

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

JANUARY 27, 2003

Supervisors' Chambers, Holbrook, Arizona - Time: 9:00 a.m.

PRESENT: Pete Shumway, Chairman; J.R. DeSpain, Vice-Chairman; Jesse Thompson, Member; Jerry Brownlow, Member; Mel Bowers, Jr., County Attorney; Eddie Koury, County Manager; and Judy Jones, Clerk of the Board. (Mr. Deal was absent)

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

CALL TO THE PUBLIC: There were no comments offered.

CONSENT AGENDA: Mr. DeSpain made a motion to authorize the Chairman to sign the items in the Consent Folder; motion seconded by Mr. Brownlow; vote unanimously carried. The following items were included in the Consent Agenda: 1) Assessment and Tax Roll Corrections; 2) Board of Supervisor Minutes: January 7, 2003; 3) Voucher List for Payment; 4) Back Tax Quit Claim Deeds: 105 (multiple); 211-68-026A; 5) Constable Report: Winslow #2 (December).

BOARD OF SUPERVISORS: EMPLOYEE APPRECIATION CERTIFICATE AWARDS: *The employee certificates will be given out to the employee's on their anniversary month.* Bertha Shaw - 24 Years; Roger McDowell - 17 Years; Nancy Huser - 15 Years; Sheriff Gary Butler - 14 Years; Myrtle Pizell & Judge Dale Nielson - 13 Years; Karen Bray - 10 Years; James Currier & Michael Mardon - 9 Years; Michael Todd Beck, Rachel McCormick, Cherrie Mort, Toni Garver, Cammy Darris, Jamee Harris, Theodore Fish, Judge Fred Peterson & Constable Ray Rubi - 8 Years; Eric Anderson, Vicki Sutton, Nora Issacs & Judge Gloria Kindig - 7 Years; Martinez Mike, Allen Payne, Mary Bradley, & Anadee Egbert - 5 Years. Certificates were presented by the Board of Supervisors.

DEPARTMENT HEAD AND ELECTED OFFICIALS MEETING: The Department Heads and Elected Officials were presented with budget and legislative information. (See those items below)

ADMINISTRATION: Eddie Koury, County Manager: 1) Six Month Financial Review: Mr. Koury reported that the departmental budgets are basically on track at this point. He noted the reason the Elections Department is at 142% of its expenditures is because of the bond issue and the Cedar Hills referendum which were included on the ballot this year. There are a few departments that are more than 50% in expenditures at this time, but they will likely be even at the end of the year. Mr. Koury said that the County's budget overall is on track and we're in pretty good shape. We should be in good shape at the end of this fiscal year, but it is still uncertain what the Governor's budget will do to us next year. No action taken; informational only.

2) Budget Timetable: Mr. Koury outlined the budget timetable: 1) Budget packets will be distributed to the departments on March 14; 2) Board hearings with the Department Heads are scheduled for April 28, 29 and 30; 3) The last day for Board budgetary decisions is June 16; 4)

Tentative budget adoption and meeting with major taxpayers scheduled for July 14; 5) Publish notice of public hearing for final budget adoption (published for two weeks)-July 18; 6) Final budget hearing and adoption of same scheduled for August 11; 7) Set tax rates on August 18. Mr. Koury advised that we will go with the zero-based budget, adding that we should have a fairly good idea of how the Legislative changes will affect us by the end of April. Mr. Thompson made a motion to adopt the tentative budget timetable as presented; motion seconded by Mr. Brownlow; vote unanimous approving the motion.

3) Issues and concerns regarding the FY 2003/2004 Budget: Mr. Koury presented areas where increased funding may be needed. These included: PTOC tax case (\$877,000); Sheriff's Road Deputy vehicles (\$200,000); Increase in Arizona State Retirement contributions (\$230,000); Increase in employee medical coverage (\$100,000); Employee salary increase-2% (\$230,000); Jail expenses over General Fund budget FY 2003/2004 (?); State cost shifts or reductions in Shared Revenues (?). Mr. Koury also presented possible sources of additional revenue: Reserve fund for PTOC tax case (\$377,000); Property tax increase-Statutory 2% increase (\$70,000); Increase in State Shared Sales Tax (\$100,000); Increase in County Sales Tax (\$150,000); Possible fee increases (?); Funds remaining from the HVAC upgrade (\$200,000).

Mr. Koury explained that the Tax Court ruled against the County in the PTOC case, and the Court of Appeals upheld the ruling. We have submitted the matter to the Arizona Supreme Court, but it is unlikely they will review it. (Mr. Koury noted that the PTOC case resulted from our decision, on three different occasions in the last several years, to add the amount of the hospital judgment lawsuits above our legal levy limit.) If this case ultimately goes against us, we must pay that amount back to the taxpayers.

The Board was advised that the increase in the ASRS contribution will be from 4-6%(2-3% for the employee and for the county). There will likely be a minimum of 10%, up to 35%, across the board increase for liability, medical and other insurances this year. Mr. Koury said we probably cannot go through this budget cycle without increasing the amount we charge ourselves for insurance for employees, and it appears that the dependent side will increase also.

Mr. Koury advised that the estimated itemized impact to our county by the Governor's FY 2004 Executive budget is \$249,815 (Restoration to competency-\$73,281 and JP salary shift-\$176,534). In addition, the amount of HURF funds we usually receive will be reduced by approximately \$68,117. (This amount will be transferred to the DPS, and is a one-time only fund shift for FY 2003). Mr. DeSpain advised he attended the Legislative Policy Committee meeting last week. We are trying to anticipate what will happen to us this next year, but it is impossible to tell at this time.

WHITE MOUNTAIN LAKES RECREATION IMPROVEMENT DISTRICT ADVISORY COMMITTEE:
Clinton Shreeve, Special District Coordinator: **Board of Directors Session: Mr. Brownlow made a motion** to enter into a Board of Directors Session; motion seconded by Mr. Thompson; vote unanimously carried. 1) Reaffirmation of selected members and alternates for the White Mountain Recreation

Improvement District Advisory Committee; and 2) Possible term limits for Advisory Committee members: Mr. Shreeve noted that the applicants were interviewed at the last meeting, and today the Board will appoint the new members and alternates to the advisory committee. He also advised that another resignation has been received, from Chris Hight. This means the Board will appoint four (4) members and one (1) alternate. The Board discussed possible term limits for the advisory committee. Deputy County Attorney Lance Payette noted that the committee members would not necessarily be limited to one term; they could serve more than one term, if they chose to run again. **Mr. DeSpain made a motion** to appoint Ed Stone, Rocky Hill, Diana Seibold and John Hager as the four new members of the Advisory Committee, and to appoint Charles Belford as the Alternate; and to set term limits of four (4) years, commencing January 1, 2003, for the new appointees, and two (2) years, commencing January 1, 2003, for the current members; motion seconded by Mr. Brownlow; vote unanimous approving the motion. **Mr. DeSpain made a motion** to return to regular session; motion seconded by Mr. Thompson; vote unanimously carried.

DEVELOPMENT SERVICES: Dave Ashton, Director: Public Hearing: 1) Resolution approving a zone change and conceptual master site plan for the Heber Springs Ranch in the Overgaard area: Mr. Ashton stated that this development was initially begun in 2001 as a resort with 39 single rental cabins and 5 four-plex rental rooms. Improvement plans were approved in March, 2002. The initial road lay-out was completed and the community sewer collection system was installed. Construction was begun in the spring of 2002. The developer wanted to eventually sell the rental units as condominiums, and he was advised by staff that the way to proceed for a phased condominium development was by applying for a Special Development Zone change. The Rodeo-Chediski fire destroyed the trees and cabin structures in the summer of 2002, and the developer felt it time to apply for the zone change. The matter was presented to the Planning & Zoning Commission on November 21, 2002. Objections from neighbors included: sewer main line being built on Zane Grey Blvd (residents believe this is a private road as it is not maintained by the county); possibilities of increased drainage; fencing requirements; density. Public Works Deputy Director Dick Young explained that while Zane Grey Blvd was not constructed to county standards and therefore not county maintained, it was dedicated to the public and, in 1998, was approved as a Primitive Road. The Flood Control department reviewed and approved the initial drainage plan, as not much water originates from the property and detention basins will provide what control is needed. As to the density concern, it was pointed out that, if left as C-R Zoning, the lot could hold more than 150 apartment units and the neighbors would have no involvement in a public hearing. There is a total of 71 units shown on the plan. The commission tabled the matter until December 19, 2002. Discussion at this meeting brought out concerns by the neighbors that the units should be one-story, and the developer noted this was his intent. The fence, sewer mains, roads, water system and drainage features will be accomplished at Phase I, and this was also agreed to by the developer. Further discussion centered on a possible second access into the subdivision. The developer noted that he had purchased Lot 85 in the adjoining Pine Meadows Unit 2 Subdivision to be used as a home for the caretaker. He proposed to use a driveway on the lot as an emergency access, to be used only in time of need. The President of the Pine Meadows HOA stated they oppose this and would challenge it. The issue is one which will have to be worked between the developer and the HOA. A stipulation was added for a second access. The P&Z Commission voted 7-1 to recommend approval of the zone change to Special Development with the Conceptual Master Site Plan. Mr. Ashton advised that since that meeting, the developer's engineer has investigated the possibility of the second access to the site. ADOT has indicated an unwillingness to allow a second access from SR 260. However, they will widen the turn-out

to the site to 40 feet during the SR 260 construction project this summer. The property to the east of the site is Elk Pines RV Park and is open only six months of the year. To the west is Navopache Electric and they will not allow non-employees on their property for security reasons. Therefore, they are pursuing the use of Lot 85 at their second access, in emergencies only. Staff recommends approval of the application, with the stipulations as presented. The meeting was opened to the public for comment. There were no comments offered in support of the project. Sandy Webb spoke of her concerns regarding the secondary access from Lot 85 in Pine Meadows. She also said there may be flooding concerns since the fire. She believes there will be much more water coming in than can be controlled by the detention basins and ditch system. She would like no access through Pine Meadows unless they help with the maintenance of the road. She is also concerned about the sewer system coming across Pine Meadows. James Porter expressed his concern about possible drainage problems. He added he has no objection to using Lot 85 as emergency access *if it is for emergencies only*. The developer, Steve Lillie, advised there will be breakaway gates and no thru-traffic will be allowed on the secondary access. **Mr. Shumway made a motion** to approve **Resolution #03-03**, approving a Zone Change to Special Development, and Conceptual Master Site plan for the Heber Springs Ranch, with stipulations as follows: *1) Before the Final Plat for Phase I is recorded, the Developer shall financially assure completion of the infrastructure by securing a performance bond or shall complete the work according to approved designs and with review by the Public Works Department; 2) All of the requirements of the Navajo County Subdivision Regulations shall be met, including the granting of requested variances and the observation and certification of the construction by the designated Engineer of Record; 3) The Developer shall address the impact of traffic on the surroundings and shall either demonstrate there is no significant impact or provide for the mitigation of the impacts; 4) The Developer shall establish a County Improvement District to provide for the mechanism for improving the roads in the future if they are to be dedicated to the public or publicly maintained; 5) The incorporation documents for the Homeowners Association and the Covenants, Conditions and Restrictions shall include provisions for the inspection and maintenance of the common areas and drainage facilities; 6) The Developer shall post a copy of the Notice of Intent on the job site as required by the Arizona General Permit for Storm Water Pollution Plan; 7) The Tentative Plat for Phase I shall be submitted to the Commission within twelve months after the Board of Supervisors' approval of the Zone Change to Special Development; 8) Approval of the Conceptual Master Site Plan does not constitute a waiver of any changes which may be required as a result of transportation or drainage studies; 9) A second access road should be established;* motion seconded by Mr. DeSpain; vote unanimously carried.

2) Resolution approving a zone change and conceptual master site plan for the Kohner Addition in the Wagonwheel area: The site is 161.34 acres located along one mile of Rim Road, with a portion adjacent to Show Low on the north side. The site plan originally showed a total of 436 units in a mix of single family dwellings and an inner area for multiple family condominiums. The development would be completed in four phases, and all lots will be served by sewer line extensions to the Pinetop-Lakeside Sanitary District. This matter was originally presented to the Planning & Zoning Commission on October 17, 2002. There was opposition voiced by local residents, centered on the increased traffic, high density proposed, inadequate water supply, loss of trees and wildlife, and the possibility of Indian Ruins on the site. The item was approved by the Commission as to the zone change, but not the Master Site Plan as more work needed to be done on it. The matter was presented again to the Commission on November 21, 2002. The plan now showed 379 units (a reduction of 57 units) with a minimum lot size in the single family area

to be one-half acre. The road layout was essentially the same, but there were now drainage basin areas in the main water course washes. Letters in opposition, as well as petitions signed by 52 lot owners in the Wagon Wheel area, were received. Objections were voiced regarding: a decrease in adjacent property values; too much traffic on Webb Lane, as people are concerned about giving up more lot frontage for the roadway; drainage will impact neighbors; crime will increase; the draft General plan indicates this area to be low density, etc. The Public Works Department noted that the current 66 foot wide Rim Road easement would have to be abandoned in favor of a new alignment. Due to questions by the Commission, including set-backs, height of multiple housing units, roadway widths, walkway, etc., this item was tabled to allow the developer to meet with staff and the City of Show Low to find answers to these questions and to find a corridor for a future Rim Road through the development that would fit the Regional Transportation Plan. After two such meetings, the Conceptual Master Site Plan was again presented to the Commission on December 19, 2002. The road plan was changed to direct more of the traffic away from Webb Drive, with a location for a future regional road through the development, and to allow Rim Road to be accessible at both ends. This was acceptable to Show Low and staff. Staff noted that a traffic impact analysis and full drainage report would be provided at the time of the first phase of development. At this meeting, several more letters in opposition were received, along with seven more signatures on the petition. The public expressed concern regarding the density (actually 2.3 units per acre now). Following a brief discussion, the Commission voted 8-0 to recommend approval of the Zone Change to Special Development along with the Conceptual Master Site Plan. Staff recommends approval with stipulations as presented. John Murphy, representing the developer, explained that Mr. Kohner had addressed the residents' concerns about density by decreasing the total number of lots from 436 to 379. A traffic impact analysis will be completed as will a master drainage plan. Water for the development will be provided by the Pine View Water Company, and the Pinetop-Lakeside Sanitary District is willing to consider annexing the development into their district. He added that all plans will be submitted to the fire district and others prior to Phase I commencing. Jim Barrego spoke in favor of the development. He said that the upgrading of the sewer system will benefit everyone. An economic boost is needed in the area, and this development will help provide housing employees of Walmart and the hospital. Tom Abend spoke in opposition, stating his biggest concern is the density. He said the area is currently low density and the plan calls for 219 homes-this is medium density. The plan also calls for 162 multi-family units-this is high density. There is to be 30% of the property set aside as open space, but this will be detention basins. He also expressed his concern regarding the traffic flow onto Webb Road. Judy Abend advised there are more than 200 people in the Summer Pines and Wagon Wheel area opposed to this development. Increased traffic will be "dumped" into residential areas. She wants to see the traffic spread out instead of being funneled through a couple of roads. A development of this size must have more than two ingress/egress points. Ron Monette advised he is speaking on behalf of residents of Wagon Wheel Lane. He said they would rather see an organized development here, as this one is, instead of one done separately and haphazardly. However, there are concerns regarding traffic being funneled down a road that is only 25' wide. There should be a design for 3-4 roads onto SR 260; this would lessen the impact to any one road. He suggested that a plan be worked out with the White Mountain Apache Tribe and Navajo County to use that portion of Rim Road. Even though the Tribe will not allow their portion to be paved, perhaps it can be maintained at least to minimal standards to allow it to be used as an alternate route. He closed by saying that if this proposal is approved, there should be a moratorium imposed on the number of units allowed on the acreage. Mary Jo Bartlett voiced her opposition, and requested clarification as to where the "new" Rim Road will go. She said she is also concerned about the drainage. Mr. Murphy advised that all of the proposed roads, together, in the plan will

replace the Rim Road. The developer, Steve Kohner, introduced himself and thanked the staff of Development Services, and the Planning & Zoning Commission, for working with him in this matter. Mr. Brownlow said he met with many of the homeowners in the Wagon Wheel area and he agrees that we need to look at the traffic flow. He believes the developer has the right to develop his property, but there are valid issues as to traffic and density. He said he would encourage the people to pay attention to what is going on around them, and a planned community is the way to go. Deputy County Attorney Lance Payette noted that the Special Development Zone does lock in the conceptual site plan, which would also lock in the density. If the traffic impact analysis or the drainage study indicates there needs to be changes, then the developer would have to request an amended site plan based on those facts. Mr. Murphy addressed the traffic concerns. He noted that the P&Z Commission wanted the traffic off of Webb Drive, but no one wants the traffic on their street. To put things in perspective, Mr. Murphy said that the Pinetop Country Club has 5000 units and the traffic enters onto SR 260 from only three roads. Trish Shuey said her concerns also relate to traffic problems. She suggested that the areas reserved for the multi-family units be changed to single family lots. There would be much less traffic that way. Mr. Murphy said they have reduced the density in the multi-family units from the original plan. He said everyone is assuming that the roads cannot handle the traffic, but we need to wait until the traffic impact analysis is completed. Noting that the success of the development hinges on the stipulations, **Mr. Brownlow made a motion** to adopt **Resolution #04-03**, approving a Zone Change to Special Development along with the Conceptual Master Site Plan for the Kohner Addition, with stipulations as presented: 1) *A Traffic Impact Analysis (TIA) for the development and a Master Drainage Plan shall be submitted to and approved by the County Engineer's office before the Tentative Plat of Phase I is submitted to the Commission;* 2) *Each required offsite improvement identified in the TIA or Master Drainage Plan shall be constructed or financially assured before the commencement of construction of the phase of development that first requires the improvement;* 3) *All technical requirements of the Navajo County Subdivision Regulations shall be met before approval of any phase of the Tentative Plat constituting a subdivision. Variances shall be requested in accordance with Section 4.12 and justified;* 4) *Sufficient off-road drainage easements shall be made available to accommodate major drainage;* 5) *Drainage structures, including detention or retention ponds, shall be constructed with the earliest phase that they are warranted and before any other work occurs that may preclude their construction when needed;* 6) *The plan for replacing the Rim Road-Wagon Wheel Route should be submitted for inclusion in the White Mountain Regional Transportation Plan before the Tentative Plat is approved. A recommendation from the Regional Transportation Committee should be included with the Tentative Plan documents;* 7) *Developer may submit a request to extinguish the Rim Road easement through the Public Works Department to the Board of Supervisors before the plat is submitted, or the easement shall be extinguished as part of the plat process;* 8) *The Developer must verify that the US Forest Service easements have been extinguished;* 9) *Approval of the Zone Change and Conceptual Master Site Plan is conditioned upon the submittal of the Tentative Plat for Phase I to the Commission, together with proof of compliance with the above stipulations, on or before January 27, 2005. If this deadline is not met, the approval shall be automatically revoked and the zoning classification shall revert back to A-General unless an extension has been granted by the Board of Supervisors. This requirement shall be conclusively deemed to have been satisfied unless the Board of Supervisors causes a notice of revocation to be recorded in the office of the Navajo County Recorder within 30 days after January 27, 2005 (or any extension of this deadline);* motion seconded by Mr. DeSpain; vote unanimously carried.

NAVAJO COUNTY PUBLIC HEALTH SERVICES DISTRICT: Gary Barnes, Health Sanitarian: Request for financial audit of Environmental Health Program and related matters concerning the operation of the Program: Board of Directors Session: Mr. Thompson made a motion to enter into a Board of Directors Session; motion seconded by Mr. Brownlow; vote unanimously carried. Mr. Barnes summarized the issues for the Board. He noted that the Board initially established a permit fee structure as requested by former Director, Dr. Dwayne Morse on a voice vote on June 15, 1998, however no formal ordinance was ever written or published. Mr. Barnes said we need to have the ordinance, which would establish the way fees will be collected and the penalties for non-payment. He added that the internal procedures also need to be addressed. The current method of collecting the fees is flawed in that the inspectors are required to hand-deliver the annual renewal to the food establishment. The current method does not track the non-payment or generate a request for payment. There is no method to call attention to a failure to pay or to pursue payment. Funds have been lost due to inefficiency of turning in checks from those facilities that did make payment. There should be an investigation to determine the amount of funds lost as a result of checks not being turned in on time and therefore "bouncing." On numerous occasions, food establishments have called to see if their check has been received or lost in the mail, etc. We need to determine the number of facilities who are listed as "paid in full" yet actually did not pay because their check "bounced" when finally turned into the Finance Department for payment. There should be no cash payments allowed; the food establishments should be required to pay by check or money order as there is no adequate way to control cash payments. The permits to operate should be mailed in a timely fashion. Many food service operators need the permit from the Health Department in order to obtain state funding, job evaluations, pay raises, etc. Daycare centers, Senior Citizen Centers, schools, etc. depend on the permit as proof they are in compliance with Health Codes and Food Service regulations. Real estate transactions also depend on timely delivery of the permit to operate. Major sale of a facility should not be held up because they are told it will take three weeks to print their permit. Mr. Barnes stated that these problems have been known for a year now, and some of them still exist. He offered some solutions to the problems: 1) Front-line employees need to realize their duty to protect the citizens of Navajo County. They need to step forward when problems arise and make them known to management. There is no reason why the program should be out-of-control for four years when these employees have full knowledge of the issues discussed today. ; 2) There needs to be an open-door policy for employees to bring these types of issues to the attention to management. An employee should not be given a Letter of Reprimand and threatened with termination for trying to bring these concerns to the attention of several individuals in the "chain of command"; 3) The Director of the Health Department is required to submit an annual report to the Board, detailing the activities of the Department as well as all financial transactions. The current estimate of the amount of fees due from food permits is \$45,000 per year. Any deviation from this anticipated amount would be signaled on an annual report and audit of the program by the County Manager. This would flag a fee collection problem within one year, instead of four; 4) Without a formalized Ordinance to collect fees, Mr. Barnes felt the county should not pursue back payment. The error is entirely within the County Government and Food Service Operators should not be penalized for failures within the Health Department.

Mr. Koury agreed that this matter should never have been brought to the Board of Supervisors. It should have been taken to himself and the Director, Dr. Warner. Mr. Koury advised that Dr. Warner has developed a solution to the problems discussed here today. Dr. Warner presented his solution as follows: 1) Health District staff, with the assistance of MIS, will review existing records and compile a list of permit

fees which have not been paid. Bills will be sent to those establishments who have not paid. 2) He will ask the Board of Supervisors to pass a Public Health Service District "Licensing Fees Ordinance." 3) An annual billing cycle will be set up. All fees for permits will be billed on a specified date (January 1 or July 1). For the first billing cycle, the amounts will be pro-rated based on the last payment. 4) Health District staff will review the current data base to ensure it is up-to-date and accurate. 5) Work with MIS and use updated data bases to: A) develop a billing system that will print out the annual bills and current operating permits; B) the system will create a listing of accounts receivable to provide internal control of amounts billed and due; C) use the new data base to be sure the amount paid equals the amount billed; D) create a tickler file for tracking the inspection of the facilities; E) provide a procedure for securing and updating the data base. 6) Prepare policies and procedures that will be used by Health Inspectors to ensure that there is one standard of inspection for Navajo County.

Mr. Payette said the fee schedule passed in 1998 is legal and enforceable. An Ordinance would only "add teeth" to enforcement attempts. Mr. Koury noted the ordinance procedure will be completed and brought back to the Board for approval.

Mr. Barnes said that a small portion of the Health Code mandates that a fee schedule be published. He feels that the county should not try to collect the back payments because it is fundamentally unfair to pursue those payments when it was the county's error. Mr. Barnes noted that this issue went through the "chain of command" when he originally took it to then Director Dwayne Morse. Dr. Morse assured him it was being taken care of. However, when nothing was done for more than a year, he wrote the letter to the Board. He said he had spoken with Dr. Warner regarding these issues in November, and Dr. Warner verified this conversation. Mr. Koury advised that Dr. Morse did not discuss this issue with him, but when it was made known to him, he made sure the checks were deposited. The computer program the department had been using was not working, so the MIS Department fixed the program so that it would work.

Mr. Thompson noted that the policies were in place in 1998 and are enforceable. The problem now is accountability, and staff needs to determine whether these payments can be collected or not. Mr. DeSpain agreed, adding that he would like to see a determination of the actual amount of uncollected fees before taking any action. **Staff was directed to prepare such a report for the Board's review. Mr. Thompson made a motion** to return to regular session; motion seconded by Mr. Brownlow; vote unanimous approving the motion.

SHERIFF'S DEPARTMENT: Gary Butler, Sheriff: Expenditures over and above FY 01/02 Jail Budget: Sheriff Butler explained he was very upset when he received a printout indicating that \$330,000 was transferred from the BOP (Bureau of Prisons) account to the General Fund, leaving him with only \$37,468. He said he was upset because he was not told ahead of time that the funds would be transferred. In addition, the balance remaining was not enough to cover the salaries being paid from the fund.

The Sheriff said he agrees that the amount he owes the county is out of the 2001/2002 budget and that is not a problem. However, just before the Rodeo-Chediski fire, he was negotiating as to the revenues from BOP for the 2002/2003 budget. Because of the fire, he was unable to finish the discussions. He noted that he has no problem with what Mr. Koury states the funds will be used for: debt service of \$400,000 for the new jail; direct expenses of employees hired for the program; other increases in expenses (supplies,

meals, etc.) related to BOP inmates; increases in regular jail budget. He does however, have a problem with the fact that \$330,000 was never discussed; the amount discussed was \$300,000. He said he came to the Board on October 7 and asked that \$31,991 accumulated through Justice Benefit, Inc. be used to offset the \$300,000 in jail over-expenditures. The Board agreed to this request. Sheriff Butler agreed with Mr. Koury's statement that clarification is needed from the Board as to what the BOP funds are intended for. The Sheriff said he believes he should be the one to determine what any excess BOP funds will be used for. He said the one who should control the fund is the one who is responsible for it. He said he is the one responsible and he should have a say in how it is spent. He added that the Board cannot adequately fund the jail, and the BOP revenue is a big part of the budget. He said he consistently goes over budget on items such as medications, doctors, hospitals and food, but the budgeted amounts are always the same.

Mr. Koury stated that the agreement for the last year and this current year was agreed to by the Sheriff at budget time. (Budget discussions were held prior to the beginning of the fires) He said the Sheriff received what he asked for in the budget. In fact, the salaries for four (4) jail nurses were moved to the Health District to allow the BOP fund to build up. Sheriff Butler said it was his understanding that the matter would go to the Board before any monies were transferred. He said he would like clarification from the Board as to the procedure for the BOP funds.

Mr. Brownlow said that from reviewing the previous minutes, it does appear the fund transfers were approved by the Board. He asked, as a common courtesy, that Administration call the Sheriff and let him know when the transfers are being made. Mr. DeSpain agreed, and encouraged Administration to keep the Sheriff in the loop. We need to cooperate with each other. **No action taken at this time.**

LIQUOR LICENSE: Transfer of Liquor License - Requested by Jessica Covey; Serengeti's Nightclub, LLC, Lakeside, Arizona: Ms. Jones reported that there had been no negative responses received from the memos sent to the Treasurer, Development Services, Sheriff and the Health Department. The applicant, Jessica Covey, was present and had no comments to offer. **Mr. Brownlow made a motion** to recommend approval of the application for Transfer of Liquor License, requested by Jessica Covey for "Serengeti's Nightclub," Lakeside area; motion seconded by Mr. DeSpain; vote unanimous approving the motion.

NAVAJO COUNTY FLOOD CONTROL DISTRICT: Tom Hieb, Deputy Director: **Board of Directors Session:** Request by the City of Holbrook to authorize the use of monies budgeted for the "City of Holbrook Drainage Study" to pay for the "Leroux Wash Study": **Mr. DeSpain made a motion** to enter into a Board of Directors Session; motion seconded by Mr. Brownlow; vote unanimously carried. Mr. Hieb explained that this year's Navajo County Flood Control budget contains \$120,000 for the "City of Holbrook Drainage Study," which was to be used for a study to address a number of drainage and flooding problems within the City. The City's new wastewater treatment plant has flooded twice in the last several years, damaging the clarifier the first time, and causing damage to buildings, resulting in the release of effluent into Leroux Wash the second time. The City has asked to use \$16,900 of the flood control funds to contract with Delph Engineering to complete a flood hazard study of Leroux Wash in the vicinity of the treatment plant. **Mr. DeSpain made a motion** to authorize the use of monies budgeted for the "City of Holbrook Drainage Study" to pay for the "Leroux Wash Study" as presented; motion seconded by Mr. Brownlow; vote unanimously carried. **Mr. Thompson made a motion** to return to regular session;

motion seconded by Mr. Brownlow; vote unanimously carried.

COUNTY ATTORNEY: Mel Bowers, County Attorney: 1) Review and discussion of Bad Check Program and adoption of format for reporting of quarterly reports to the Board: Mr. Bowers noted that in the past, the quarterly reports for the program have been submitted through the finance department. Now, he is doing the reports in-house. The quarterly report submitted at this time indicates \$44280.76 received in restitution this last quarter, with an additional \$21356.72 not yet paid out. Mr. Bowers asked that, if the Board has no objection, he be allowed to submit future quarterly reports by consent agenda. **Mr. DeSpain made a motion** to approve placing the quarterly reports in the Consent Agenda; motion seconded by Mr. Brownlow; vote unanimously carried.

2) Approval of agreement for professional services on medical examinations for the Navajo County victims of sexual assault and dangerous crimes against children: Mr. Bowers explained that when a victim is taken to the local hospitals for a forensic medical exam, the cost may be up to \$900. By negotiating with Dr. Hannah Rishel, a pediatrician in the Holbrook/Joseph City area, the price will be \$300 for each exam. Mr. Bowers said he also intends to discuss the issue with the local hospitals and try to negotiate a price with them. **Mr. DeSpain made a motion** to approve agreement for professional services on medical examinations for the Navajo County victims of sexual assault and dangerous crimes against children; motion seconded by Mr. Thompson; vote unanimously carried.

SUPERIOR COURT: Marla Myers, Acting Court Administrator: Approval to purchase unbudgeted capital item (X-ray scanner) from Bad Check funds: Ms. Myers explained that this item will provide a higher level of security for the courts, as it will allow for the scanning of purses, briefcases, etc. The funds for this purchase will be taken from the Bad Check fund. **Mr. Shumway made a motion** to approve the purchase of an unbudgeted capital item (X-ray scanner) from Bad Check funds; motion seconded by Mr. Brownlow; vote unanimously carried.

PINEVIEW WATER COMPANY: Ernie Sutter, Vice President: **Accept Application for Franchise and publish Notice of Intention to Grant Non-Exclusive Franchise at Public Hearing on March 10, 2003 at 10:30 a.m.:** Ms. Jones stated that Mr. Sutter would not be present and that this was a simple acceptance of the Application and setting of the date for the Public Hearing. **Mr. DeSpain made a motion** to accept Application for Franchise for Pineview Water and publish Notice of Intention to Grant Non-Exclusive Franchise at Public Hearing on March 10, 2003 at 10:30 a.m.; motion seconded by Mr. Thompson; vote unanimously carried.

ADMINISTRATION: Clint Shreeve, Deputy County Manager and Lynda Koury, Project Coordinator: 1) Explanation of Governmental Accounting Standards Board Statement 34, its Impact on the County Financial Statements and Plan of Implementation; and 2) Adopt the Modified Approach or Depreciation Method for Infrastructure: **These matters were continued to February 3, 2002 at the request of Mr. Shreeve.**

BOARD OF SUPERVISORS: Pete Shumway, Chairman: Intervention in the Environmental Lawsuit against the US Forest Service filed by the Forest Conservation Council: Mr. Shumway explained that a lawsuit has been filed to seek an injunction to stop the salvage logging in the fire area, which was

authorized on December 23, 2002. The Forest Service has asked the counties for their support in this matter. Mr. Shumway stated it is imperative that we move ahead as intervenors in the lawsuit. Mr. Payette advised that the lawsuit is very technical. He said he will be in contact with the attorney for the Forest Service to determine what would be the most helpful and appropriate thing for us to do. **Mr. Shumway made a motion** to authorize the County Attorney's office, in consultation with the Forest Service counsel, to move ahead with the appropriate action in support of the National Forest and intervening in whatever method is appropriate to help resolve this litigation; motion seconded by Mr. Brownlow; vote unanimously carried.

COUNTY PARTNERSHIP RESTORATION PROGRAM (CPR): Pete Shumway, Supervisor District IV: Approval of Professional Services Agreement with M3Research for administering the development of the CPR for the Apache-Sitgreaves National Forest and acting as a pass-through agent for the Forest Service to fund this Agreement: Mr. Shumway advised that this agreement has been reviewed by the County Attorney. He noted that the County will be acting as the pass-through agent for the funding from the Forest Service. **Mr. DeSpain made a motion** to approve the Professional Services Agreement with M3Research for administering the development of the CPR for the Apache-Sitgreaves National Forest and acting as a pass-through agent for the Forest Service to fund this Agreement; motion seconded by Mr. Brownlow; vote unanimously carried.

PUBLIC WORKS: Bill Cox, Director: **Resolution** accepting the 1.39 miles of roadways of High Country Pines Phase II Unit 2 Subdivision in the Heber area and releasing financial assurances: (Mr. Cox was unavailable) Deputy Director Dick Young advised that the developer has provided the required certifications and as-built drawings for the improvements to High Country Pines, Phase II, Unit 2 Subdivision. Mr. Young recommended that the roads be accepted for maintenance and the financial assurances be released. **Mr. Thompson made a motion** to approve **Resolution #05-03**, accepting the 1.39 miles of roadways of High Country Pines, Phase II, Unit 2 Subdivision in the Heber area and releasing financial assurances as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

BOARD OF SUPERVISORS: Percy Deal, District I: Approval to purchase a hand held GPS Receiver (SporTrak Map) from District I from Special Project Funds: (Ms. Jones presented this item on behalf of Mr. Deal) Ms. Jones advised that Mr. Deal would use this device in his district for mapping purposes. **Mr. Thompson made a motion** to approve the purchase of a hand held GPS Receiver (SporTrak Map) from District I Special Project Funds in the amount of NTE \$274; motion seconded by Mr. Brownlow; vote unanimously carried.

WHITECONE CHAPTER: Clara Williams, Chapter Coordinator: Funding assistance from District II Road Funds for motor grader repairs: **This matter was continued to February 3, 2003.**

NAVAJO COUNTY HASHKNIFE SHERIFF'S POSSE: Mark Reynolds, Captain: **Resolution** proclaiming the week of January 27- February 2, 2003 as Navajo County Hashknife Posse Week: The resolution was presented to the Posse by the Board. **Mr. DeSpain made a motion** to approve **Resolution # 06-03** proclaiming the week of January 27- February 2, 2003 as Navajo County Hashknife Posse Week; motion seconded by Mr. Brownlow; vote unanimously carried.

BOARD OF SUPERVISORS: Eddie Koury, County Manager and J.R. DeSpain, District III: Upcoming State Legislation. Mr. Koury provided the Board and the Elected Officials/Department Heads with a list of the selected bills of interest to the counties, prepared by CSA. Those bills of interest in particular to Navajo County, and which we support, include: HB 2217-Use of AHCCCS Rate Jail Medical Services; HB 2120-County Expenses for Medical Costs before Incarceration; HB 2221-County Reimbursement for Indigent Burial (this bill was requested by Navajo County); SB 1036-Rural Health Insurance Subsidy for Retired Employees. One bill which we oppose is HB 2123, which would allow ADEQ to delegate stormwater discharge to the counties. Another item which was submitted, and which will be addressed administratively rather than legislatively, is allowing incarcerated individuals to be on AHCCCS. This will save the counties and the State some money, and we fully support it. Mr. DeSpain presented some smaller bills which may affect us, and which we have been opposed to, are: 1) taking away from the counties any regulation of outdoor signage; 2) dog licensing; and 3) new construction valuation. Navajo County Recorder Laurette Justman advised the Board that the Federal Government has mandated the decertification of punch cards, but will not be funding the change-over to the new system. At this time, the estimate is \$320,000. Personnel Supervisor Don Smith advised that he will be presenting information on another federally mandated, but unfunded, program: Health Insurance Portability and Accountability Act of 1996, at the next Board meeting. We have no choice as to participation, and the estimated costs to implement are at least \$100,000. Mr. Koury stated that although Navajo County will have to make some reductions in some budget areas, but he stressed that he is not recommending cutting back on departmental budgets or employee lay-offs. **No action taken; informational only.**

PAYROLL ACTIONS: Gilbert Gonzales, Human Resource Director, presented a list of payroll actions. **Mr. Thompson made a motion** to approve the payroll actions as submitted; motion seconded by Mr. Brownlow; vote unanimous approving the motion.

BOARD BUSINESS: Mr. Thompson said he attended the Navajo Nation Presidential Inauguration, where he was given the opportunity to see a Stealth Bomber fly over the ceremony. He said he also attended the Tribal Legislative Day and was happy for the opportunity to visit with the various committees and individuals and let them know our concerns. Mr. Brownlow advised there is something we can do as a county to help the forest problem. A project is beginning by White Mountain Summer Homes on a roadway which is partly on the White Mountain Apache Reservation. He has spoken with the Tribe and they are in favor of the project. The project entails thinning the trees along the Old Rim Road near the White Mountain Summer Homes. Our road department will cut the trees on the right-of-way. He said there has been some opposition from some part-time residents, but he feels this is something we can do to help the situation in the forest. Mr. DeSpain noted that Administration and the Board staff are on a 9-9 schedule. He noted that there is always one Board staff member on duty every Friday. However, there are Fridays where both Mr. Koury and Mr. Shreeve are gone. He requested that at least one of them is here every Friday. Mr. Shumway noted that the Governor will be at the Show Low Road Yard, along with the Director of the Department of Environmental Quality, Steve Owens, to present a grant to the Trees for the Rim group. This ceremony will be held on February 7, 2003 at 10:30 a.m. The Director will then be in Holbrook at 2:00 p.m. in the Board Chambers to meet with the elected officials of Holbrook, Winslow and Navajo County. Mr. Shumway also updated the Board on his recent trip to Washington, D.C. regarding forest issues. Mr. Koury said he met with Allen Stephens and Steve Besich. They advised that the Governor is working on a way to save the Winslow Hospital. Ms. Jones reminded the Board of the NACo

Legislative Conference and the need to register as soon as possible if they wish to attend.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until Monday, February 3, 2003, upon a **motion made by Mr. Thompson**; motion seconded by Mr. DeSpain; vote unanimously carried. The meeting adjourned at 3:40 p.m.

APPROVED:

Pete Shumway, Chairman

DATE:

ATTEST:

Judy Jones, Clerk of the Board

The following Navajo County demands were audited, approved and ordered paid by the Board:

MtnStates\$12834.72;APS\$27778.36;Avaya\$2241.92;BWallace\$2415;CellOne\$5005.63;CtyHolb\$9744.53;CtyHolbUtil\$1760.25;ComedMedSpec\$2527.32;Comm1stBnk\$10000;Compucom\$3123.95;DJones\$5151.25;DGoldberg\$1268;DMcCoy\$1777.66;E&ESvc\$2478.59;EmpireMach\$78649.61;FleetSol\$14770;HumSocWWhiteMtn\$1900;J&MWhlsI\$6042.82;KByrne\$1050;LRInvstg\$2003.25;Learnit\$1700;NCRF\$1865.26;NoAZCard\$1791.68;OfcDepot\$2218.35;OwensMrtry\$2900;PMcGillicuddy\$1110;PerfReptrs\$1290.72;PortenierEnt\$2185.13;RevegetationSrv\$35167.45;SaulsCreekEng\$9315;SilverCreekIrrigDs\$5000;Sprint\$4361.19;StateBarAz\$5425;AzDeptAdmin\$15500;StirlingFence\$1038.76;TatesAuto\$2522.09;TPhalen\$1770;ThompsonsCustom\$1342.30;TransourceCmpters\$7511.87;Verizon\$1467.43;Versatech\$4368;VikinOfcProd\$1078.89;WesternTech\$9640;WinslowIHS\$3000;WMH\$5462.29;WoodLawOfc\$7696.50