

GRAHAM COUNTY BOARD OF SUPERVISORS)

(SS.SAFFORD, AZ June 8, 2015

STATE OF ARIZONA, COUNTY OF GRAHAM)

The Graham County Board of Supervisors met as the Graham County Jail District Board this date with the following present:

Danny Smith	Chairman	Telephonically
James Palmer	Vice-Chairman	
Drew John	Member	
Terry Cooper	Clerk	
Judy Dickerson	Deputy Clerk	

Vice-Chairman Palmer called the meeting to order at 9:00 a.m. He announced that it was the date and time to convene as the Jail District Board.

County Manager Terry Cooper reviewed Title 48 as it pertains to the Jail District.

Manager Cooper requested adoption of all of Graham County's policies including procurement. Upon motion of Supervisor John, seconded by Supervisor Smith, the request was unanimously approved.

Manager Cooper requested approval of Resolution No. 2015-04 Authorizing the Collection of a County Jail District Excise Tax. Upon motion of Supervisor John, seconded by Supervisor Smith, the request was unanimously approved.

RESOLUTION NO. 2015-04

RESOLUTION APPROVING THE LEVY AND AUTHORIZING THE COLLECTION OF A COUNTY JAIL DISTRICT EXCISE TAX FOR THE GRAHAM COUNTY JAIL DISTRICT

WHEREAS, on July 21, 2014, the Board of Supervisors of Graham County, Arizona (the "Supervisors") approved Resolution No. 2014-13 ordering the establishment of the Graham County Jail District (the "District") contingent on voter approval of an excise tax as provided in A.R.S. § 48-4022 with a rate of not to exceed one-half of one percent (0.50%) applying to each person engaging or continuing in the District in a business taxed under Title 42, Chapter 5, Article 1 (§42-5010A *et. seq.*) and A.R.S. §42-5352(A) of the Arizona Revised Statutes to be used only for acquiring, construction, operation, maintaining and financing county jail facilities; and

WHEREAS, the boundaries of the District are co-terminus with boundaries of Graham County excluding the San Carlos Apache Reservation; and

WHEREAS, the Supervisors act as the Board Directors of the District (the "Board of Directors") and

WHEREAS, at the election held on November 4, 2014, a majority of the qualified electors voting therein approved the levy of the excise tax; and

WHEREAS, the excise tax, as approved by the voters, authorized the levy and collection for a period of twenty-five years.

WHEREAS, A.R.S. § 48-4022(A) provides that if a majority of the qualified electors voting at the election approved the county jail district excise tax, the Board of Directors may levy, and the Arizona Department of Revenue shall collect, the excise tax: and

WHEREAS, by this resolution the Board of Directors will levy the Graham County Jail District Excise Tax for a period of twenty-five years commencing July 1, 2015.

IT IS THEREFORE RESOLVED:

Section 1. Levy of Tax. That an excise tax as provided in A.R.S. § 48-4022 with an initial rate of ten percent (10%) of the excise tax rate applying to each person engaging or continuing in the District in a business taxed under Title 42, Chapter 5, Article 1 and § 42-5352(A) of the Arizona Revised Statutes [a rate equivalent to a .50 cent tax on business subject to the state excise taxes pursuant to A.R.S. §42-5010(A)] is hereby approved and levied within the incorporated and unincorporated areas of the District.

However, the Board of Supervisors recognizes that not all of the state rates in 42-5010 are at 5% and in compliance with the provisions stated in the Jail District Initiative and approved by the Graham County voters the excise tax rate is not to exceed one-half of one percent (0.50%) as stated above.

42-5010A.2, for transient lodging, the state rate is 5.5%. 10% of that rate is .055%. According to ballot language Graham County is only allowed to collect .50%. Therefore, Graham County will collect excise tax on transient lodging at the rate of 9.09%.

42-5010A.3, for mining classification, the state rate is 3.125%. Therefore, at 10% of the state rate, Graham County will collect excise tax at the rate of 0.313%.

42-5352A, for the jet fuel category, the state rate is 3.05 cents per gallon. Therefore at 10% of the state rate, Graham County will collect excise tax at a rate of 0.0305 cents per gallon.

48-4022B, Graham County will collect excise tax on retail electric or natural gas customers using or consuming electricity or natural gas.

Section 2. Collection. That the Arizona Department of Revenue is authorized and directed to begin collection of the tax, at the rate specified in Paragraph 1 of this Resolution on July 1, 2015 unless subsequently directed otherwise by the Board of Directors.

Section 3. Review. That the Board of Directors shall periodically review the income and expenses of the Jail District and, as necessary, may adjust the levy rate within voter-approved limit and amend its direction to the Department of Revenue accordingly.

Section 4. Delivery of Resolution to Department of Revenue; Recording.
The Clerk shall transmit a certified copy this resolution to the Director of the Arizona Department of Revenue with a request that the Department of Revenue cause the Jail District excise tax levied under this Resolution and collected in the manner provided by law and that the proceeds of such tax, less any allowable administrative expenses, be transmitted to the District to carry out the Purpose. A certified copy of this Resolution shall also be recorded in the office of the County Recorder of Graham County, Arizona.

DATED June 8th 2015.

GRAHAM COUNTY BOARD OF SUPERVISORS

/s/: Danny Smith Chairman

ATTEST:

/s/: Terry Cooper, Clerk, Board of Directors

CERTIFICATION

I hereby certify that the above and foregoing Resolution No. 2015-04 was duly passed by the Board of Directors of Graham County Jail District of Graham County, Arizona, at a meeting held on June 8th, 2015 and that a quorum was present thereat and that the vote there on was, 3 ayes, 0 nays abstained and 0 were absent.

/s/: Terry Cooper Clerk, Board of Directors

Manager Cooper requested approval of Resolution No 2015-07 Declaring the District’s Official Intent to Reimbursement Expenditures for New Jail Facilities from Proceeds of Tax-Exempt Bonds Pursuant to Treasury Regulations Section 1.150-2. Upon motion of Supervisor John, seconded by Supervisor Smith, the request was unanimously approved.

2015-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAHAM COUNTY JAIL DISTRICT, DECLARING THE DISTRICT’S OFFICIAL INTENT TO REIMBURSE EXPENDITURES FIR NEW JAIL FACILITIES FROM PROCEEDS OF TAX-EXEMPT BONDS PURSUANT TO TREASURY REGULATIONS SECTION 1.150-2

WHEREAS, the Graham County Jail District (the “*District*”), may from time to time k=make expenditures to purchase land, design, construct, furnish and equip jail, secured corridors and juvenile facilities and to pay costs and expenses in connection therewith (the “*Project*”) with the intent that such expenditures will be reimbursed from the proceeds of tax-exempt bonds hereafter issued by the District (the “*Reimbursement Bonds*”); and

WHEREAS, IN ORDER TO TREAT SUCH REIMBURSEMENTS AS AN EXPENDITURE OF PROCEEDS OF THE Reimbursement Bonds for the purpose of applying Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, the District is required, pursuant to Treasury Regulation Section 1.150-2, to take official action to declare its intention to reimburse expenditures for the Project with proceeds of a Reimbursement Bond; and

WHEREAS, such declaration of intention to reimburse an expenditure must be made not later than sixty (60) days after the payment of an expenditure to be reimbursed; and

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF GRAHAM COUNTY JAIL DISTRICT THAT:

Section 1. The District hereby declares its official intent, pursuant to the Treasury Regulation Section 1.150-2, to reimburse itself for any and all expenditures on the Project with the proceeds of a Reimbursement Bond

Section 2. The District shall not permit proceeds of a Reimbursement Bond to be used to reimburse a prior expenditure unless such reimbursement is made within the reimbursement time period set forth in Treasury Regulation Section 1.150-2 or unless the requirements of such section are otherwise satisfied.

Section 3. The District’s agents, employees and attorneys are authorized to take all actions and do all things to implement this Resolution. The District is authorized to take any other appropriate actions that are necessary to meet the requirements of Treasury Regulation Section 1.150-2.

PASSED, ADOPTED AND APPROVED this 8th day of June, 2015

GRAHAM COUNTY BOARD OF SUPERVISOR

ATTEST:

/s/: Danny Smith, Chairman

/s/: Terry Cooper, Clerk

CERTIFICATION

I, Terry Cooper, Clerk, Graham County Jail District, do hereby certify that the above and forgoing resolution was duly passed and the Board of Directors of the District at a regularly scheduled meeting held on June 8, 2015, and that the vote was 3 aye's, 0 nay's, 0 abstained and 0 were absent. There were 3 Board Members present.

/s/: Terry Cooper, Clerk

Manager Cooper requested approval of the Letter of Engagement with Ironwood Advisors LLC for financial advice concerning the issuance of bonds for the Jail District. Upon motion of Supervisor John, seconded by Supervisor Smith, the request was unanimously approved.

There being no further business to come before the Board at this time, the meeting was adjourned at 10:25 a.m.

GRAHAM COUNTY JAIL DISTRICT BOARD

James A. Palmer, Vice-Chairman

ATTEST:

Terry Cooper, Board Clerk