

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

MAY 19, 2003

Supervisors' Chambers, Holbrook, Arizona - Time: 9:10 a.m.

PRESENT: J.R. DeSpain, Vice-Chairman; Percy Deal, Member; Jesse Thompson, Member; Jerry Brownlow, Member; Mel Bowers, Jr., County Attorney; Eddie Koury, County Manager; and Judy Jones, Clerk of the Board. (Chairman Pete Shumway was in Washington DC to attend hearings re Forest Health and TEA-21 funds)

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

CALL TO THE PUBLIC: Paula Rhoden advised the Board that she will be doing more editorial duties in the future and will no longer be covering the Board meetings for the Holbrook Tribune. She introduced Crystal Buckles, who will be taking her place. Phil Stago addressed the Board regarding road issues on the reservations and urged them to support these road systems.

CONSENT AGENDA: Mr. Brownlow made a motion to authorize the Chairman to sign the items in the Consent Folder; motion seconded by Mr. Thompson; vote unanimously carried. The following items were included in the Consent Agenda: 1) **Voucher List for Payment;** 2) **Board of Supervisors Minutes: April 28, 29 & 30, 2003; and May 14, 2003; Back Tax Land Deed: 209-21-016.**

BOARD OF SUPERVISORS: (May) Monthly Anniversary - Employee Appreciation Certificates:
RETIREMENT PLAQUE: Richard Genet, Appraiser II, given in appreciation of **23.3 years** of service to Navajo County Citizens since February 16, 1980; **RETIREMENT PLAQUE:** Albert "Coleman" Brewer given in appreciation of **26.2 years** of service to Navajo County Citizens since May 2, 1977. **Employee Appreciation Certificates:** 26 years, Mary Tyler; 24 Years, Mervin Baker; 23 Years, Joan Mickle; 18 Years, Christie Heward; 14 Years, Sgt. Charles Bradburn & Gloria McNabb; 13 Years, James Rickstrew; 10 Years, Kate Roberts & Perry Denton; 9 Years, Larry Fernau & Tom Hieb; 8 Years, Don Ottmann; 7 Years, Tommy Price; 5 Years, Thelma Boyle, Darlene McDaniel & Vicky Nalty.

DEPARTMENT HEAD AND ELECTED OFFICIALS MEETING: Monthly Meeting: 1) Budget Discussions - FY 2003/2004: (Mr. Shumway is now present by conference call) Mr. Shumway presented an update on the budget. He said the House budget proposal is scheduled to be third-read in the Senate this morning. It will then be sent to the Governor, where it is anticipated that she will veto the proposal. Mr. Deal said he believes the Legislative proposal harms us more than the Governor's. A letter from the Board was submitted to Speaker Jake Flake regarding our inability to take more hits from the Legislature. Mr. Flake will try to present legislation on behalf of Navajo and Apache Counties to try and limit the hits we must take. Mr. Deal asked that Mr. Koury and/or Mr. Shreeve work with the Apache County Manager to propose some language for this legislation. Mr. Koury presented information regarding adjusting the county levy limits and the use of a county sales tax to equalize county property tax levies state-wide. (No comments were offered by those in attendance)

2) Review of the Employee Health Plan Costs and to Set FY 03/04 Rates (Steve Touche of Mtn. States):

Mr. Touche advised that for 2002/2003, the total medical plan costs are running close to last year's projections: \$4568 per employee/per year versus the projected costs of \$4581. The total dental costs are about 4% better than originally projected. PPO utilization through the Blue Cross Blue Shield network is about 84%. Projections for 2003/2004 include: Overall medical plan costs are projected to increase by approximately 11%. The primary reason is medical inflation, with the fixed costs essentially remaining the same. Plan alternatives have been provided that can help reduce this overall increase, including increased deductibles, prescription co-pay increases and changes in the medical reinsurance deductibles. The dental plan is anticipated to remain consistent with this year's funding. Mr. Touche noted that our reserve fund is approximately \$100,000 currently. However, we should have a reserve of at least \$600,000. Measures should be taken to increase that reserve.

Our current medical plan consists of a \$150 (individual)/\$450 (family) deductible, with 80/20 coverage (in network) after the deductible. (Outside of the network provides 65/35 coverage) Prescription deductible is \$25 (indiv) and \$75 (family) and co-pays of \$7 (generic); \$15 (no generic available) and \$30 (generic available). Mr. Touche explained that with no changes to the current plan, the dependent coverage will increase substantially, and the reserve problem will not be addressed at all. With no changes, the premiums would be as follows: employee-increase from \$300 to \$325; family-increase from \$278 to \$447; children-increase from \$215 to \$264. Following a lengthy discussion the following suggestions were made: 1) Increase deductible to \$250/\$500; 2) Add a flat \$50 co-pay for emergency room visits (to discourage use of the emergency room as a doctor's office); 3) Increase the prescription co-pays to \$10/\$20/\$40 and increase mail order to two times co-payment. (Deductible remains the same); 4) Employees will pay \$10/month toward their premium.

Mr. Gonzales explained that insurance plan costs are based on the group's medical costs; if the costs are higher, the premiums will be higher. If we wanted to switch from our self-funded plan to a fully funded plan, we would have to pay out the reserve funds and the rates would still not be much better. Our current plan is one of the "richest" plans in the State as far as benefits are concerned. Our plan covers retirees as well as the charter schools and unincorporated area schools. These groups may not be covered by a fully funded plan. Mr. Gonzales noted that six or seven years ago, our reserve level was at \$600,000. It decreased over the years because of our intent on making the dependent affordable. He added that trying to make up the reserve funds in one year may be more than we can do. We can try to do it in three years. In order to make up the reserves, we would have to overfund the employee premiums; if the premium amount per employee/per month is \$320, then we would fund it at \$340. He also noted that many other counties require their employees to pay part of their premium costs at higher rates than is being suggested for Navajo County. Mr. Touche explained that by incorporating these changes in our plan, the cost reductions would be: deductible increase-\$113.62 cost reduction per employee/per year; add flat \$50 emergency room co-pay-\$42.08 cost reduction per employee/per year; increase prescription co-pays-\$72.23 per employee/per year. This would equate to a projected cumulative effect of approximately \$153,000 per year. **Mr. Thompson made a motion** to set the medical insurance premium rates as follows: employee-\$325/month; family-\$433/month; children only-\$256/month; in addition, the following options will be incorporated: 1) increase deductible to \$250/\$500; 2) add flat \$50 emergency room co-payment; 3) increase prescription co-payments to \$10/\$20/\$40; 4) employees to pay \$10 toward their premiums; motion seconded by Mr. Brownlow; vote unanimous approving the motion. (It was noted that the Board of Supervisors will be attending the employee meetings scheduled for next month to answer questions regarding these changes)

COUNTY ATTORNEY: Mel Bowers, County Attorney: Review Letter of Agreement of audit services for the Navajo County Public Health Services District: Mr. Bowers advised that a letter of engagement has been received from Fester & Chapman, P.C., who will be conducting the audit of the Health Services District. The letter outlines the services which will be provided. The cost is estimated to be \$8500-\$9500. Mr. Bowers noted that once the exact cost is determined, this matter will be re-agendized for final approval. **Mr. Deal made a motion** to authorize the County Attorney to move forward with the Letter of Engagement from Fester & Chapman, P.C., as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

PUBLIC HEALTH SERVICES DISTRICT: Dr. Stanley Warner, Director: 1) Approval of Contract #E1800031, Amendment #3 with Arizona Department of Economic Services for Early Intervention Program for Infants and Toddlers for Case Coordination to September 30, 2003: **Mr. Thompson made a motion** to enter into Board of Directors Session; motion seconded by Mr. Brownlow; vote unanimously carried. (Mr. Deal absent for the vote) Dr. Warner explained this amendment is for the renewal period of July 1, 2003 to September 30, 2003. Funding in the amount of \$9258 has been added for this renewal period. **Mr. Brownlow made a motion** to approve Contract #E1800031 (Amendment #3) AZ DES, Early Intervention Infants /Toddlers, Case Coordination as presented; motion seconded by Mr. Thompson; vote unanimously carried. (Mr. Deal absent for the vote)

2)Approval of Contract #E1800032, Amendment #3 with Arizona Department of Economic Security for Early Intervention Program for Infants and Toddlers for Case Management to November 30, 2003: Dr. Warner explained that this amendment renews the contract for the period from July 1, 2003 to November 30, 2003, and provides additional funding in the amount of \$15,169. **Mr. Thompson made a motion** to approve Contract #E1800032, (Amendment #3) AZ DES, Early Intervention Infants /Toddlers for Case Management as presented; motion seconded by Mr. Brownlow; vote unanimously carried. (Mr. Deal absent for the vote)

3) Approval of Amendment #4 to Contract #961125 with Arizona Department of Health Services for Community Nursing Services (Newborn Intensive Care Program): Dr. Warner explained that this amendment extends the contract term to June 30, 2004. It also expands the scope of work and requirements. **Mr. Brownlow made a motion** to approve Amendment #4, Contract #961125AZ DHS, Community Nursing Services (Newborn Intensive Care) as presented; motion seconded by Mr. Thompson; vote unanimously carried. (Mr. Deal absent for the vote) **Mr. Thompson made a motion** to return to regular session; motion seconded by Mr. Brownlow; vote unanimously carried.

DEVELOPMENT SERVICES: Dave Ashton, Director: 1) Approval of Extension of the Waste Tire Agreement with Waste Management, Inc.: Mr. Ashton advised that we currently have a contract with Waste Management, Inc. for the collection and storage of waste tires. The contract allows for annual extensions, and Waste Management has indicated agreement to extend the current contract at the same rates for 2003. (Mr. Ashton noted that the original contract began in 2001; this will be the second extension) **Mr. Brownlow made a motion** to approve Extension of Waste Tire Agreement with Waste Management; motion seconded by Mr. Deal; vote unanimously carried.

2)Approval of Contract for Professional Services with Santec Consulting, Inc. for Phase II of the Pre-

design of the Heber/Overgaard Wastewater Development Plan: Mr. Ashton advised that the Water Infrastructure Authority of Arizona (WIFA) provided grant funds for this project, which was broken down into two phases. Additional grant funding has been awarded for Phase II, which will cover items such as formation of a special district, cost estimates for design/construction/operation & maintenance, potential funding sources, etc. Navajo County will provide an in-kind match for the grant funds, will be in the review loop for the work being done and will assist in processing the approval for payment from WIFA to the consultant. **Mr. Thompson made a motion** to approve Contract for Professional Services with Santec Consulting, Inc. for Phase II of the Pre-design of the Heber/Overgaard Wastewater Development Plan as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

BOARD OF SUPERVISORS/BOARD OF EQUALIZATION: Board of Equalization Session: Mr. Thompson made a motion to enter into a Board of Directors Session; motion seconded by Mr. Brownlow; vote unanimously carried. Swearing in of Assessor Appraisers and Petitioner: Clerk Judy Jones swore in the Appraisers and petitioner. **Hearing on Petition for Review of Taxpayer Notice of Claim:** Neil Wolfe LLC for Eurofresh, Parcel #202-05-010X: Following statements from the petitioner and Ms. Darris, the Board requested a legal opinion from the County Attorney's office regarding the petitioner's request. **Mr. Thompson made a motion** to recess from this session and return to regular session; motion seconded by Mr. Brownlow; vote unanimously carried. **Mr. Thompson made a motion to reconvene in the Board of Equalization Session at 2:25 p.m.;** motion seconded by Mr. Brownlow; vote unanimous approving the motion. **Mr. Bowers advised that Deputy County Attorney Lance Payette researched the issue at hand and the legal conclusion is that the taxpayer is correct; he is eligible for an assessment ratio of 16% for the entire parcel. Mr. Thompson made a motion to recommend changing the assessment ratio to 16%;** motion seconded by Mr. Brownlow; vote unanimous approving the motion. **Mr. Thompson made a motion** to return to regular session; motion seconded by Mr. Brownlow; vote unanimously carried.

PUBLIC WORKS: Bill Cox, Director: 1) Re-authorization to close a portion of Rim Road on May 21 and 22 for road construction: Mr. Cox advised that several large trees will be removed from the right-of-way on this portion of the road, and closing the road will be the safest option for the public. This road is a secondary access to the town and should not cause any problems with traffic. **Mr. Brownlow made a motion** to close a portion of Rim Road May 21 and 22; motion seconded by Mr. Deal; vote unanimously carried.

2) Notification from Arizona Department of Transportation Motor Vehicle Division regarding an abandoned 1959 Ford 3 ton truck cab and chassis registered to Navajo County Road: Mr. Cox explained that in 1970, the county purchased military surplus vehicles, and then loaned them to various governmental entities within the county. This particular vehicle was loaned to the Town of Taylor, but the title remained in Navajo County's name. The owner of the property where the vehicle was left has filed for an abandonment. Staff has gone to check the vehicle, and they feel that the retrieval and storage costs would far outweigh the salvage value. If the county does not pursue the abandonment notification, the ownership of the vehicle will be transferred to the storage facility. The county will only be responsible for the \$50 transfer fee. Staff recommends that we do not pursue the notification. **Mr. Deal made a motion** not to pursue abandoned vehicle notification from ADOT; motion seconded by Mr. Thompson; vote unanimously carried.

SUPERIOR COURT: Thomas L. Wing, Presiding Judge: Approval for appointment of Justice of the Peace Stephen Price as a Juvenile Hearing Officer: Judge Wing noted that, pursuant to ARS § 8-323, the Board may approve the appointment of a Justice of the Peace as a juvenile hearing officer. The hearing officer may hear juvenile matters that are not classified as felonies, including: alcohol and tobacco violations; curfew; truancy; graffiti; etc. **Mr. Brownlow made a motion** to appoint Justice of the Peace Stephen Price as Juvenile Hearing Officer; motion seconded by Mr. Deal; vote unanimously carried.

TREASURER'S OFFICE: Manuel Hernandez, Treasurer: Request to extend employee's FMLA leave for an additional sixty days: Mr. Hernandez explained that the employee has been on FMLA since February, and her doctor has estimated it will be another two months before she can return to work. Mr. Hernandez noted that the extension of leave will be without pay, and the only cost to the county will be her medical insurance premium.

Mr. Thompson made a motion to approve extending FMLA leave for employee for sixty days; motion seconded by Mr. Brownlow; vote unanimously carried.

BOARD OF SUPERVISORS/WORKSESSION: 1) Transition of administrative responsibilities; 2) Appointment of a transition committee; 3) Possible recruitment of candidates: Mr. DeSpain, noting that Mr. Shumway is not present, suggested that these issues be continued until the entire Board can be present. Mr. Deal agreed that Mr. Shumway should be present, but he noted the number of people in attendance at this meeting and suggested that they be allowed to comment today.

Mr. Bowers noted that the next meeting is not scheduled until June 2, and Mr. Koury, Mr. Shreeve and Mr. Gonzales will not be here then. We need to transition as soon as possible, before the end of May. Mr. Deal agreed and said we need to move ahead even if Mr. Shumway is not present today.

Discussion began regarding alternatives. Suggestions included the formation of a transition team, which would work directly with Administration to address the short-term challenges. Another suggestion was to appoint a retired County Manager who would be willing to serve on an interim basis for a period of months. This would give the Board time to search out and find the best person for the job on a permanent basis. It was noted there are several "headhunter" firms who could locate, screen and recruit candidates for the position, but this process takes time.

Following further discussion, it was suggested that a transition team be formed, whose duty at this time would be to search for an interim manager. Those appointed to the team, and who have accepted the appointment, include: Dan Hinz, AJ Brown; Ted Ryersbach; Bill Cox and Joan Mickle. The Board scheduled a Special Meeting for Thursday, May 22, 2003 at 1:30 p.m. and asked that the Transition Team have a short list of potential interim candidates prepared for the Board to review at that time. **Mr. Deal made a motion** to appoint Dan Hinz, AJ Brown, Ted Ryersbach, Bill Cox and Joan Mickle to the Transition Team, and to direct the Team to do all things necessary to have a recommendation for the Board at the meeting scheduled for May 22, 2003 at 1:30 p.m.; motion seconded by Mr. Brownlow; vote unanimous approving the motion.

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: No Board business presented.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until Thursday, May 22, 2003, upon a **motion made by Mr. Thompson**; motion seconded by Mr. DeSpain; vote unanimously carried. The meeting adjourned at 2:40 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:

Comm1stBank\$1318.26;APS\$22692.72;APS\$1400;BKiser\$1190;Bradco\$3380.08;CWagner\$7437.50
;CtznsAzGas\$3041.21;CtyHlbrk\$2123.65;ClrkSupCrt\$2782.68;CocoCntyMedExmnr\$3761.25;DJones\$
5211.75;delphEng\$3057.75;DFrame\$1427.50;EmpireMach\$3720.87;FleetSol\$4764.85;FrontierCarrSr
vc\$2691.19;FrontierComm\$1869.30;GETresco\$1052.72;HatfieldReynoldsElctrc\$3478.69;HughesCalih
an\$6549.64;HumSocWhtMtn\$2040;J&MWhlsI\$10200.05;JEFullerHydrology\$2991.10;GForsyth\$1220;Li
ndenPearce\$14192.15;M&MProfCIng\$1248.74;NCRF\$6613.64;PetroleumTrdrs\$9192.83;Qwest\$2123.
28;SHeckathorne\$5570;SurfaceCntrctng\$9989.54;HealthConnection\$1257.15;WertzTire\$2821.11;Woo
dLawOfc\$4663.75