

NAVAJO COUNTY BOARD OF SUPERVISORS' MINUTES
MONDAY, MAY 19, 2008

9:04 a.m. Call to Order: Supervisor Thompson led the Pledge of Allegiance and offered the invocation.

PRESENT: J.R. DeSpain, Chairman, Jerry Brownlow, Vice-chairman; Percy Deal, Supervisor; Jesse Thompson, Supervisor; David Tenney, Supervisor; James Jayne, County Manager; Mel Bowers, County Attorney; and Darlene Fraley, Clerk of the Board

CALL TO THE PUBLIC: No response

SUPERIOR COURT: Consideration and possible authorization for the Superior Court to hold regular session of the Superior Court at the McNeil Complex at 620 E. McNeil, Show Low, AZ: Honorable Dale P. Nielson advised that pursuant to ARS 12-130, he is requesting that the board approve the McNeil Complex as a designated place to conduct regular sessions of court in the south county. He discussed installation of a poly-com to allow distance participation and stated that services would be on an as-needed basis with specific days assigned to judges. Mr. Jayne, County Manager, discussed the future consolidation of services in the spring of 2010 that will be housed in the recently purchased south county complex. Supervisor Tenney clarified that there could be several different judges in the facility and Judge Nielson stated that is correct in the interest of efficiency for the specific judicial action being taken. **Supervisor Brownlow made a motion** to authorize the Superior Court to hold regular sessions of the Superior Court at the McNeil Complex at 620 E. McNeil, Show Low, AZ; motion seconded by Supervisor Tenney. Supervisor Deal expressed appreciation that the Superior Court is expanding services and requested that Judge Nielson consider offering court services in the Kayenta area. A lengthy discussion ensued regarding sovereignty issues as well as cost perspectives in conducting court on the reservation. Judge Neilson offered to talk with the tribe's chief justice to determine the feasibility of this effort. He stated they could conduct court on a temporary basis without board approval and would be willing to do that. Supervisor Thompson requested there be continued efforts to establish drug courts in Dilkon. Vote unanimous approving the motion.

BUDGET HEARINGS FOR DISCUSSION ONLY

All proposed budgets available for review through the Finance Department.

Judicial Branch: Judge Nielson reviewed the judicial branch budget. He outlined the budget reductions needed to cover the employee/judicial salaries and employee related increases that will include vacancy savings, the IGA with cities for salary reimbursement, reduction in services with some shifted to other line items, and a reduction in building improvements and other services. He reviewed the total budget of \$7,873,282 with an overall reduction of \$9,925. He discussed the changes as related to each Justice Court, Superior Court, Clerk of the Court, Adult Probation, Juvenile Probation, and Juvenile Detention. He stated the State has notified them they will not fund Diversion funding for the employment of two juvenile probation officers. He advised there has been a decrease in criminal filings by about 200-300 cases. He reviewed budgeted Court Revenues stating there is an anticipation of increased revenues. Judge Nielson stated they will continue to work with administration to iron out some of these issues. He reported this is his last year as presiding judge and expressed appreciation for the board's support and generosity to the courts, stating they provide much better services than they have in years past.

ADMINISTRATION: County Manager Report: James G. Jayne thanked employees and departments for working together on this budget, stating the Finance Director has worked closely with every department in the creation of their budget. He clarified this is a working presentation with a preliminary budget to be presented on July 15th. He advised: this draft is a balanced budget but with legislature still in session that their action could impact the budget; there is still two months of revenue to be received; the anniversary increases were

protected and each department took appropriate steps to include that increase into their budget without increasing the bottom line; revenues are projected to be down; capital and building projects are frozen; the exception to the flat-line budget is the Elections Department as they can not cut that budget any more and still hold a primary and general election so tomorrow the board will see a fee proposal that is a fair proposal to have the entities that the county services to cover the cost of the elections; employee health insurance did not increase this year and they are researching the issue for less impact of future increases; ASRS went down very slightly and the other three retirement plans increased significantly with the county absorbing 100% of that increase; the State Legislature is looking at a 44% increase in filing fees for the Courts that would impact revenues; the only possible exception to the no additional employees rule is the potential of five probation officer positions that the state may create and fund; and the bond will mitigate capital expenses. He stated that the passage of Prop 400 in November 2006 gave the ability to invest additional resources in services and the work force so throughout the budget development, the goal was to reward quality employees; since last year the 20% turnover rate is down to 10%; in the area of Public Safety there were 12 deputy vacancies, now they are down to 0 so the Sheriff is effectively putting more deputies on the road; in the area of Transportation, he commended Dusty Parsons and Jim Matteson for their efforts to be in the final stages of completion of the Transportation Study and partnering with cities and towns, Navajo Nation, Hopi and WMAT; the county is improving facilities—water tanks going up; electrical upgrades will begin later this year; Mogollon Complex is ready for occupancy and should be fully occupied by September 1—he commended Jim Matteson and Norman Cody; new buildings will have a move-in date around spring 2010; the Winslow Complex parking lot is paved and the building is being improved with the project being done in partnership with NPC inmate labor; and the Pinedale-Taylor facility will be open the next few weeks. He commended the leadership of Dan Hinz, the Building and Grounds team, Dusty Parsons and Mary Springer in the completion of these projects. He advised the county started the Strategic Planning process this year that will provide a road map for moving forward; the county is currently conducting the first county wide citizens' survey through NAU Behavioral Research and will bring the results to the board; and an Indirect Cost fee study, modeled after Coconino County, is being completed by Maximus that will consider the county fee structure for cost recovery. He commended Finance Director James Menlove on this budget process, stating that additionally he has produced three audits in 18 months. He encouraged the board to review information Mr. Menlove has showing the Navajo County single audit is ahead of eight or nine counties. He thanked James Menlove and Lauren Sedillo. He discussed changes to the cell phone policies and travel and a recent IRS auditor recognized the changes that have been made which will influence his decision regarding any fines for Navajo County. He thanked Board, staff and elected officials for their cooperation on the development of this budget.

Supervisors expressed appreciation for all who worked on the budget, for James Jayne who took the lead on issues, James Menlove's financial leadership, and staff response to citizen complaints. Supervisor Deal stated he wished that someone from Public Works could have attended a transportation conference last week where reference was made many times to Navajo County being their best partners; the Hopi Chairman of the Transportation Committee endorsed him and Supervisor Thompson because of the change the communities in their districts are experiencing. He stated this could only happen under Mr. Jayne's leadership and the team he has put together over the last few years, that when the administration says county-wide they literally mean county-wide.

Constables: Constable Phyllis Romo advised that Constable Reinhold is not present due to the illness of his wife. She reported that during the past year legislation was passed increasing penalties for aggravated assault on constables; Constable training hours went from 8-16 hours; and constables have now peace officer status. She stated that increased hours of training may be covered through collected writ fees which must be forwarded to the State. Constable Ray Brown said that he believes the gas mileage reimbursement should be increased as AAA reports the average cost of driving a vehicle in the United States costs an average of 0.56 per mile. James

Jayne stated that Navajo County was one of the few counties that initially supported writ fees, commending the leadership of Constable Reinhold. He stated that as of now, there is no recommendation to increase mileage reimbursement but can visit more on that between now and the preliminary budget presentation.

Treasurer: Treasurer Manuel Hernandez said there were adjustments made in his budget for raises and increased postage; the Treasurer's office has never replaced a rified employee from three years ago and every effort is made to limit expenditures. He discussed the tax management system being used by six other counties that was originally written by Bob Heming and maintained by IT; many functions are underutilized; and they may need to re-write part of it to accommodate changes. He discussed investments, stating that when he came before the board last August the county was receiving almost 6% on the dollar and now on overnight receives 1.64%, on long term receives 2.35%, and short term is about 2.25%. He said they have invested wisely throughout the course of the year and investment dollars are equal to last year as of end of April. Jackie Koon reported the Creditron machine is working well, residents are aware of it and using it and it actually takes the place of the employee that was not replaced.

Superintendent of Schools: Superintendent Linda Morrow stated that in past lean budget years a position was reduced in her office and the office has not been able to get that position back due to budgetary constraints. She discussed reduced line items stating that some expenses can be picked up through grant funding but that this must be considered a temporary measure. She discussed the responsibilities of her office and the anticipated increase in that responsibility due to new legislation that the County Superintendent's office will oversee schools' budgets to prevent over expenditures. She stated she emphasizes these issues because she wants the board to be aware of the impact of the cuts on her office this year and that in future years she may not have the grant funding necessary to support budget cuts.

Sheriff/Jail: Sheriff Gary Butler stated that he is pleased with the budget process but it is clear the County must consider a jail tax, discussing anticipated revenue losses through contracts and grants. He discussed an increase in BOP rates that would not be offset by the reduction of the number of prisoners to be housed. He stated that the jail is severely underfunded due to past administration actions and are so far underfunded the current administration could not bring them forward to where they should be. He stated he is pleased with the way Mr. Menlove and Mr. Jayne worked with his department but in all his years as Sheriff this is the worst budget he has ever had, that the Board should be aware that what he submitted to administration is not what the board is seeing. In response to a question from Supervisor DeSpain, Sheriff Butler stated the county can meet the debt payment on the jail. Mr. Jayne discussed the Sheriff's leadership with his peers on the DOC contract issue, stating they are considering sending a letter to the Speaker and President of the legislature clarifying this issue and expressing a desire to continue that contract. In response to a question from Supervisor Deal, Sheriff Butler stated that adjoining Coconino County has a jail district supported by sales tax and Apache County's district is supported by property tax. He further clarified Navajo County is one of three counties in the State that does not have a jail sales tax. Sheriff Butler discussed the options of a 0.5 cent tax versus 0.25 tax, the economic necessity to form a district, drug and alcohol factors that contribute to overcrowding, the need for a united front on the board related to this issue, factors that contributed to the jail district formation defeat last time and expressed his willingness to participate in the passage of the bond.

Recorder: Recorder Laurie Justman reviewed minor changes to her budget, stating it remains close to the 2008 budget. Supervisor DeSpain commended Ms. Justman on her service to Navajo County residents all over the county. Mr. Jayne commended Ms. Justman for her effort on this budget issue, pointing out that election year costs are higher for her office this year due to the primary and general elections. He said she worked closely with administration to mitigate those costs while enhancing services in Districts I and II. Ms. Justman reported Voter Registration has satellite offices in Kayenta, Pinon, Cibecue and WhiteRiver; that they are well advertised

and people know when they will be there.

County Attorney: County Attorney Mel Bowers advised this is his last budget as he is retiring and that due to the responsibilities of this office, future budget increases may be needed. He said he appreciates maintaining employee raises to help attract and pay people. He reported this is a tough budget year and discussed his budget reductions are mainly through vacancy savings in attorney positions and that some grant funding helped make up the 0.5% reduction to cover salaries. He pointed out that witness fees were budgeted this year at \$7,500 and that line item is already at \$18,825, discussing the Pima County ordinance allowing a \$325 charge per hour including travel time. He stated the county must contract with an examiner to establish and testify to the cause of death. He reviewed other line items in his budget where there were over expenditures giving the cause but advised they will live within the total budget. James Jayne stated this budget is indicative of how frugal budgets are throughout the county and they hope to mitigate some costs through the implementation of fees. He stated the County Attorney brought the medical examiner witness fee issue to them as an opportunity to work with Coconino County for a more favorable contract. In response to a question from Supervisors, Mr. Bowers stated the contingency fee is Southwest Border funding.

Assessor: Assessor Cammy Darris commended Lauren Sedillo for her efforts on this budget, stating she has worked very hard and has done an excellent job. Cammy stated her budget is very similar to that presented last year. In response to a question from Supervisor Thompson, Ms. Darris stated she was budgeted last year for additional personnel and can work without them this year. In response to a question from Supervisor DeSpain, Ms. Darris stated she is going live with the new parcel system this afternoon and it will be ready to go on the Internet within a couple of months, stating it will be user friendly with more functionality.

Board of Supervisors/Administration: Finance Director James Menlove reported that many departments and elected officials made some real sacrifices in an effort to help their employees. He stated the Administration and Board of Supervisors' budget is equivalent to the amount budgeted in FY08 with some salary adjustment; the county-wide department (019) is equal to last year's budget; the Contingency Fund has 10% of the general budget set aside for emergencies; and indigent health increased considerably and those were taken into account when reducing the budget. Supervisor Brownlow inquired why travel increased in light of the memo they received about reducing costs and Mr. Menlove stated that there will be additional board responsibilities. Mr. Jayne reviewed the cost saving suggestions advising these same measures will be taken at the staff level. Supervisor Deal stated he agreed with the philosophy as he believes there should not be a whole host of Supervisors and administration travelling to one event. James expressed appreciation to Lauren Sedillo as an asset to Navajo County.

Buildings & Grounds: Dan Hinz thanked administration for their assistance in this budget. He discussed the reduction in personnel costs due to vacancy savings, the increase in anticipated fuel costs, reduction in different line items, the marginal increase for utilities that can come about through energy conservation efforts, the issues considered when there is component failure for the replacement to be more efficient. He acknowledged that each year going forward energy costs will increase so they are looking at ways to reduce energy consumption. He advised that with all adjustments, the budget was reduced over all to compensate for raises. Steve Slade reported the department is seeking advice from APS to reduce costs for green system buildings. Dan Hinz and Steve Slade expressed appreciation for their team, stating they are truly blessed with a team that supports them. In response to a question from Supervisor Deal when he commended Mr. Hinz for utilizing inmate labor, Mr. Hinz stated that the department employs about 20 inmates a day and they must consider the impact that a reduction of the federal contract will have. Supervisor DeSpain thanked Mr. Hinz and his team for their work on the fairgrounds. He requested that as they work with utilities, that they request the renewable energy come from this area. Mr. Hinz thanked James Menlove, Lauren Sedillo and Bob Heming for the user friendly budget

format. James Jayne thanked Dan Hinz and Steve Slade for what they and their team do; reporting that their department pays for the utilities for many buildings. He said the key to this year's budget has been to mitigate the increases and they have done an admirable job of doing that.

Elections: Lisa McKee stated that along with rising costs for paper, postage and fuel, there is a deficit in what is charged jurisdictions and the costs of their elections, stating she would bring a fee proposal to tomorrow's meeting to address this. She discussed factors that influenced the development of her budget as additional costs related to a primary and general election, the excessive number of ballot measures that will cause the ballot to go to two pages and the poll worker rate increase. She reported the number of county workers who worked polling places helped tremendously during the PPE. She discussed reimbursements for some costs of the elections through the Secretary of State's office. Supervisor Deal invited James Menlove and James Jayne to visit the Blue Gap temporary polling place as they are currently in a Hogan with no running water or electricity stating that the county owes voters something better even on temporary rental basis. Ms. McKee stated she is in the process of conducting polling place surveys and will develop measures to address problems like this Hogan; that while she appreciates the use of the Hogan, it is out of compliance as related to handicap accessibility. Supervisor DeSpain expressed appreciation to Ms. McKee for her hard work stating they are looking forward to a good election year. In response to a question from Supervisor Thompson, Ms. McKee stated she is excited about establishing an office at Indian Wells and does not anticipate additional expenses for equipment. Supervisor Thompson thanked staff for these arrangements.

The board recessed for lunch at 11:40 a.m. and reconvened at 1:02 p.m. with Supervisor DeSpain, Supervisor Brownlow, and Supervisor Thompson present.

Navajo County Public Health Board of Directors' Session: **Supervisor Brownlow made a motion** to enter into the Navajo County Public Health **Board of Directors' Session**; motion seconded by Supervisor Thompson; vote unanimous approving the motion with Supervisor Deal and Supervisor Tenney absent for the vote. Dr. Wade Kartchner reviewed changes in his budget advising the medical examiner from the Sheriff's office will be funded by the district as well as partially funding a custodian. He discussed fuel costs and utility cost increases; advised a \$25,000 reduction in capital equipment budget as they are not purchasing as many vehicles; reported grant funds, which accounts for about ¼ of health department budget, will be going down; and they are adding one nutritionist through grant funding. Supervisor Brownlow commended Dr. Kartchner on his recent humanitarian mission to South America. Supervisor DeSpain inquired if there would be an increase in taxes due to the contingency fund and Mr. Menlove stated there would not be, further stating that taxes are going down. Supervisor Tenney and Supervisor Deal entered at this point. Mr. Jayne stated that statute requires the district to budget every dollar and those not specifically allocated for a line item go into the contingency fund. He further reported administration may be bringing back a request for buildings before the board. Supervisor Deal encouraged Dr. Kartchner to continue with the project to provide vital record services in Pinon and offered to accompany staff when this issue will be discussed or the area will be visited. **Supervisor Brownlow made a motion** to return to regular session; motion seconded by Supervisor Thompson; vote unanimous approving the motion.

Information Technology: Bob Heming stated that in the capital budget there is a request for a wireless hop from Porter Mountain to the Pinedale/Taylor complex because the existing DSL is insufficient and for one from the Holbrook tower to the Winslow facilities and the Winslow road yard. He advised the Winslow facility cost can be recovered in about 17.5 months and the Pinedale/Taylor cost can be recovered over a 20 month period. Mr. Menlove stated these projects are included in the capital budget.

Legal Defender: Alan LoBue distributed revised budget sheets, discussing the difference between the budget

worksheets in the book and this worksheet. He stated that all increases are the salary related items. He said that the reduction of just over \$22,000 was transferred to Fill the Gap funds. He stated that in 2005 they had 352 cases, in 2006 there were 402 and in 2007 there were 631. He stated that though filings in the courts are down crime has not abated. Mr. Menlove stated that he will review the revised sheet with the Legal Defender to assure that all cuts can be taken with the bottom line the same.

Navajo County Library District Board of Directors' Session: Supervisor Brownlow made a motion to enter into the Navajo County Library District **Board of Directors' Session**; motion seconded by Supervisor Thompson; vote unanimous approving the motion. Geneva Durkee advised the primary focus of the district is to provide the libraries with goods and services and described some of these. She stated the E-rate program offsets many technology costs. She reported that one of the LSDA grants from the State library will fund half in this fiscal year and there is the potential of another award. She reported they make contributions to the libraries within the county based on need and outlined several contributions. She reported the Kayenta Library is functioning but is not yet automated because of the lack of internet access, discussing the possibility of the district paying for the connection system. She reported they increased the book budget for both non-print and print materials by increasing rotating collections and has ordered magazine subscriptions. She discussed issues related to the Hopi book mobile that has held up that process and advised the RFP is now ready to go out. Supervisor Deal expressed appreciation for Ms. Durkee working with Kayenta for their library and discussed past issues related to the internet provider. Supervisor Deal stated he will talk to IT to see if there could be a solution through a multiple community approach. Mr. Jayne reported the county is exploring options (two chapters last Monday) for Internet connectivity, stating Mary Springer has worked up cost projections for the county to partner with these communities. The Supervisors thanked Ms. Durkee. **Supervisor Tenney made a motion** to return to regular session; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

Public Defender: Emery LeBarge stated that the budget cuts they had to take to cover raises were covered by grants or not purchasing software. Supervisor Thompson commended Ms. LeBarge on her open door policy for residents and her outreach to better serve the public. Supervisors thanked Ms. LeBarge for her efforts.

Public Fiduciary: Sherry Reed advised the bottom line of the Public Fiduciary budget is about \$48,000 less than the previous year. Supervisor Tenney stated that even though the board passes appreciation around a lot, they recognize Ms. Reed took over a difficult department and deserves a lot of credit for the successful operation; that he hears good things about this department from citizens, administration and the county attorney's office. All Supervisors echoed that sentiment.

u: Gail Sadler expressed appreciation for the amount of work that Finance has done to clean up a lot of old funding streams. She said this budget reflects stable funding, that there will be an increase in adult funding and a small increase in others resulting in a small amount of increased funding allocated to the entire program. She reported the anticipated rescission did not impact the program as heavily as they thought it was going to do and all services can be provided in the upcoming year as planned.

Public Works: Dusty Parsons stated that while the department has to spend the funds they receive, they still made cuts in some areas. He discussed the special road projects by district and reviewed each project in the five year Capital Improvement Plan, advising if the project is not ready to go the funding will be used in another area. He advised Porter Mountain Road and the Joseph City Bridge are the highest budgeted items utilizing over \$5,000,000 of the two year budget. Mr. Parsons clarified that Porter Mountain Road would actually be completed in consecutive years. Mr. Parsons responded to questions from Supervisors, stating: about \$750,000 is budgeted for each reservation road yard; the road yard bid is almost ready to put out and the county may provide some equipment for the training; the paperwork for the road yards is in process and the county has

provided all the material that will be delivered to the job sites; straightening the curve on White Mountain Lake Road is a future project; the Silver Creek crossing study is scheduled through professional services; a bridge over Silver Creek would be 7-10 years down the road and the current overflow across the road recedes quickly; and the Show Low car wash project is under construction. Supervisor Deal expressed appreciation to Mr. Jayne and Mr. Parsons for bringing county services to a new level particularly on the reservation. Supervisor Deal and Supervisor Thompson discussed the major transportation conference that the County is sponsoring in Kayenta as a result of the NACo trip to Washington and discussed the preparatory arrangements for this conference. Mr. Parsons expressed appreciation to Jim Matteson, Jeanine Carruthers, Clyde Holyoak and Jack Brooks for their team effort on road projects. Mr. Parsons reviewed required capital equipment purchases this year including motor graders, dozers, and loaders, stating this type of equipment purchase can not be suspended for a year because the subsequent year purchases would be increased by millions. He stated that as in the spirit of every department reporting today, his department has covered the 5% employee increase through the budgeting process.

Mr. Parsons reported:

- Planning & Zoning fees have reduced significantly over the last year so the development fee adjustments that were approved last year reduced the impact of the slowdown.
- Four positions in Planning and Zoning have not been filled and they have not advertised these positions because revenues were down; they will utilize vacancy savings to get them through the tough times.
- The estimated revenue projection is very conservative and this conservative approach has helped his department remain within budget.
- They are considering moving a position from Planning & Zoning into GIS; GIS is HURF funded and they are now getting lot of requests for non-HURF related items.
- When the department met with Lou Schmitt during the Strategic Planning process, he felt adding a position to GIS would be beneficial.
- Under the leadership of Montana Slack, the waste tire disposal has been effective and it is anticipated the program will balance to zero county dollars expended; the sites are well managed, are not an eyesore to the community and there is no backlog.

Mr. James stated the county is trying to mitigate increasing costs and be more efficient, citing examples.

Supervisor Thompson discussed the challenge obtaining water will be for reservation communities stating he would like emphasis on how we retain more water for the Southwest area.

Navajo County Flood Control District Board of Directors' Session: **Supervisor Brownlow made a motion** to enter into the Navajo County Flood Control District **Board of Directors' Session**; motion seconded by Supervisor Thompson; vote unanimous approving the motion. Mr. Parsons, Jim Matteson and James Menlove spoke to this budget advising: the flood control budget includes an estimate of 13% less revenue with considerable carry over bringing the Winslow Levee budget up to \$4,000,000; expenses are budgeted for all planned projects; the strategy for the Winslow Levee is to keep the Corps engaged; and there will be no tax increase. **Supervisor Brownlow made a motion** to return to regular session; motion seconded by Supervisor Thompson. Vote unanimous approving the motion.

Dusty Parsons thanked James Menlove, Lauren Sedillo and Jeanine Carruthers for their dedication during the budget process, stating he liked this year's format better than any other year.

Supervisor DeSpain advised Mr. Parsons that with his staff, in the last couple of years, there has been a tremendous improvement with relations within the department and the general public with staff acting in a very

professional manner. He cited an upcoming IGA with the City of Holbrook to share a building inspector position.

James Menlove directed the Board's attention to the schedules at the front of the board book, reviewing the summaries that provide a good picture of grants and general fund.

James Jayne thanked all for their time and attention today; advising there will be a full capital plan presentation on July 15.

Supervisors thanked staff for the smooth process.

At 2:39 p.m. **Supervisor Thompson made a motion** to adjourn; motion seconded by Supervisor Tenney; vote unanimous approving the motion.

APPROVED:

DATE:

J. R. DeSpain, Chairman

July 1, 2008

ATTEST:

Darlene Fraley, Clerk of the Board