- C. Procurement of Professional Design Services. Contracts for professional design services with an estimated contract amount not to exceed (\$250,000) shall be solicited through a request for qualifications Small Purchases, Sole Source Procurement, Emergency Procurements, Special Procurements, and Direct Selection of Pre-Qualified Technical Registrants
- D. Procurement of Construction Services. Contracts for construction services shall be solicited through a build, design- build, and construction-manager-at-risk or job-order-contracting selection process utilizing a request for qualifications Small Purchases, Sole Source Procurement, Emergency Procurement and Special Procurements process.
- E. Construction by County Employees. A building, structure, addition or alteration of a public facility may be constructed by the County internal labor force if the cost does not exceed the amount established and adjusted each year in accordance with A.R.S. §34-201.
- F. Direct Selection of Pre-Qualified Technical Registrants
 - 1. If the procurement is by direct selection, a written determination by the County Engineer citing the basis of award and for the selection of the particular technical registrant shall be included in the contract file. The best interests of the County shall be considered in each instance.
 - 2. The Procurement Group shall maintain a list of technical registrants who are properly licensed with the State of Arizona Board of Technical Registration, that have expressed an interest in performing work for the County and have provided evidence of their professional qualifications for such work. The list may be categorized to reflect the person or firm's primary field of expertise. Persons or firms desiring to be included on the pre-qualified list may notify the Procurement Group or may register with the Procurement Group in-person.
 - 3. The Procurement Officer will notify each person or firm listed on the register annually of their status. An invitation published in the local publication inviting the updating of their professional qualifications.

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4. Firms who have failed to provide satisfactory evidence of qualifications or have performed unsatisfactorily during the past twelve (12) months may be removed from the pre-qualified vendor list.
- F. Non-substantial Failure to Comply. The Procurement Officer may determine that noncompliance with any provision of this section is non-substantial and may allow for correction or may waive minor informalities or irregularities.

11. CONTRACT CLAUSES

- A. Contract Clauses. All County contracts for supplies, services and construction shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Procurement Group, after consultation with the County Attorney, may issue clauses appropriate for material, service or construction contracts, addressing among others the following subjects:
1. The unilateral right of the County to order in-writing changes in the work within the scope of the contract;
 2. The unilateral right of the County to order in writing temporary stopping of the work or delaying performance that does not alter the scope of the contract;
 3. Variations occurring between estimated quantities of work in contract and actual quantities;
 4. Defective pricing;
 5. Liquidated damages;
 6. Specified excuses for delay or nonperformance;
 7. Termination of the contract for default;
 8. Termination of the contract in whole or in part for the convenience of the County;
 9. Suspension of work on a construction project ordered by the County;
 10. Site conditions differing from those indicated in the contract, or ordinarily encountered, except that a differing site conditions clause need not be included in a contract;

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11. When the contract is negotiated;
12. When the contractor provides the site or design; or
13. When the parties have otherwise agreed with respect to the risk of differing site conditions.

B. Price Adjustments.

Adjustments in price resulting from the use of contract clauses shall be computed in one or more of the following ways:

1. The agreement on a fixed price adjustment before commencement of the pertinent performance or as soon as practicable;
2. The modification to the unit prices specified in the contract;
3. The costs attributable to the events or situations under the clauses;
4. In other manner as the contracting parties may mutually agree;
5. In the absence of agreement by the parties, by a unilateral determination by the County of the costs attributable to the events or situations under such clauses with adjustment of profit or fee as computed by the County.

12. COST PRINCIPLES

The Procurement Officer or designee may establish cost principles that will be used to determine the allowable incurred costs for the purpose of reimbursing costs pursuant to written contract provisions that provide for the reimbursement of costs.

A. Price Adjusting

1. A contractor may be required to submit cost or pricing data if any adjustment in contract price is requested to the provisions.
2. Written adjustment of pricing may contain any of the following:
 - a. The contract price is based on adequate price competition.
 - b. The contract price is based on established catalogue prices or market prices.

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- c. Contract prices are set by law or regulation.

13. LEGAL AND CONTRACTUAL REMEDIES

- A. Right to Protest Solicitations and Contract Awards. Any actual or prospective bidder, respondent, offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may file a protest with the Procurement Officer and appeal the protest decision of the Procurement Officer to the County Manager.
- B. Resolution of Protests. The Procurement Officer shall have authority to resolve protests.
- C. Appeals from the decisions of the Procurement Officer may be made to the County Manager.
- D. Filing of a Protest
1. Content of Protest: The protest shall be in writing and shall include the following information:
 - a. The name, address and telephone number of the protestant;
 - b. The signature of the protestant or its representative;
 - c. Identification of the solicitation or contract number;
 - d. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - e. The form of relief requested.
- E. Time for Filing Protests
1. Protests Concerning Improprieties in a Solicitation.
 - a. Protests based upon alleged improprieties in a solicitation that are apparent before the solicitation due date shall be filed not less than five (5) working days before the solicitation due date.
 2. Protests shall be filed within ten (10) days after issuance of notification of award or issuance of notice of intent to award.

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3. The Procurement Officer, without waiving the County's right to dismiss the protest for lack of timeliness, may consider any protest that is not filed timely.
4. The Procurement Officer shall give notice of the protest to the successful contractor if award has been made or, if no award has been made, to all interested parties. Interested parties have the right to intervene.
5. Stay of Procurements during the Protest. In the event of a timely protest, the County may proceed further with the solicitation or with the award of the contract unless the Procurement Officer makes a written determination that there is a reasonable probability that the protest will be sustained or that the stay of procurement is not contrary to the substantial interests of the County.
6. Confidential Information
 - a. Material submitted by a protestant shall not be withheld from any interested party except to the extent that the withholding of information is permitted or required by law.
 - b. If the protestant believes that the protest contains Confidential Information, the provisions of Section 3.6 shall apply.
7. Decision by the Procurement Officer
 - a. The Procurement Officer shall issue a written decision within fourteen (14) days after a protest has been filed. The decision shall contain an explanation of the basis of the decision. The time for the Procurement Officer's response may be extended for good cause up to thirty (30) calendar days. The Procurement Officer shall notify the protestant in writing that the time for the issuance of a decision has been extended, and the date by which a decision will be issued.
 - b. The Procurement Officer shall furnish a copy of the decision to the protestant, by certified mail, return receipt requested, or by any other method including facsimile or electronically, that provides evidence of receipt.
 - c. If the Procurement Officer fails to issue a decision within the time limits, the protestant may proceed as if the Procurement Officer had issued an adverse decision.

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8. Protest Remedies

- a. If the Procurement Officer sustains the protest in whole or part and determines that a solicitation, evaluation process, proposed contract award or contract award does not comply with this Procurement Policy, the Procurement Officer shall implement an appropriate remedy.
- b. In determining an appropriate remedy, the Procurement Officer shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to, the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, the extent of performance, costs to the County, the urgency of the procurement and the impact of the relief on the using agency's mission.
- c. An appropriate remedy may include one or more of the following:
 - 1) Decline to exercise an option to renew under the contract;
 - 2) Reject all bids, responses or proposals;
 - 3) Terminate the contract;
 - 4) Reissue the solicitation;
 - 5) Issue a new solicitation;
 - 6) Award a contract consistent with the procurement code; or
 - 7) Such other relief as is determined necessary to ensure compliance with this Procurement Policy.

9. Appeals to the County Manager

- a. An appeal from a decision entered or deemed to be entered by the Procurement Officer shall be filed with the County Manager within seven (7) days from the date the decision is issued. The appellant shall also file a copy of the appeal with the Procurement Officer.
- b. Content of Appeal. The appeal shall contain:

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- 1) Content of the protest;
- 2) A copy of the decision of the Procurement Officer; and
- 3) The precise factual or legal error in the decision of the Procurement Officer from which an appeal is taken.

10. Notice of Appeal

- a. The Procurement Director shall give notice of the appeal to the successful contractor if award has been made or, if no award has been made, to interested parties. Such interested parties shall have the right to request copies of the appeal and to intervene in the proceedings.
- b. The Procurement Officer shall, upon request, furnish copies of the appeal to those interested parties.

11. Stay of Procurement during Appeal. If an appeal is filed during the procurement and before an award of a contract and the procurement or award of the contract was stayed by the Procurement Officer, the filing of an appeal shall automatically continue the stay unless the Procurement Officer makes a written determination that the procurement or award of the contract without delay is necessary to protect substantial interests of the County.

12. Procurement Officer Report. The Procurement Officer shall file a report on the appeal with the County Manager within seven (7) days from the date the appeal is filed. At the same time, the Procurement Officer shall furnish a copy of the report to the appellant by certified mail, return receipt requested, and to any interested parties. The report shall contain copies of:

- a. The appeal;
- b. Any other documents that are relevant to the protest; and
- c. A statement by the Procurement Officer setting forth findings, actions, recommendations and any additional evidence or information necessary to determine the validity of the appeal.

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13. Comments on Report

- a. The appellant shall file comments on the Procurement Officer's report with the County Manager within seven (7) days after receipt of the report. Copies of the comments shall be provided by the appellant to the Procurement Director and all other interested parties. The comments must contain a statement or confirmation as to the appellant's requested form of relief.

14. County Manager's Decision on Appeal

- a. After review of the Procurement Officer's report and the appellant's comments, the County Manager shall make a decision on the appeal and notify the appellant in writing of such decision within seven (7) days after the decision. The decision of the County Manager shall provide an explanation of the decision and a response to appellant's requested form of relief. The decision of the County Manager shall be final.

15. Filing of Contract Claims and Controversies

- a. Content of Claim: The claim shall be in writing and shall include the following information:
 - 1) The name, address and telephone number of the claimant;
 - 2) The signature of the claimant or its representative;
 - 3) Identification of the solicitation or contract number;
 - 4) A detailed statement of the legal and factual grounds of the claim including copies of relevant documents; and
 - 5) The form of relief requested.

16. Resolution of Contract Claims and Controversies. The Procurement Officer or designee administering a contract in consultation with the County Manager and County Attorney shall have the authority to settle and resolve any contract claims and controversies. If a contract claim or controversy cannot be resolved by mutual agreement of the parties, the County or the contractor may pursue any legal remedy set forth in the contract or authorized by law.

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14. DEBARMENT

- A. Authority to Debar or Suspend. The Procurement Officer in consultation with the County Manager and County Attorney shall have the authority to debar or suspend a person from participating in County procurements.
- B. Initiation of Debarment. Upon receipt of information concerning a possible cause for debarment the Procurement Officer may investigate the possible cause and make a determination. If after investigation, the Procurement Officer has a reasonable basis to believe that a cause for debarment exists, the Procurement Officer may debar a person in accordance with this Procurement Policy.
- C. Debarment or suspension causes shall be limited to:
 - 1. Conviction of any person or any affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
 - 2. Conviction of any person or any affiliate of any person under any statute of the federal government, this state or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of records, or receiving stolen property; or any other offense indicating a lack of business integrity or business honesty that currently seriously and directly affects responsibility as a County contractor and which conviction arises out of or obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
 - 3. Conviction or civil judgment finding a violation by any person or affiliate of any person under state or federal antitrust statutes arising out of the response to a solicitation.
 - 4. Violations of contract provisions within three (3) years of current debarment action, as set forth below, of a character that is reasonably deemed to be so serious as to justify debarment action:
 - a. Abandonment of a contract without good cause;
 - b. Knowingly fails without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - c. Failure to perform or unsatisfactory performance in accordance with the terms of one or more contracts, except that failure to perform or

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unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.

- d. Additionally, any other cause that the Procurement Officer reasonably determines to be so serious and compelling as to affect responsibility as a County contractor, including suspension or debarment of such person or any affiliate of such person by another governmental entity for any cause listed in this section.
- D. Matters Not Proper for Debarment or Suspension - any conviction or judgment dated more than three (3) years prior to the notice of suspension or notice of debarment shall not be a basis for any debarment or suspension of a person or an affiliate of a person.
- E. Period of Debarment
1. The period of time for a debarment shall not exceed three (3) years from the date of the debarment determination.
 2. If debarment is based solely upon debarment by another governmental agency, the period of debarment may run concurrently with the period established by that other debarring agency.
- F. Notice. The Procurement Officer shall notify the person in writing within seven (7) days by certified mail, return receipt requested, of the debarment action. The person may submit a request in writing to the Procurement Officer for reconsideration of the debarment action ~~hearing~~ within fourteen (14) days of issuance of the debarment action.
- G. Notice to Affiliates
1. If the Procurement Officer proposes to debar an affiliate, the affiliate shall have a right to provide the Procurement Officer with mitigating circumstances.
 2. The affiliate shall advise the Procurement Officer in writing within thirty (30) days of receipt of the notice of a hearing of its intention to appear. Failure to provide written notice of appearance within the thirty (30) day period shall be a waiver of the right to appear in the hearing.

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H. Imputed Knowledge

1. Improper conduct by a person may be imputed to an affiliate for purposes of debarment where the impropriety occurred in connection with the affiliate's duties for or on behalf of, or with the knowledge or approval of, the contractor.
2. The improper conduct of a person or its affiliate having a contract with a contractor may be imputed to the contractor for purposes of debarment where the impropriety occurred in connection with the person's duties for or on behalf of, or with the knowledge, or approval of the contractor.

I. Reinstatement

1. The Procurement Officer may at any time after a final decision on debarment reinstate a debarred person or rescind the debarment upon a determination that the cause upon which the debarment is based no longer exists.
2. Any debarred person may request reinstatement by submitting a petition to the County Manager supported by documentary evidence showing that the cause for debarment no longer exists or has been substantially mitigated.
3. The decision on reinstatement shall be in writing and specify the factors on which it is based.

J. Limited Participation. The Procurement Officer may allow a debarred person to participate in County contracts on a limited basis during the debarment period upon a written determination that participation is advantageous to the County. The determination shall specify the factors on which it is based and define the extent of the limits imposed.

K. Suspension. The Procurement Officer may suspend a person from receiving any award in order to protect the County's interests.

L. Period and Scope of Suspension. The period of suspension shall not be more than sixty (60) days unless the Procurement Officer is informed of compelling reasons to extend the period of suspension.

M. Suspension Notice

1. The Procurement Officer shall notify the person suspended by certified mail, return receipt requested.

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2. The notice of suspension shall state:
 - a. The basis for suspension;
 - b. The period, including dates, of the suspension; and
 - c. That bids or proposals shall not be solicited or accepted from the person and, if received, will not be considered.

N. Master List for Suspension and Debarment.

1. The Procurement Officer or designee shall maintain a Master List of debarments and suspensions.
2. The Master List shall show at a minimum the following information:
 - a. The names and vendor number of those persons whom the County has debarred or suspended.
 - b. The basis of authority for the action.
 - c. The period of debarment or suspension, including the expiration date.
 - d. The name of the debarring or suspending agency, if the County's debarment or suspension is based on debarment or suspension by another governmental agency.
3. The Master List shall include a separate section listing persons voluntarily excluded from participation in County contracts.

O. Judicial Review of Protests, Claims or Controversies, Debarments or Suspensions. Any final decision of the Procurement Officer of a protest, claim or controversy, debarment or suspension under this Procurement Policy is subject to judicial review by any party to the proceeding. Exhaustion of the procedures set forth in this Procurement Policy shall be a condition precedent to seeking judicial review and the complaint seeking review shall be filed within thirty (30) days of the final decision. by the Board

P. Exclusive Remedy. With exception to a law to the contrary, this Procurement Policy shall provide the exclusive procedure for asserting a claim or cause of action against the County arising in relation to any procurement conducted under this Procurement Policy.

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15. COOPERATIVE PROCUREMENT

- A. The Procurement Officer shall have the authority to participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any materials, services, or construction with one or more eligible procurement units in accordance with an agreement entered into between the participants when it is in the best interest of the County.

- B. Cooperative Procurement Agreements Required.
 - 1. The County is not authorized to participate in cooperative purchasing unless, prior to the solicitation, an Intergovernmental Procurement agreement is executed between the parties. All agreements entered into shall be signed and approved by the Board.

 - 2. Cooperative Purchasing Authorized.
 - a. The County may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any materials, services, or construction with one or more eligible procurement units in accordance with an agreement entered into between the participants. Parties under a cooperative purchasing agreement may:
 - 1. Sponsor, conduct or administer a cooperative agreement for the procurement or disposal of any materials, services, or construction.
 - 2. Cooperatively use materials or services.
 - 3. Commonly use or share warehousing facilities, capital equipment and other facilities.
 - 4. Provide personnel, except that the requesting eligible procurement unit may pay the public procurement unit providing the personnel the direct and indirect cost of providing the personnel, in accordance with the agreement.
 - 5. Upon request, make available to other public procurement units informational, technical or other services that may assist in improving the efficiency or economy of procurement. The public procurement unit furnishing the informational or technical services has the right to request

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reimbursement for the reasonable and necessary costs of providing such services.

3. General Services Administration (GSA) Purchasing Authorized.
 - a. The Procurement Officer may authorize purchases under the GSA contracts which specifically allow cooperative purchases by other governmental agencies if it is in the County's best interest to do so.

16. PROCUREMENT OF CAPITAL ASSETS

- A. The Counties may record capital assets on the capital assets list as items are received or at fiscal year-end. A separate acquisitions list should be maintained during the year to help support the reconciliation of the previous year's capital assets list to the current year's capital assets list and the reconciliation of capital assets acquisitions to total capital expenditures. Counties may receive federal, state or local grants, contracts or other programs to acquire capital assets. Title to such assets may transfer to the county under the terms of the program agreement. The assets should be capitalized and reported in the county's financial statements until the agreement requires their return. Counties should dispose of assets under such programs in accordance with program requirements.
- B. Disposal of capital assets requires the using department to complete a County Property Disposition Request Form, so the asset can be removed from the capital asset list and properly accounted for in the County's financial statements. The Finance Department will determine the appropriate disposal method and any monetary value received from the disposal of capital assets will be returned to the appropriate fund.

17. DISPOSAL OF CAPITAL ASSETS.

Counties may record capital assets on the capital assets list as items are received or at fiscal year-end. A separate acquisitions list should be maintained during the year to help support the reconciliation of the previous year's capital assets list to the current year's capital assets list and the reconciliation of capital assets acquisitions to total capital expenditures. Counties may receive federal, state or local grants, contracts or other programs to acquire capital assets. Title to such assets may transfer to the county under the terms of the program agreement. The assets should be capitalized and reported in the county's financial statements until the agreement requires their return. Counties should dispose of assets under such programs in accordance with program requirements.

Gila County Policy - Finance Procurement	Policy Number: BOS-FIN-113	Page 33 of 33
	Replaces: Adopted: 11-20-2018 Revised: 06-25-2019	

SIGNATURE:

CHAIRMAN, BOARD OF SUPERVISORS

DATE

Chapter 23
Arizona Procurement Code

Part D. Procurements Not Exceeding the Amount Prescribed in A.R.S. §41-2535

§ 41-2535. Procurements not exceeding a prescribed amount; small businesses; simplified construction procurement program

- A. Any procurement that does not exceed the aggregate dollar amount of one hundred thousand dollars may be made in accordance with rules adopted by the director, except that the procurements shall be made with such competition as is practicable under the circumstances.
- B. Any procurement that does not exceed the aggregate dollar amount of less than one hundred thousand dollars shall be restricted, if practicable, to small businesses as defined in rules adopted by the director. The procurement officer shall rotate the small business solicited to compete for any procurement of less than one hundred thousand dollars. If it is impracticable to restrict a particular procurement to small businesses, the procurement officer shall make a determination setting forth the reasons and place it in the contract file.
- C. Procurement requirements shall not be artificially divided or fragmented so as to constitute a purchase under this section and to circumvent the source selection procedures required by section 41-2533 or 41-2534 or be artificially combined to circumvent this section.
- D. A procurement involving construction not exceeding one hundred thousand dollars may be made pursuant to rules adopted by the director in accordance with this section that shall be known as the simplified construction procurement program. At a minimum the rules shall require that:
 - 1. A list be maintained of persons who desire to receive solicitations to bid on construction projects to which additions shall be permitted throughout the year.
 - 2. The list of persons be available for public inspection.
 - 3. Agreements for construction be on forms approved by the director.
 - 4. All information submitted by bidders pursuant to this section be confidential according to section 41-2533, subsection D.
 - 5. All bids for construction be opened at a public opening.
 - 6. All persons desiring to submit bids be treated equitably and the information related to each project be available to all eligible persons.
 - 7. Competition for construction projects under the simplified construction procurement program be encouraged to the maximum extent possible.

R2-7-D301. Applicability

For purchases not exceeding the amount prescribed in A.R.S. § 41-2535, including construction, the agency chief procurement officer shall issue a request for quotation under R2-7-D302 unless any of the following apply:

- 1. The purchase can be made from a state or agency contract;
- 2. The purchase can be made from a set-aside organization as established in Article 10;

ARF-5561

Consent Agenda Item 3. A.

Special BOS Meeting

Meeting Date: 06/25/2019

Reporting Period: June 20, 2019 Meeting Notes

Submitted For: Marian Sheppard, Clerk of the Board

Submitted By: Melissa Henderson, Deputy Clerk

Information

Subject

June 20, 2019, Board of Supervisors' Meeting Minutes

Suggested Motion

Approval of the June 20, 2019, Board of Supervisors' meeting minutes.

Attachments

06-20-19 Meeting Notes

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

Date: June 20, 2019

TOMMIE C. MARTIN

Member

MARIAN E. SHEPPARD

Clerk of the Board

TIM R. HUMPHREY

Chairman

By: Marian Sheppard
Clerk of the Board

WOODY CLINE

Vice-Chairman

Gila County Courthouse
Globe, Arizona

PRESENT: Tim R. Humphrey, Chairman; Tommie C. Martin, Member (by phone); W. James Menlove, County Manager (by phone); Jacque Sanders, Deputy County Manager, District Librarian; and Marian Sheppard, Clerk of the Board (by phone).

ABSENT: Woody Cline, Vice-Chairman; Jefferson R. Dalton, Deputy Gila County Attorney, Civil Bureau Chief; and Charles Shire, Deputy Gila County Attorney Senior-Civil; and Melissa Henderson, Deputy Clerk of the Board.

Item 1 – CALL TO ORDER - PLEDGE OF ALLEGIANCE

Chairman Humphrey called the emergency meeting to order at 3:00 p.m. in the County Manager's office at the Globe Courthouse. Chairman Humphrey led the Pledge of Allegiance.

Item 2 – REGULAR AGENDA ITEMS:

A. Information/Discussion/Action to adopt Resolution No. 19-06-01 issuing a Declaration of Emergency in Gila County due to the Woodbury Fire recent snow storms that occurred in Gila County beginning on February 20, 2019.

Michael O'Driscoll, Health and Emergency Management Department Director, advised that at 1:00 p.m. on this date an announcement was issued by the Gila County Sheriff's Office for the evacuation of the Roosevelt area to include Roosevelt Estates. A shelter has been established at Miami schools for those residents needing temporary housing. He advised that the Declaration of Emergency needed to be issued because the County has already incurred expenses due to the fire and to call upon other government agencies for assistance, if needed. Chairman Humphrey, who is a resident of Roosevelt, commented that other residents have been inquiring as to a safe place to

temporarily house their animals and recreational vehicles (RVs). He has been telling people to take their animals, RVs, boats, etc. to the Gila County Fairgrounds. Mr. O'Driscoll added that he will work with Bob Hickman, Facilities Manager, so that people with horses or other animals may stay at the Fairgrounds and be allowed to hook up to the septic system and power at no charge. A discussion ensued as to who would be able to hook up to the septic system and power. It was agreed that any resident that needed to stay at the Fairgrounds may do so and use the septic system and power at no charge until the RV spaces are full. Mr. O'Driscoll announced that the Emergency Operations Center and call center are open. Upon motion by Supervisor Martin, seconded by Chairman Humphrey, the Board adopted Resolution No. 19-06-01. **(The resolution is permanently on file in the Board of Supervisors' Office and attached to these minutes.)**

There being no further business to come before the Board of Supervisors, Chairman Humphrey adjourned the meeting at 3:09 p.m.

APPROVED:

Tim R. Humphrey, Chairman

ATTEST:

Marian Sheppard, Clerk of the Board