

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

August 15, 2005

Board of Supervisors Chambers, Holbrook, Arizona – Time: 9:05 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; Mel Bowers, County Attorney, Darlene Fraley, Deputy Clerk of the Board.

Mr. Thompson led the Pledge of Allegiance and the Invocation.

CALL TO THE PUBLIC: Chrystle Buckles announced this is the last meeting she will cover for the Holbrook Tribune. Mr. Brownlow expressed his appreciation for the reporting coverage she has provided to this Board. Mr. Brownlow recognized Mr. Pete Shumway in the audience and Mr. Shumway complimented the new sound system and welcomed Darlene Fraley to the county. All present sang happy birthday to Percy Deal. Richard Jarenski advised the board that the open meeting in the Heber Overgaard area to address incorporation went very well with most questions related to road projects. He thanked the Board for their interest and support and advised that Mr. Tenney and Mr. Parsons were available to answer the questions posted.

BOARD BUSINESS: Mr. DeSpain reported he will attend Small Counties and CSA this week; he attended the ADOT Transportation Board meeting and the Wolf meeting; the Southwestern Willow Flycatcher habitat issue will be addressed by the Coalition of Counties; and southern counties continue to be troubled by border control issues. Mr. Tenney reported he and Mr. Parsons attended the C.H.O.I.C.E. meeting in Heber Overgaard and it was a very good meeting with the group hoping to be able to get the incorporation issue on the ballot in September 2006. He stated he would attend the Small Counties and ECO meeting in Phoenix this week. Mr. Thompson thanked Pete Shumway for his assistance in transportation funding. He stated he attended the Winslow Levee meeting and Mr. DeSpain, Mr. Parsons and Mr. Jayne were also in attendance. He reported he attended the Arizona Water Summit at NAU with its focus being the availability of water to all Arizona communities with the understanding that education on water conservation is a key component of water availability for the future. Mr. Brownlow reported last week his district experienced washed out culverts and driveways due to heavy rainfall, with one area receiving 3-4 inches in an hour. He reported the White Mountain Stewardship Contracts in the Apache Sitgreaves Forest is going well but it is still difficult to find outlets for the chips and wood from the cleanup project. He stated he had expressed his appreciation to Senator Kyle for the continued funding of the Ecological Resource Institute at NAU and the forest funding that Navajo County receives. Mr. Deal reported the Hardrock community is working on improving their facilities as one building had been condemned and environmental people had closed another one for the last five years. He reported they recently received notification from the Department of Health in Washington, DC that a grant from just under \$700,000 for facilities has been authorized. He stated they are receiving scattered rain which is a blessing but roads are being destroyed by the run off. Mr. Thompson stated it is their intent to improve the transportation system on the reservation and they appreciate all support that is offered.

CONSENT AGENDA: 1)Voucher list for payment; 2) Tax Roll Corrections; 3) Certify revenue collected by the Superior Court, Clerk of the Court, and all Justice Courts in FY00/01 and FY01/02 along with 5% set aside funds for both years; 4) Letter of support for Arizona Cattle Growers'

Association's position on proposed Critical Habitat Designation – Southwestern Willow Flycatcher; 5) Minutes: April 18, 2005; 6) Name an existing road in the SHOW LOW area "RYAN LANE"; 7) Special Event Liquor License-Top of the Rim #4437 FOE-State Eagles Visitation-August 27: **Mr. Tenney made a motion** to authorize the Chairman to sign the items on the Consent agenda; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

HUMAN RESOURCES: Gail Calisen, Director: Approval of Personnel Actions: Ms. Calisen reviewed the personnel action report. **Mr. Tenney made a motion** to approve the personnel action report as presented; motion seconded by Mr. Thompson; vote unanimous approving the motion.

TREASURER: Manuel Hernandez, Treasurer:

- 1) A.R.S. § 42:18002, Annual report of settlement of accounts: Mr. Hernandez reviewed his written annual report of settlement of accounts.
- 2) A.R.S. § 11-495, Report of funds collected and expected for the Taxpayer's Information Fund: Mr. Hernandez reviewed his written report of funds collected and anticipated for the Taxpayers' Information Fund. He reported the Treasurer's office collected \$51,585,016.70 leaving \$2,667,203.19 unpaid as of June 30, 2005. He also reported that approximately \$1,500,000 has been collected since that point.
- 3) A.R.S. § 35:327 Report of investments and authorization for the treasurer to invest for the county, schools and districts: Mr. Hernandez reviewed investments, re-purchase agreements, Certificates of Deposit and Government Securities totaling \$116,329,402.39 with the interest paid on these accounts totaling \$3,088,112.49. He provided information regarding the interest rates on each account. He reviewed a county-by-county comparison between property parcels per employee, noting that Navajo County has the highest number of parcels per employee in the State. He reported that during the County RIF his office lost employees but continued timely processing of taxes and he commended his staff. In response to a question from Mr. Deal, Mr. Hernandez stated that his office uses different banks and this year will have managers working with staff to get the best interest rate. Mr. DeSpain complimented Mr. Hernandez on his report and his staff.

Mr. DeSpain made a motion to acknowledge and accept the annual report of settlement of accounts, the report of funds collected and expected for the Taxpayer's Information Fund, and the report of investments and to authorize the treasurer to invest for the county, schools and districts; Mr. Tenney seconded the motion; vote unanimous approving the motion. Mr. Brownlow expressed his appreciation on behalf of the Board to Mr. Hernandez and his staff.

SHERIFF: Commander Ebert, Chief Eavenson

- 1) Authorize Sheriff's office to purchase two (2) software programs from a sole source provider, Spillman Technologies for civil process and evidence tracking for a total price (excluding tax) of \$69,534 Commander Ebert outlined the use of the software programs. **Mr. DeSpain made a motion** to authorize the Sheriff's office to purchase two (2) software programs from a sole source provider, Spillman Technologies for civil process and evidence tracking for a total price (excluding tax) of \$69,534; Mr. Thompson seconded the motion. In response to a clarification question from Mr. Bowers, Commander Ebert explained that Spillman Technologies is a sole source provider due to their standing as the only law enforcement vendor and their software must be compatible with the existing system. The vote was unanimous approving the motion.
- 2) Authorize Sheriff's office to enter into continuing agreement with Department of Justice for three years for participation in the asset forfeiture program in conjunction with the Major Crimes Apprehension Team: Following Chief Eavenson's explanation of this agreement, **Mr.**

Thompson made a motion to authorize the Sheriff's office to enter into continuing agreement with Department of Justice for three years for participation in the asset forfeiture program in conjunction with the Major Crimes Apprehension Team; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

PUBLIC WORKS: Dusty Parsons, Dick Young, Leida Hatch

- 1) **Public Hearing and Resolution to approve establishing Sutter Drive, Crimson Oak Drive, Spruce Driver, Pinon Place, and Forest Avenue as county highways:** Dusty Parsons advised that no objections to this action have been received. Chairman Brownlow invited comments in favor of or in opposition to from the audience and there were none. Mr. Brownlow inquired if there is a guideline on the amount or percentage of County contribution and Mr. Parsons stated that issue is being studied now and described the County's participation. **Mr. Tenney made a motion** to adopt Resolution # 52 - 05 to approve establishing Sutter Drive, Crimson Oak Drive, Spruce Driver, Pinon Place, and Forest Avenue as county highways; motion seconded by Mr. DeSpain seconded the motion; vote unanimous approving the motion
- 2) **Board of Directors Session Sutter Drive Improvement District:** Mr. Tenney made a motion to enter into a **Board of Directors Session** for the Sutter Drive Improvement District; motion seconded by Mr. Thompson; vote unanimous approving the motion.
 - a. **Set date of hearing to consider protests to the Resolution of Intention 10:00 a.m., September 6, 2005 and direct the Superintendent of Streets to mail the appropriate notices:** Mr. Parsons stated this action is not necessary as no protests were received.
 - b. **Approve Resolution Ordering the Work included in Resolution No. 50-05, Resolution of Intention of the District:** Mr. Parsons stated that since no protests were received for consideration, he is requesting approval to proceed. Mr. Tenney made a motion to approve **Resolution 53-05** ordering the work included in Resolution No. 50-05, Resolution of Intention of the District; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

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

- 3) **Approve use of Special Road Funds from District I and/or II to be used to load and haul crushed materials to designated BIA Routes:** Mr. Parsons reported that the materials that have been stockpiled must be removed by August 31 and these materials represent a substantial investment. He said that originally the BIA had intended to remove the materials but can no longer do so making it necessary to contract to haul the materials to meet the deadline. In response to a question from Mr. Deal regarding a vendor quote, Mr. Parsons stated that if the vendor had to haul to Hardrock or Pinon, the cost would increase. He stated he is requesting up to \$30,000 to complete the project if the distance has to be adjusted. Mr. Deal stated he wanted to go on the record stating that the BIA must agree to put this material only on BIA roads. Mr. Tenney outlined his concerns regarding the BIA not honoring their commitment due to lack of funding and with the County having to expend \$30,000 to complete the project. Mr. Herb Begay advised the Board that budget funds are promised in October and actually come in December or January. He expressed his willingness to assist as much as possible in this effort, cooperating with the Hopi tribe and to assure there is a loader available with some trucks to do short hauls. **Mr. Deal made a motion** to approve the use of Special Road Funds from District I and II on a 50/50 basis to be used to load and haul crushed materials to designated BIA Routes; motion seconded by Mr. Thompson. Mr. Deal stated that based on concerns expressed by Mr. Tenney he would request that a letter be written to the BIA in Gallup reminding them they made an agreement based upon which the County expended funds and advising them they would appreciate them honoring the agreement made. Mr. Bowers

stated that the expenditure of HURF funds requires backup documentation showing that the funds are expended on HURF eligible roads. He advised the department must be vigilant on putting compliance measures into effect and maintaining appropriate audit documentation. He stated that either the County must monitor this or there must be a letter from the BIA outlining exactly which HURF eligible roads will be maintained. Mr. Deal agreed that this action must comply with HURF regulations and requested that Mr. Parsons work with the other Counties and BIA road departments to assure this is the case, documenting which roads are worked on and the time spent. Mr. Parsons stated there is a list of the BIA roads where these materials will go. Mr. DeSpain inquired if there is a possibility the materials could be stored at Peabody Coal past the deadline and Mr. Parsons stated he has a call into Walter Begay requesting an extension. The vote was unanimous approving the motion.

- 4) Approve Public Works to haul material from Show Low to Taylor as part of a back haul and to authorize the expenditure up to \$5,000 for this project: Mr. Parsons advised the Board that even though the trucks are backhauling there will be additional expenses in gas and time spent. He said he believes the \$5,000 is a conservative estimate but these expenses cannot come from HURF funds. **Mr. Tenney made a motion** to approve Public Works to haul material from Show Low to Taylor as part of a back haul and to authorize the expenditure of up to \$5,000 for this project; motion seconded by Mr. DeSpain. Mr. DeSpain inquired if there are available credits with HURF funds and Mr. Jayne responded there are HURF credits and there are also funds appropriated for NATC. The vote was unanimous approving the motion.

Supervisors acknowledged this is Dick Young's last Board meeting and wished him the best in his new position.

BOARD OF SUPERVISORS: Percy Deal, Supervisor, J.R. DeSpain, Supervisor

- 1) Approve funding to support travel expenses by the Executive Director and Board of the Hoosh Dooh Dii To' Development Incorporated and/or technology equipment for the benefit of the elderly and the youth: Mr. Deal stated that the Hoosh Dooh Dii To' Development Incorporation is a not-for-profit organization and is part of the Whipoorwill Community on the Navajo reservation. He said they are coming forward today with a proposal requesting assistance for their Board travel and to purchase computer equipment. Mr. Al Wartz, Executive Director for Hoosh Dooh Dii To' Development Incorporated advised the Board they have been in existence for about six years and have completed 14 homes for the elderly and also have construction monies allocated to construct an assisted living home for the elderly and a children's shelter. **Mr. Deal stated he supports this organization and made a motion** to approve funding their request for computer equipment in the amount of \$1,102 from District 1 funds with the understanding that the corporation will continue to seek other funding of other expenses; motion seconded by Mr. Tenney with appreciation for the marvelous work they are doing for the elderly and children; vote unanimous approving the motion. Mr. Wartz thanked the Board on behalf of the community.
- 2) Appointment of Lewis Tenney to Cooperative Extension Board: Mr. DeSpain reported the next meeting of the Cooperative Extension Board would be on September 7th. **Mr. Deal made a motion** to appoint Lewis Tenney to the Cooperative Extension Board; motion seconded by Mr. Tenney; vote unanimous approving the motion.

PARKS: Sam Pogue, Director: Renewal of lease with Forest Service on Tall Timbers Park property in Heber: Mr. Pogue advised the Board of the importance of this park to the community and that there is a cooperative effort between the State Department, Forest Service and groups within the Heber Overgaard community to bring this park back to its desired condition. **Mr. Tenney made a motion** to

approve the renewal of the lease with the Forest Service on Tall Timbers Park property in Heber; motion seconded by Mr. DeSpain. Mr. Tenney stated that if Heber Overgaard does incorporate this would remain a County Park and the entire county enjoys the park. Discussion was held on the possibility of the County purchasing this park from the Forest Service and it was agreed that Mr. Tenney would set up an appointment with affected parties to discuss this issue. Mr. Pogue advised that normally such a sale occurs with fair market value establishing the sales price. The vote was unanimous approving the motion with Mr. Deal absent for the vote.

COUNTY ATTORNEY: Mel Bowers, County Attorney: Authorize Chairman to sign grant agreement with Arizona Criminal Justice Commission for "Drug Control and System Improvement Grant" (Byrne Memorial Grant) for the benefit of the County Attorney's Office. Authorize matching funds in the amount of \$20,585 to be paid from State RICO monies: Mr. Bowers advised the Board that funds from this grant agreement with the Arizona Criminal Justice Commission defray the operational cost of his office as related to drug control. **Mr. Thompson made a motion** to authorize the Chairman to sign the grant agreement with the Arizona Criminal Justice Commission for "Drug Control and System Improvement Grant" (Byrne Memorial Grant) for the benefit of the County Attorney's Office and to authorize matching funds in the amount of \$20,585 to be paid from State RICO monies; Mr. DeSpain seconded the motion; vote unanimous approving the motion with Mr. Deal and Mr. Tenney absent for the vote.

ELECTION SERVICES: Kelly Dastrup, Elections Coordinator: Adoption of Resolution canceling the September 13, 2005 election for Timberland Acres Domestic Water Improvement District and appointing Roger Bishop to the Board of Directors pursuant to A.R.S. § 48-1021(E) Following a review of this issue by Ms. Dastrup, **Mr. DeSpain made a motion** to adopt **Resolution #54-05** to cancel the September 13, 2005 election for Timberland Acres Domestic Water Improvement District; motion seconded by Mr. Thompson; vote unanimous approving the motion with Mr. Tenney absent for the vote. **Mr. DeSpain amended his motion** to include the appointment of Roger Bishop to the Board of Directors; amended motion seconded by Mr. Thompson; vote unanimous approving the motion with Mr. Tenney absent for the vote.

ADMINISTRATIVE/FINANCE: James Menlove, Director:

1) Purchasing

- a) Authorize Finance/Purchasing to solicit Request for Proposal (RFP) for keyless card access security systems and badge ID equipment: Mr. Menlove stated this system will require security access to certain doors, will interface with HR software to provide ID badges. **Mr. Tenney made a motion** to authorize Finance/Purchasing to solicit a Request for Proposals (RFP) for keyless card access security systems and badge ID equipment; motion seconded by Mr. DeSpain; vote unanimous approving the motion.
- b) Authorize Finance/Purchasing to issue an Invitation for Bids for electrical upgrade and emergency power generation at Sheriff's Complex, 137 W. Arizona Avenue: Mr. Menlove reported that moving the emergency command center to the downtown site created a need to upgrade the electrical system and provide an alternative source of power. He stated the funds will originally come from the general fund and some reimbursement will be made through grants that Mr. Dunagan has applied for. **Mr. DeSpain made a motion** to authorize Finance/Purchasing to issue an Invitation for Bids for electrical upgrade and emergency power generation at Sheriff's Complex, 137 W. Arizona Avenue; motion seconded by Mr. Tenney; vote unanimous approving the motion.

- c) Approve solicitation for Request for Qualifications for Economic Development Consultant: Mr. Menlove stated that this is a broad-based issue and is a two part function with a determination of the best qualified firm through the RFQ process with the second phase to determine the price. He presented a Department of Commerce publication outlining an inventory assessment plan and the future of economic development in the plateau region. It was acknowledged that Board participation in the economic development process is essential for its success. **Mr. Tenney made a motion** to approve a solicitation for Request for Qualifications for an economic development consultant; motion seconded by Mr. DeSpain. Mr. Deal advised Mr. Menlove that consideration must be given in the scope of services to property located in or near the cities within the county that is owned by the three tribes with intent to not take action regarding their property but to provide this economic development information to the tribes. Vote unanimous approving the motion.
- 2) Set the Tax Rates for Navajo County and all Taxing Entities within the County: Mr. Jayne requested that this item be continued until the afternoon session to provide an opportunity to clarify one tax issue.
- 3) Approve implementation of the Navajo County employee compensation plan including authorization for required budget amendment: Mr. Menlove discussed the intent of the Public Sector study to assign a range of compensation for positions and then the intent to bring each employee to within the minimum range assigned to the position. He discussed longevity adjustments and all position funding adjustments broken down by general fund and special revenue funds with a net cost to the county of \$417, 723. He explained that he, Mr. Jayne and Ms. Calisen met with each department head and elected official with the exception of MIS, who they will meet with this week, to review each employee position and compensation. He stated that not everyone is happy with the final result but they do understand the process. Ms. Calisen advised the Board that much of the information contained in the Public Sector notebook is now obsolete. Mr. Jayne stated the intent of the study was to establish a baseline and compensate accordingly to retain current employees and to attract new talent. **Mr. Tenney made a motion** to approve implementation of the Navajo County employee compensation plan including authorization for the required budget amendment; motion seconded by Mr. DeSpain. During discussion, Mr. Bowers expressed concern regarding the grant funding portion of an employee's reclassification as the grant budgets have been set. He was advised that it is the intent of the plan that every employee whose position would receive additional funding does so regardless of the original funding source. Mr. Menlove reported there is sufficient revenue anticipated to support the continuation of the general fund employee compensation in the future without dipping into the County savings. Mr. DeSpain inquired if the motion should be amended to include grant equalization and Mr. Tenney said it was the intent of his motion for the compensation to be for all employees regardless of the funding source. The vote was unanimous to approve the motion.

COMMUNICATIONS: Gordon Terracina: Update on internal communication capabilities: Mr. Terracina reported that in the recent white powder incident at the County Complex it was found that there was no way to get immediate word to department heads and officials. He reported that since that time staff has been working to develop paging groups using the existing telephone system so emergency information can be communicated. He reported the one-way paging system has the capability of making announcements through centrally located phones throughout the main complex as well as the satellite buildings at this site. He stated that he will continue to work with department heads and elected officials to make full use of this system.

Approve funding to support travel expenses by the Executive Director and Board of the Hoosh Dooh Dii To' Development Incorporated and/or technology equipment for the benefit of the elderly and the youth Upon a request from Mr. Deal, the Board again re-opened this agenda item. Mr. Deal stated that Mr. Wartz is concerned that the vendor may require immediate payment for the computer equipment and is therefore requesting a manual warrant written to the corporation. **Mr. Deal made a motion** to amend his earlier motion regarding this issue to include the issuance of a manual warrant for \$1,102; Mr. Tenney seconded the motion stipulating that a receipt for this expenditure must be submitted within 30 days; vote unanimous approving the motion.

EXECUTIVE SESSION: At 11:58 a.m., **Mr. Tenney made a motion** to go into executive session pursuant to ARS § 38-431.03(A)(3) and ARS § 38-431.03(A)(4) for legal advice, consultation with and instructions to the board's attorneys regarding the negotiation of a property development agreement with Trinity Enterprises for a tissue mill in the Snowflake area; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

The Board of Supervisors reconvened at 1:44 p.m. on a **motion by Mr. DeSpain**, seconded by Mr. Tenney; vote unanimous approving the motion.

BOARD OF SUPERVISORS: Luther Bruce, Trinity Enterprises

Discussion and possible board action concerning a property development agreement with Trinity Enterprises pursuant to ARS § 11-1101: Mel Bowers reported that the Board has covered areas of this agreement in executive session. Luther Bruce of Trinity Enterprises advised the Board of his areas of expertise that include a degree in paper engineering and he is a scientist, a polymer chemist and an orthodontist. He has been a licensed general contractor, involved in real estate development and has taught college. He has been involved in the paper industry for the last ten years as a principal and also as a financial consultant. The proposed tissue mill is comprised of three components, a de-inking plant, market pulp and the full range of tissue manufacturing. Initial employment will be 70-95 people with a preliminary budget of \$235,000,000. He stated his financial plan is debt-equity of 60-65% equity and 35-40% debt. His firm along with a financial partner has signed or is ready to sign contracts of \$150,000,000, which will be the equity piece and the debt will be standard corporate bond with the intent to go to market on that in November. He reviewed the history of the paper industry, discussed transportation issues related to the bulk of the product and provided a map showing the location of the major paper mills in the United States, which showed that his plant would be the only plant in Arizona. He advised that his plant will use 58% less water and 64% less energy when doing recycling on this scale. He advised they hope to be operational in the first or second quarter of 2007. His firm has signed the agreement with Abitibi to purchase land and is entering into contracts for infrastructure services. He said they will still need to complete site-specific feasibility and geo-technical studies to determine the plant will be located in the right place. This is the only area in Navajo County that they are considering but until studies and test results are in, they cannot guarantee the plant will be here. To-date he has spent over \$4,000,000 in cash on this project. In response to a question from Mr. Thompson, he related factors that could affect the schedule. Mr. Tenney stated that as different firms are selected to do different studies and since the county will pay the bill and share ownership of the studies, it seems staff should have some input on the firms used and Mr. Bruce stated he had no objections to that with the understanding that some particular firms are better qualified to address specific questions and that he must be very careful not to create a situation where there is a conflict of interest. Mr. Deal thanked Mr. Bruce for the information provided and stated that this economic development would be beneficial to this area. He said that in the past the Board has been told that \$90,000,000 worth of equipment is on order and now Mr. Bruce is indicating that

\$150,000,000 is on order. He said that the project is still at the stage of needing a feasibility study and it seems Mr. Bruce is investing a lot of money before a study is produced. Mr. Bruce stated they just signed additional contracts to bring the equipment to \$150,000,000 because Trinity is committed to the project somewhere in Arizona. He stated they believe the location at Abitibi is a good place for the tissue mill but they do not know if it will be a good place for conversion plant. He said the purpose of the study is not whether to do the project but how to orient it. Mr. DeSpain stated it is his understanding that if it proves out that Trinity does not locate a plant in Navajo County, the ownership of the studies reverts to the County and Mr. Bruce said it did. Mr. DeSpain inquired if they would put a start up date for the plant in the contract and Mr. Bruce said he could not at this time due to the unknown workload of engineering firms. Mr. DeSpain discussed an earlier developer that had tied up property in the Joseph City area, has never performed yet the property ownership is a deterrent for a similar project in the area. Mr. Bruce stated he is not a promoter and has no reason to own land in Navajo County if he is not going to use it. He stated in his agreement with Abitibi he does not close on the land until he gets a building permit and he has a five-year end date. Mr. DeSpain inquired what would happen at the end of five years if the plant did not have a building permit and Mr. Bowers addressed areas of the contract that outline different contingencies to end the contract. Mr. Tenney inquired on the status of the agreement with Abitibi and Mr. Bruce stated they will work within Abitibi's time frame and both parties have already taken steps to complete their portion of the contract. Mr. Tenney inquired if the Board approves the agreement if the feasibility study will be more specific to the conversion plant than to the manufacturing plant and Mr. Bruce responded that barring something totally unforeseen the tissue mill would be located here. He said he envisions four conversion plants, two in California, one in Nevada and one in Arizona. Mr. Brownlow expressed appreciation for this information and advised Mr. Bruce that while the Board had many questions they are charged with due diligence to assure the agreement is put together right with appropriate background information. He expressed appreciation to Mel Bowers and Lance Payette for their assistance in this project. He stated that he and Mr. Tenney had been charged with meeting with Mr. Bruce and making a recommendation to the Board after that meeting. He stated it is his recommendation to move forward with the contract as he is confident they should proceed. **Mr. Tenney concurred and made a motion** to approve the agreement as crafted by the County attorney's office and approved by Trinity Enterprises. Expressing his anticipation of a good working relationship, Mr. Deal seconded the motion. Mr. DeSpain stated that staff has done an excellent job in developing the contract and keeping the Board well informed. He stated he believes this contract will enhance the longevity of Abitibi, which will have a very positive impact on Navajo County. Mr. Thompson stated that when this plan first came before the Board he had a lot of questions and concerns but with the way the plan and contract have been adjusted he is comfortable moving forward with it. The vote was unanimous approving the motion. The Board thanked Charlie Hendrickson of APS for his work on this project and his dedication to Navajo County.

WINSLOW JUSTICE COURT: Honorable Alison Kolomitz:

- 1) Approve IGA between the City of Winslow and Navajo County to operate the Winslow City Court in the Winslow Justice Court facility and approve the addition of one Justice Court Clerk position to be reimbursed by the City of Winslow: Justice Kolomitz reported that the extension of current temporary employment is tied to the IGA for co-located judicial services; that the City of Winslow pays the county and the county provides another clerk for her office. **Mr. DeSpain made a motion** to approve an IGA between the City of Winslow and Navajo County to operate the Winslow City Court in the Winslow Justice Court facility and approve the addition of one Justice Court Clerk position to be reimbursed by the City of Winslow; motion seconded by Mr.

Thompson; vote unanimous approving the motion. Mr. Thompson expressed his appreciation to Justice Kolomitz for her dedication to County residents in remote areas.

- 2) Extend current temporary employment through September 30, 2005: **Mr. DeSpain made a motion** to extend the temporary employment as presented through September 30, 2005; motion seconded by Mr. Thompson; vote unanimous approving the motion.

ADMINISTRATIVE/FINANCE: James Menlove, Director:

- 2) Set the tax rates for Navajo County and taxing entities within the county: Mr. Menlove acknowledged the presence of those in the chambers who had participated in developing this tax rate recommendation: Dennis Miller, Leida Hatch, AJ Brown, Manuel Hernandez, Cammy Darris and staff. Ms. Brown reviewed the proposed tax rates for the school districts, stating that two had slight tax increases, one remained at the same rate and the other districts lowered their rates. She read the recommended primary and secondary school tax rates into the record. (Recommended school tax rates are attached to and become part of these minutes.) She advised there is controversy over the proposed tax rate for NATIVE, Northeast Arizona Technological Institute of Vocational Education, a joint technology education district (JTED) in northern Arizona, comprised of schools in Apache and Coconino County and Kayenta and Pinon in Navajo County. She advised that Arizona Revised Statutes limit the tax rate for a JTED to \$0.0500 and NATIVE is requesting \$1.2500 to support their budget. She stated she had discussed this issue with Mr. Payette of the County Attorney's office, ATRA and reviewed the publicity pamphlet when the district was formed which showed a \$0.05 tax rate. She also requested further clarification from school finance at the Arizona Department of Education and NATIVE requested an attorney general opinion and there has not been a definitive response from either entity. She reported that Maricopa did receive special permission to set a ten-cent tax rate. Ms. Brown stated that based on the research and those who had responded she did not feel, and Mr. Menlove and Mr. Payette concur, that she should present a \$1.25 tax rate for NATIVE and are requesting that this tax rate be set at \$0.05. Mr. Thompson asked if she felt, when looking at the budget that the tax rate should be higher and Ms. Brown stated that to support the budget as presented, it would require a \$1.93 tax rate. Mr. Tenney asked if she is requesting to set the rate at \$0.05 and she stated that is her recommendation of the tax on the secondary rate. She stated that if a \$1.25 tax rate were set and later reversed, NATIVE would experience a \$600,000 cash deficit and she explained potential difficulties related to the district being able to prove to a bank that they had revenue to support a line of credit. She stated that Apache County intends to set the same tax rate that this Board of Supervisors sets. **Mr. Tenney made a motion** to adopt tax rates as presented; then recognizing that additional tax rates are to be reviewed, he withdrew his motion. In response to a question from Mr. Deal, Ms. Brown responded that the Navajo County School Superintendent's Office is the fiscal agent for NATIVE so it is her responsibility to review the NATIVE budget. Leida Hatch reviewed the remaining Navajo County tax rates (Recommended tax rates are attached to and become part of these minutes), stating the County primary rate is \$0.6337. She reported that as special district accountant, she reviews and verifies all budgets proposed by special districts to assure the tax rate will support the budgets as submitted. **Mr. Tenney made a motion** to set the 2005-2006 tax rates for Navajo County and taxing entities within the county as presented; motion seconded by Mr. Thompson; vote unanimous approving the motion with Mr. DeSpain absent for the vote. Mr. Tenney commended all staff for the hard work that went into the budget and tax levy process this year.

CALL TO THE PUBLIC: Mr. Brownlow re-opened the Call to the Public and recognized Larry Dunagan of the Sheriff's office. Mr. Dunagan reported that the Navajo Nation declared a state of

emergency today due to the flooding situation and the damage being done to roads. He stated the Nation is not requesting assistance from Navajo County at this time. Mr. Deal reported that one site on the reservation received 15" of rain in 24 hours and that construction has been ongoing on a couple of bridges on Route 4 between Chinle and Pinon and now those bridges are gone. Mr. Dunagan stated he would continue to monitor the situation and advise the Board as the situation develops.

ADJOURN: At 3:07 p.m., **Mr. DeSpain made a motion** to adjourn; motion seconded by Mr. Tenney; vote unanimous approving the motion.

APPROVED:

DATE:

Jerry Brownlow, Chairman

ATTEST:

CLERK/DEPUTY CLERK OF THE BOARD