

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

AUGUST 9, 2004

Supervisors' Chambers, Holbrook, Arizona - Time: 9:05

PRESENT: J.R. DeSpain, Chairman; Jerry Brownlow, Vice-Chairman; Percy Deal, Member; Jesse Thompson, Member; Pete Shumway, Member; Lance Payette, Deputy County Attorney; Jimmy Jayne, County Manager; and Judy Jones, Clerk of the Board. **Mr. Brownlow** led the Pledge of Allegiance and offered the Invocation.

CALL TO THE PUBLIC: Richard Jarenski, addressed the Board regarding grant possibilities for a Dial-a-Ride Program for the Heber-Overgaard area. Sandy Houston, Rim Country Senior Center added that there is much need for transportation for the elderly. Lee Barger spoke regarding his concerns with a possible H/O Sewer System and questioned who would be taxed.

CONSENT AGENDA: **Mr. Shumway 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: Voucher list for payment; Assessments and Tax Roll Corrections; Board Minutes: June 21 & July 26, 2004; Professional Services Proposal/Logan Simpson Design, Inc. to develop a Handbook & Conference Presentation for Developing a Community Wildfire Protection Plan for at risk communities; Back Tax Land Deeds: 105-08-130A; Public Works: Rename existing road in Show Low area Horse Shoe Bend to "Outlaw Pass" and name an existing road in Show Low "Dover Lane"; Sheriff: Annual renewal of food service contract with ABL Management, Inc.;

TREASURER: Manny Hernandez, Treasurer: Acceptance of Annual Treasurer's Report: Mr. Hernandez presented the Board with the Annual Treasurer's Report. Investments: Total as of 6/30/04, \$113,648,025.02. Average interest rate FY03/04 for LGIP-Gov. was 1.0282% and total interest earned \$751.93. Average interest rate for Other Interest was 3.1640% and total FY03/04 earned was \$2,997,588.39. Real Property 2003 Collection Recap for taxes charged was \$54,538,713.38 less \$33,230.06 (corrections) making the total \$54,505,483.32 with \$2,744,450.42 taxes that are unpaid. **Mr. Shumway made a motion** to accept the Annual Treasurer's Report and authorized investment of funds; motion seconded by Mr. Deal; vote unanimously carried.

RECORDER/ELECTIONS: Laurie Justman, Recorder and Kelly Dastrup, Elections: Purchase budget Voting Booths, supported by Elections Capital Outlay; Ms. Justman stated that pursuant to statute the number of voting booths in each precinct is determined by the number of registered voters, therefore there is a need to purchase an additional 100 voting booths for the 2004 Elections. Cost is \$16,409.05. **Mr. Deal made a motion** to approve purchasing 100 voting booths as required; motion seconded by Mr. Brownlow; vote unanimously carried.

Hire Temporary Hopi Outreach worker thru the end of December, as directed by the Department of Justice; Ms. Dastrup stated that we have been directed to hire a Hopi Speaking Outreach Assistant to work directly with the citizens of four Hopi Precincts and the Hopi Elections Office in an effort to educate voters and increase voter registration. **Mr. Thompson made a motion** to approve hiring a temporary Hopi Outreach worker as requested; motion seconded by Mr. Deal; vote unanimously carried.

TOWN OF SNOWFLAKE: Kerry Ballard, Vice Mayor: Regarding proposed widening of Hwy 277 West of Hwy 277 and 77 Intersection: Vice Mayor Ballard asked for the Board support of a Resolution to ADOT for the widening of Highway 277 (Snowflake Boulevard West). **Mr. Shumway made a motion** to approve **Resolution 85-04** in support of widening Hwy 277 West as requested; motion seconded by Mr. Deal; vote unanimously carried.

PUBLIC WORKS: Bill Cox, Director: Award Contract # B04-07151 for Construction of Slurry Seal: **Mr.**

Shumway made a motion to award Contract #B04-07151 to Southwest Slurry (the low bidder) in the amount of \$426,486; motion seconded by Mr. Thompson; vote unanimously carried.

HEALTH SERVICES DISTRICT/BIOTERRORISM: Mary Tyler, Interim Director: Board of Directors

Session: Approve Contract with Shirley Whitehead, RN, CNFP for Physical Examination and Consultation Services for the Family Planning Program: Mr. Brownlow made a motion to enter into Board of Directors Session; motion seconded by Mr. Thompson; vote unanimously carried. Ms. Tyler stated that Shirley Whitehead has been contracted for the past two years to serve as the nurse practitioner for Family Planning Clinics. **Mr. Thompson made a motion** to approve Contract with Shirley Whitehead, RN, CNFP as requested; motion seconded by Mr. Brownlow; vote unanimously carried. **Mr. Shumway made a motion** to return to regular session; motion seconded by Mr. Brownlow; vote unanimously carried.

HUMAN RESOURCES: Gail Calisen, Director Personnel Actions: Mr. Shumway made a motion to approve the personnel actions as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

SUTTER DRIVE IMPROVEMENT DISTRICT: Leida Hatch, Special District Coordinator: Board of Directors

Session: Public Hearing: Hearing on any protest to proposed improvement and objections to extent of assessment district: Mr. Brownlow made a motion to enter into a Board of Directors Session; motion seconded by Mr. Thompson; vote unanimously carried. Ms. Hatch explained to the Board that when the formation of the district was considered on September 9, 2003, on couple, residents of Crimson Oak Drive, objected to the formation. The Board considered these objections but found that more than 50% of the property owners in the proposed District has signed the petition for formation. Therefore, the district was established by Resolution 61-03. On April 2, 2004 the same residents submitted a petition to Public Works signed by themselves and other residents on the same street, requesting

that their property be excluded from the District. No action was taken, since the time had passed to protest the boundaries of the District. On June 21, 2004 the Board adopted Resolution of Intention to order the improvements (64-04). In response to the Notice of Proposed Improvement, which was mailed to inform property owners of the passage of the Resolution of Intention, the residents of Crimson Oak Drive again submitted the same petition packet as a protest against the work. However, to be a valid protest, which would bar the work for at least six months, the petition would have to be signed by the owners of a majority of the acreage within the assessment district. Ms. Hatch

continued by saying that the petition is clearly insufficient, however, the petition may be considered as an objection from the individual owners who signed it. Any owner can object to the extent of the assessment district. This is basically an objection that the owner's property won't benefit from the improvements and shouldn't be assessed. Because the paving of Crimson Oak Drive will benefit all of the properties, staff believes that the objections should be

overruled and the Board should proceed. **Richard Golden**, resident questioned if the property owners were told they would have to pay for the improvements themselves and that some of the residents couldn't afford the additional expense and if a traffic count had been completed. Dick Young, Assistant County Engineer stated that a traffic count had been done. Mr. Shumway asked if all properties owners had been notified. Ms. Hatch stated that an Affidavit of Mailing for the Notice of Hearing on the Establishment was mailed to all property owners. Mr. Golden asked what the estimated cost for each property owner would be. Mr. Young stated that his estimate for the project is \$300,000, there are 60 lots, which would be approximately \$5,000 per lot, which can be paid out over a 10-year period. **Harold Bartlett** stated his concerns that if the property owners had know the cost they might not have signed the petition in the beginning. Mr. Payette added that the formation process simply puts the vehicle in place and if there hadn't indicated that 51% of the property owners wanted the formation it wouldn't have passed. **Mr. Brownlow made a motion** to approve Resolution #86-04 ordering improvements; motion seconded by Mr. Shumway; vote unanimously

carried. **Mr. Shumway made a motion** to return to regular session; motion seconded by Mr. Thompson; vote unanimously carried.

8) BOARD OF SUPERVISORS: Update by Steve Campbell, Cooperative Extension Director regarding the Forest Health Prevention/Restoration Project Proposals Grant for the University of Arizona: Mr. Campbell stated that in December 2003, he submitted (3) grants (Show Low, Pinetop-Lakeside and Navajo County) for the Forest Health

cost-share funding. Navajo County will receive approximately \$250,000 to focus on providing a seamless transition throughout the landscape around the Wagon-Wheel area, to include tribal lands, forest service lands and county areas. Total of all three grants is \$1M. The Board individually stated their appreciation to Mr. Campbell for his hard work and dedication to the efforts of the Forest Health issues that are so important to our county. **Mr. Shumway made a motion** to approve the Grant Proposals; motion seconded by Mr. Brownlow; vote unanimously carried.

Presentation by Martin O'Sullivan regarding Citizens for a Fire Safe Navajo County: Mr. O'Sullivan spoke to the Board on behalf of the Citizens for a Fire Safe Navajo County and thanked the Board for endorsing the Community Wildfire Protection Plan. He stated that the "Citizens" of this group represent 5 District Homeowner Associations with over 1200 homes that are in the High Fire Risk Areas. The "Citizens" are requesting the Board to adopt an Ordinance and Program requiring defensible space around structures consistent with the Plan. The group is offering to assist in implementing the Plan. Their major concerns are the lack of defensible space in high-risk areas that will

put

homes, businesses, property owners, communities, firefighters at maximum risk. It also puts the tax base and county budget at risk. He added that when considering defensible space issues that combustibles and flammable vegetation, overhanging branches, ladder fuels, tree density, slope of land, adjacent property are major concerns. He reviewed with the Board the group's recommendations, assistance they can offer to the County and they are very concerned about possible failure to act before another fire. The Town of Pinetop-Lakeside has shown its endorsement by a

letter

to the Board. He added that their proposed vision for the County is that it become the best in aiding citizens to protect people, property, the environment, firefighters and the tax base while assisting those economically disadvantaged and attaining maximum property-owner acceptable. He concluded by stating that the Board holds the key and in putting in place an Ordinance and Program to Defend High-Risk Property from Wildfires. Again, he

added

the "Citizens" willingness to assist. Jim Sullivan stated that there are a lot of citizens who have volunteered to do inspections and can do whatever needed to assist. Mr. Campbell stated that there is a program being developed to train those individuals who are willing to help. Mr. Shumway added that the Workgroup has been working on developing this type of plan. Steve Campbell, Chairman of the Workgroup stated that this item will be on the next agenda and they are working on an Ordinance. There are CC & R's that prevent some individuals from doing what they need to do. He suggested a subcommittee be formed to work with Mr. O'Sullivan and this group and develop

an

Ordinance for the County Attorney to review and bring back to the Board for approval. The Board thanked Mr. O'Sullivan for his presentation on behalf of the Citizens for a Fire Safe Navajo County.

NAVAJO COUNTY FLOOD CONTROL DISTRICT: Bill Cox, Floodplain Manager, Tom Hieb, Division Director, Mel Bowers, County Attorney, Lance Payette, Chief Deputy County Attorney and Bill Hardy, Arizona Counties Insurance Pool (ACIP): **Board of Directors Session: Executive Session** pursuant to ARS §38-431.03 (A)(3)-(4) for discussion or consultation for legal advice with the Board's attorneys and or discussion or consultation with and instructions to the Board's attorneys in regard to pending litigation concerning the Winslow Levee: **Mr. Shumway made a motion** to enter into an Executive Session; motion seconded by Mr. Thompson; vote

unanimously

carried. Those present for the session: Supervisors J.R. DeSpain, Jerry Brownlow, Percy Deal, Pete Shumway and Jesse Thompson, County Manager, James Jayne; Deputy County Attorney, Lance Payette; Judy Jones, Clerk of the Board; Bill Hardy, Arizona County Insurance Pool; Tom Hieb, Flood Control Director; Bill Cox, Floodplain

Manager;

Brian Goodwin, Attorney. **Mr. Shumway made a motion** to return to regular session; motion seconded by Mr. Brownlow; vote unanimously carried. (Update Only) Discussion and possible action regarding participation in mediation: . **Mr. Shumway made a motion** to authorize the negotiation and possible mitigation regarding pending litigation concerning the Winslow Levee; motion seconded by Mr. Brownlow; vote unanimously carried.

12:00 – 1:30 OPEN HOUSE – JUVENILE RESTORATION CENTER – LUNCH

BOARD OF SUPERVISORS/ADMINISTRATION: James G. Jayne, County Manager and James Menlove, Finance Director: **Public Hearing: Truth in Taxation Hearing- Notice of Tax Increase:** Mr. Menlove stated that Navajo County is proposing an increase in primary property taxes of \$1,094,717, or 36.8%. Mr. DeSpain gave

background on why this increase is occurring. For the past two or three years we have been faced with financial challenges. One of the problems was indigent health care costs. Previous administration advised the Board that we could hold those health care costs above and beyond our budget and they would not be considered a regular part of the budget. We found later that we couldn't hold those amounts out of budget. We were then faced with paying those amounts that we had originally collected to pay the health care cost with returning those funds to you. The Board then decided we were wrong and made a decision to return the taxes to the taxpayers. We reduced our tax rate from \$0.66 in 2002 to \$0.4772 in 2003 and requested a 15% cut from all departments so we could pay what was owed back to the citizens. Therefore, the 36.8% increase asked for this year (\$ 0.6316) will still be lower than it was in 2002 (\$0.66). Additionally, Navajo County is still one of the three lowest county tax rates in the Arizona with 50%

of the population being strictly the responsibility of the County. Mr. Menlove reported the EEC expenditure limitation comparison for 03/04 and 04/05. In 03/04 they were \$27,316,795 and 04/05 \$28,078,520. Estimated revenues \$52,849,709. Other Financing Sources and Inter-fund transfers \$1,637,345. Total General Fund expenditure and expenses \$30,027,529. Total Special Revenue Fund \$30,911,877 and total all funds \$67,856,197. James Jayne, County Manager added that the County is growing and we are trying to provide the best services we can

to the citizens for the least dollars. Lee Burger, Heber/Overgaard had a question regarding incorporation. Helen Defoor, Overgaard questioned why the roads can't be repaired in certain areas. Dusty Parsons, Highway Superintendent explained the statutory requirements for maintenance. Ben Jefferies, Overgaard asked if the County had a "Rainy Day Fund". Mr. Menlove explained that the county builds a Contingency Fund into the budget in case of

emergencies. James White, Overgaard expressed his concerns with feeling that the valuation was being raised more than it needed to be. Janet Camilly, Overgaard stated her concerns about speeding in their community. James Keeley,

and Jim Beam, Overgaard, major concern was the need for more police protection. Tony Bowler, Woodruff and Navajo County employee presented many concerns regarding taxes, raises, economic development, service contracts to the private sector, communication between departments, moving departments, etc. Mr. Menlove closed by saying that through the budget process he has had an opportunity to meet with employees and that he is impressed with the quality of employees that we have. However, the 25% turnover rate is a concern. It takes a minimum of \$5K to train

an employee and for sheriff deputies \$10K. We need to find a way to keep employees and that is why employees have

been one of the major concerns during this budget process. Final Budget Hearing and adoption of the Budget for Fiscal Year 2004/2005: No major changes from the tentative budget. The Board thanked the public for their input. **Mr. Brownlow made a motion** to approve **Resolution 87-04** approving the FY 04/05 Budget as presented; motion seconded by Mr. Deal; vote unanimously carried. Set the Tax Rates for Navajo County and all Taxing Entities within the County: All tax rates presented are on file in the Clerk of the Boards' office. **Mr. Brownlow made a motion** to set the Tax Rates for Navajo County and all Taxing Entities within the County; motion seconded by Mr. Shumway; vote unanimously carried.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until Monday, August 23, 2004, upon a **motion made by Mr. Shumway**; motion seconded by Mr. Brownlow; vote unanimously carried. The meeting adjourned at 4:00 p.m.

APPROVED:

J. R. DeSpain, Chairman

DATE:

ATTEST:

Judy Jones, Clerk of the Board

