

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

June 6, 2005

Board of Supervisors Chambers, Holbrook, Arizona – Time: 9:04 a.m.

PRESENT: Jerry Brownlow, Chairman; Percy Deal, Vice-Chairman; David Tenney, Member; Jesse Thompson, Member; J.R. DeSpain, Member; James G. Jayne, County Manager; Lance Payette, Chief Deputy County Attorney; Darlene Fraley, Deputy Clerk of the Board; June Foard, Secretary. Mr. Thompson led the Pledge of Allegiance and the Invocation.

Mr. Brownlow introduced Darlene Fraley as the new Deputy Clerk of the Board.

CALL TO PUBLIC: Richard Jarenski, a retired veteran, addressed the Board requesting that the Board implement a Dial-A-Ride transportation system to transport veterans, elderly, handicapped or financially disadvantaged people to Show Low medical and shopping facilities at a cost of approximately \$140,000 per year. He expressed dissatisfaction that he had not been placed on the agenda for this item and that time had been lost for the budgeting process.

CONSENT AGENDA: 1) Voucher list for payment; 2) Justice Court Reports: Winslow #2, Show Low #5, Snowflake #3, Pinetop #6, Kayenta #4, April Reports; 3) Juvenile Justice System Report; 4) Constable Reports: Winslow #2, Holbrook #1, Snowflake #3, Show Low #5, Pinetop #6; 5) Sympathy letter for Sandra Heward and family; 6) Settlement Agreement and Release and Indemnity between City of Holbrook and Little Colorado Flood District; 7) Appointment of Precinct Committee Persons: Allen Affeldt, Thomas D Beggs, Helen Butler, Johnny Butler, Roy L. Crain, Terri Parsons, Winslow; Jerry Helm, Pinetop; 8) Tax Roll Corrections; 9) Approval to appoint Ralph E. Hatch as Superior Court Judge Pro Tempore effective immediately through December 31, 2005; and approve appointment of Anna Atencio, Christian Ackerly, Yvonne Hunt, Dana Sipes, Gloria Weaver, Marisa Shaffery, David Antonini and Brian Cronin as Justice of the Peace Judge Pro Tempore. Mr. DeSpain and Mr. Jayne stated the settlement agreement and release and indemnity between the City of Holbrook and the Little Colorado Flood District meets the criteria set forth by the Board. **Mr. Thompson made a motion** to authorize the Chairman to sign the items in the consent agenda as presented; motion seconded by Mr. Tenney; vote unanimous approving the motion.

HUMAN RESOURCES: Tommy Price, Presenter: Approval of Personnel Actions: **Mr. Tenney made a motion to** approve the personnel actions as presented; motion seconded by Mr. Thompson; vote unanimous approving the motion with Mr. DeSpain declaring a conflict of interest on item 43.

ADMINISTRATION/TREASURER: Manny Hernandez, Treasurer, and James Menlove, Director of Finance: Approve award of #RFP 20050301 for Banking Services: Mr. Menlove introduced Mary Jane Springer as the County Purchasing Agent. Mr. Menlove advised that the delay of the award for banking services was due to actions at the Finance Department. He discussed that the evaluation panel was comprised of representatives from the Treasurer, Finance, Superintendent of Schools and Payroll department. The Requests for Proposal were evaluated on a point system: Cost 25; Earning Potential 25; Staff 10; Credit Worthiness 15. Stockman's Bank, Wells Fargo Bank and Bank of the West submitted proposals. Stockman's Bank was disqualified due to a late, faxed submittal. Wells Fargo's submittal totaled 89 points and Bank of the West's submittal totaled 97 points. Mr. Menlove and Mr. Hernandez stated that they could have worked well with either Wells Fargo or Bank of the West and

recommend award to Bank of the West due to the evaluation points earned by their submittal. In response to a question from Mr. Deal, Mr. Menlove stated he would provide the Board with a copy of the comparative rates. Mr. Payette explained that the complete proposals do contain some proprietary information and if a public record copy is requested it would be necessary to obtain a release from the bank. **Mr. DeSpain made a motion** to accept the recommendation of the finance department to award the #RFP 20050301 for banking services to Bank of the West; motion seconded by Mr. Tenney; vote unanimous approving the motion.

BOARD OF SUPERVISORS: Jack B. Latham, Office of Congressman Rick Renzi: Update on upcoming US House Resources Field Hearing pertaining to National Environmental Policy Act (N.E.P.A.) being held in Pinetop: Mr. Latham advised the Board that June 6 is the sixty-first anniversary of D-Day; June 7 a meeting will be held from 6:30-8:30 p.m. at the Senior Show Low Center for the benefit of seniors with disabilities; June 14 is Flag Day and the 279th anniversary of the US Army; and at 10:00 a.m. on June 18 the NEPA Task Force will meet at Blue Ridge High School and it is hopeful that five members of Congress will attend. Mr. Thompson requested that Mr. Latham let the members of Congress know that the Board appreciates their support.

NAVAJO COUNTY SHERIFF: Greg Eavenson, Presenter: Approve Sheriff's Office to enter into contract with Arizona Department of Corrections for housing D.O.C. inmates in the Navajo County Jail for period July 1, 2005 to June 30, 2006: Mr. Eavenson stated this agreement is an ongoing agreement requiring annual renewal and that the daily bed rental rate is \$49.44. **Mr. DeSpain made a motion** to enter into a contract with Arizona Department of Corrections for housing D.O.C. inmates in the Navajo County Jail for the period of July 1, 2005 to June 30, 2006; motion seconded by Mr. Thompson; vote unanimous approving the motion.

BUILDING & GROUNDS: Steve Slade, Presenter: Approval to extend temporary employment for a Utility Worker for 3 additional months: **Mr. Thompson made a motion** to extend temporary employment for a utility worker for three additional months; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

PERSONNEL COMMISSION: Mark Reynolds, Presenter: Approve request from the Personnel Commission to approve 3 days (24 hours) personal leave for fiscal year 2005/2006: Mr. Reynolds advised the Board that two years ago, in lieu of a raise, the Board approved four days personal leave and that last year employees were granted three days and a base pay raise of \$1,800. The Personnel Commission is requesting that the three days personal leave is granted again for one year. **Mr. DeSpain made a motion** to approve the request from the Personnel Commission to grant three days (24 hours) personal leave for fiscal year 2005/2006; motion seconded by Mr. Tenney; vote unanimous approving the motion.

PUBLIC DEFENDER: Emery LaBarge, Public Defender: Approve request for Expert Witness Fees in CR2005-126 State v. Joseph Gomez in the amount of \$20,000: It was requested that this item be continued.

NAVAJO COUNTY HEALTH DISTRICT: Dr. Wade Kartchner, Director: **Board of Directors Session:** **Mr. DeSpain made a motion** to enter into the Board of Directors Session for the Navajo

County Health Services District; motion seconded by Mr. Tenney; vote unanimous approving the motion.

1) Announcement that Sanitarian Aide, Jeff Nafziger is now a Registered Sanitarian: Dr. Kartchner introduced Jeff Nafziger, stating he is now a Registered Sanitarian. Congratulations were offered to Mr. Nafziger.

2) Approve Amendment #4 of Contract #HG354355 with Arizona Department of Health Services for Tobacco Education and Prevention Services: Mary Tyler, Assistant Health Director, discussed the conditions of the presented contract with the Arizona Department of Health Services stating that it would remain at current level funding of \$238,000. Mr. Deal inquired if the tobacco education will be offered to children in the White Mountain Apache, Hopi and Navajo schools. Ms. Tyler stated that it is offered to all entities and they will provide it everywhere they are invited. She said contact is made with these schools and the education speaks to the issue of sacred tobacco versus regular tobacco. Mr. Thompson requested that a report come back to the Board outlining the effectiveness of the program. **Mr. Tenney made a motion** to approve Amendment #4 of Contract #HG354355 with Arizona Department of Health Services for Tobacco Education and Prevention Services to change the scope of work and price sheet for July 1, 2005 to June 30, 2006; motion seconded by Mr. DeSpain; vote unanimous approving the motion. **Mr. Thompson made a motion** to return to regular session; motion seconded by Mr. Tenney; vote unanimous approving the motion.

EMERGENCY SERVICES/SHERIFF: Larry Dunagan, Presenter: Review and approve Emergency Management Mutual Aid Agreement: Mr. Dunagan advised the Board that Navajo County has a mutual aid agreement for emergency management with the State Emergency Management and an IGA with State Land for wild fires. It does not have an agreement with cities, towns, tribes or adjoining counties. This agreement does not contain any demands on the County but does provide an avenue to provide assistance in the event of an emergency. Mr. Deal stated that if an entity had not yet signed the agreement and an emergency occurred that it would be the humane thing to do for the county to provide assistance. Mr. Payette stated in that instance, the entity that had an emergency would have to request emergency assistance and Board approval would be required prior to providing assistance. The group discussed historical difficulties in reaching mutual aid agreements with the tribes. Mr. Dunagan was encouraged to work closely with the County Manager and all entities to ensure that each entity is included in the agreement. **Mr. DeSpain made a motion** to approve the Emergency Management Mutual Aid Agreement as presented; motion seconded by Mr. Thompson; vote unanimous approving the motion.

FINANCE/SPECIAL DISTRICTS: Leida Hatch, Special Districts Coordinator: Discussion and possible action re: status of the Overgaard Townsite Domestic Wastewater Improvement District, accept resignations of board of directors and possible appointments of new members and possible approval of Resolution to revoke authority of the board of directors: Ms. Hatch summarized the history of the Overgaard Townsite Domestic Wastewater Improvement District, stating that because the system had been in bankruptcy and under threat of enforcement action from ADEQ, homeowners in that area formed the Overgaard Townsite DWID in 2000. Statute states that assessments on the homeowner's property cannot exceed the cost estimate (\$182,000 estimate) for repairs but the lowest bid came in at \$323,844. ADEQ and WIFA issued grants and loans but the District is in danger of losing those funds if it does not get a definite plan of action to those funding agencies. The repayments on the loan would

fall to the owners in the District in the form of assessments and they have already been paying operating fees with no improvements. The current board has served since the inception of the District and no longer wishes to serve; no one ran for re-election and four of the five members have resigned. The Board, Ms. Hatch and Mr. Payette discussed legal issues regarding the status of the improvement district's board as well as the negative financial impact of repayment of loans and costs of moving forward with required repairs. **No action was taken.**

FINANCE/SPECIAL DISTRICTS: Leida Hatch, Special Districts Coordinator: **Board of Directors Session:** Madison Lane Circle Improvement District. Discussion and possible action re: Resolution to authorize the District to borrow \$43,312.50 from the Navajo County Improvement District Revolving Fund and accompanying Promissory Note: **Mr. Tenney made a motion** to enter into a **Board of Directors Session** for the Madison Lane Circle Improvement District; motion seconded by Mr. Thompson; vote unanimous approving the motion. Ms. Hatch discussed the fiscal impact of the District accessing funds to pay the contractor as well as engineering, legal, and administrative fees. The entire amount borrowed from the Navajo County Improvement District Revolving Fund will be paid back through this bond of \$43,312.50 by assessing properties within the district. **Mr. Deal made a motion** to approve **Resolution 41-05** to authorize the District to borrow \$43,312.50 from the Navajo County Improvement District Revolving Fund and accompanying Promissory Note; motion seconded by Mr. Thompson; vote unanimous approving the motion. **Mr. Thompson made a motion** to return to regular session; motion seconded by Mr. Tenney; vote unanimous approving the motion.

ELECTION SERVICES: Kelly Dastrup, Elections Coordinator: Approve Canvass of Official Results of the Cedar #25 Budget Override Election and the Whiteriver Unified School District #20 Budget Override Election conducted May 17, 2005: Ms. Dastrup stated that voter turnout was light for the Cedar and Whiteriver Unified school elections and all votes were tabulated in Navajo County. **Mr. Tenney made a motion** to approve the Canvass of Official Results of the Cedar #25 Budget Override Election and the Whiteriver Unified School District #20 Budget Override Election conducted May 17, 2005; motion seconded by Mr. Thompson; vote unanimous approving the motion.

PUBLIC WORKS/DEVELOPMENT SERVICES: Dusty Parsons, Dave Ashton, Dick Young, Presenters:

- 1) Approve by Resolution the Final Plat and the Financial Assurances for the Summer Place North Unit IIC Subdivision in the Heber area: Mr. Ashton displayed vicinity maps showing the subdivision, stating it meets the parameters of a subdivision; that there will be 43 single units on 47.65 acres. He stated the bond has not been sent and it will be attached to the resolution prior to recordation. **Mr. Tenney made a motion** to approve by **Resolution #42-05** the Final Plat and the Financial Assurances for the Summer Place North Unit IIC Subdivision in the Heber area with financial assurances to follow; motion seconded by Mr. DeSpain; vote unanimous approving the motion.
- 2) Mr. Parsons introduced Violet Leslie, Jo Starr, Montana Slack, and Bill Fraley as new or promoted employees.
- 3) Approve extension of Contract #B04-05251 for Barbed Wire Fencing an additional year: **Mr. DeSpain made a motion** to extend Contract #B04-05251 for Barbed Wire Fencing an additional year at the current prices bid; motion seconded by Mr. Tenney; vote unanimous to approve the motion.
- 4) Approve Amendment #1 for Memorandum of Agreement CTH65T60880 the BIA, Hopi Agency, Western Region and Navajo County: Mr. Parsons and Mr. Thompson introduced Mr. Herb Begay of the Hopi Indian Agency and Mr. Wendell Honanie, Superintendent of the Bureau of Indian Affairs. The

BIA for the Western Region has requested that District II Special Road Funds be used to provide a cost share for the purchase of a 140 H Motor Grader. Since the existing agreement does not provide for this type of purchase they are requesting that the agreement be amended to permit it. Mr. Begay and Mr. Honanie expressed appreciation for the Board's cooperation and Mr. Deal stated this cooperation benefits everyone. **Mr. Thompson made a motion** to approve Amendment #1 for Memorandum of Agreement CTH65T60880 between the BIA, Hopi Agency, Western Region and Navajo County to permit the purchase of a 140H Motor Grader in the amount of \$77,5347.56 with funds for this purchase to come from District II Special Road funds; motion seconded by Mr. Deal; vote unanimous approving the motion.

5) Approve Contract Amendment 1 for \$9,527.00, Contract Amendment 2 for \$2,115.00 as presented to Gannett Fleming for the Chevelon Creek Rehabilitation Project This item was **continued** until June 20, 2005.

EXECUTIVE SESSION: Pursuant to ARS§ 38-431.03(A)(1): Request by Interim Public Works Director pursuant to Article 7, 708 B2 regarding County Manager's adopted course of conduct relating to the findings of the Investigative Committee: Mr. Deal requested time for the Board to be made aware of all findings as related to this matter. Mr. Bowers, County Attorney, stated they would be able to review the outcome and recommendations during this session. Mr. Tenney made a motion to enter into executive session pursuant to ARS§ 38-431.03(A)(1): Request by Interim Public Works Director pursuant to Article 7, 708 B2 regarding County Manager's adopted course of conduct relating to the findings of the Investigative Committee; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

Mr. DeSpain made a motion to return to regular session; motion seconded by Mr. Tenney; vote unanimous approving the motion. Chairman Brownlow stated, "The Board met in executive session to address Mr. Parson's appeal concerning the County Manager's actions. The Board has followed the recommendation of the investigative committee; upheld the actions of the County Manager; has counseled with Mr. Parsons; and has directed Mr. Jayne to proceed with professional development training for the County, Public Works department and individual employees."

ADMINISTRATION FINANCE: James Menlove, Finance Director:

1) Approve 2% COLA increase: Mr. Menlove provided a summary of the proposed budget stating that he has included in the budget a 2% cost of living increase to compensate for the increase in the employee's portion of the Arizona State Retirement contribution to become effective in the July 15 paycheck. He distributed a summary of the budget and stated that the budget is balanced with a 10% reserve. He stated he had also included in the budget a set amount to fund a new salary package that will be adopted by the Board at a later date. **Mr. DeSpain made a motion** to approve the 2% COLA increase; motion seconded by Mr. Tenney; vote unanimous approving the motion.

2) Approve, in principle, the adoption of economic development incentive for locating a production facility in Navajo County. Economic incentives in the amount of \$50,000 annually for 20 years and capitation of property tax payments at a mutually agreed upon amount to be determined: Joseph Papa, White Mountain Regional Development Corporation, presented a draft of a development package for the Arizona Tissue Mill, explaining this mill will be a \$210,000,000 facility located next to the Abitibi Paper Mill. The mill would employ 150 employees at a base salary of \$45,000. Mr. Papa stated Northland Pioneer College will prepare an economic impact report that will show the financial impact of the proposed plant on Navajo County and the education systems in the affected areas. The developer

will request the reimbursement of start-up costs from the County over the next 20 years. Mr. Papa stated that in discussion with the County Assessor they found that the taxes would be low because of an environmental impact grant. The Board thanked Mr. Papa for his work on this project and will look forward to the final draft that will come back to the Board.

Board of Directors Session: Navajo County Flood Control District: Dusty Parsons, Dick Young, Sherry Hill, Presenters: Mr. DeSpain made a motion to enter into the **Board of Directors Session** for the Navajo County Flood Control District; motion seconded by Mr. Tenney; vote unanimous to approve motion. The members of the Public Works department presented information regarding the revenue requirements for this District over a five-year period and discussed tax rate impact scenarios. **Mr. Tenney made a motion** to exit the Board of Directors Session for the Navajo County Flood Control District; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

Board of Directors Session: Little Colorado Flood Control District: Mr. Tenney made a motion to enter into a **Board of Directors Session** for the Little Colorado Flood Control District; motion seconded by Mr. DeSpain; vote unanimous approving the motion. Mr. Parsons stated they will conduct a delineation study from Holbrook to Winslow. Funds have been reserved for litigation on the Winslow levee. The current Navajo County Flood Control District tax rate is 20 cents and the Little Colorado Flood Control District is 27 cents. The levy on both districts cannot exceed 50 cents. Options were presented showing how changing the tax rates for both districts could generate additional revenue without exceeding the 50 cent limit. Mr. DeSpain thanked Mr. Jayne, the County Attorney's office and Public Works staff for working out a settlement agreement and release of indemnity between the City of Holbrook and the Little Colorado Flood District. **Mr. Tenney made a motion** to exit the Board of Directors Session for the Little Colorado Flood Control District; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

Board of Directors Session: Navajo County Flood Control District: Mr. Tenney made a motion to enter into the into the **Board of Directors Session** for the Navajo County Flood Control District; motion seconded by Mr. DeSpain; vote unanimous to approve motion. Mr. Parsons continued the discussion of the adjustments that could be made to the tax rates. Mr. Tenney requested that Mr. Parsons provide a report at a future meeting on what the tax rate change would mean to the average tax payer. Mr. Parsons advised the Board it would be to the County's advantage to partner with the Corps for this project as it is funded on a 70% Corps to 30% County ratio. It was agreed that a final recommendation would come back to the Board for action. **Mr. DeSpain made a motion** to exit the Board of Directors Session for the Navajo County Flood Control District; seconded by Mr. Tenney; vote unanimous approving the motion.

EXECUTIVE SESSION: Pursuant to ARS 38-431.03(A)(3) for legal advice: Mr. DeSpain made a motion to go into Executive Session pursuant to ARS 38-431.03(A)(3) for legal advice; motion seconded by Mr. Tenney; vote unanimous approving motion.

Mr. Tenney made a motion to return to regular session; motion seconded by Mr. DeSpain; vote unanimous approving motion.

EXECUTIVE SESSION: Pursuant to ARS§ 38-431.03(A)(1): for Personnel Matters Re: Interview of applicants for the Public Works Director position: Mr. Tenney made a motion to enter Executive

Session to interview applicants for the Public Works Director Position; motion seconded by Mr. Thompson; vote unanimous approving motion.

Mr. Thompson made a motion to reconvene the regular session; motion seconded by Mr. Tenney; vote unanimous approving the motion.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until Monday, June 20, 2005, upon a **motion made by Mr. Thompson**; motion seconded by Mr. Tenney; vote unanimous approving the motion. The meeting adjourned at 6:12 p.m.

APPROVED:

Chairman

Date

ATTEST:

Darlene Fraley, Deputy Clerk