

**BOARD OF SUPERVISORS  
NAVAJO COUNTY, ARIZONA**

**February 18, 2003**

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

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

Mr. Shumway 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: February 3 and 10, 2003; 3) Voucher List for Payment; 4) Constable Reports: (January) Winslow & Show Low; 5) Justice Court Reports: (January) Winslow, Snowflake & Show Low; 6) Juvenile Justice Report: (January). (Mr. Deal was absent for the vote)

**BOARD OF SUPERVISORS: Monthly Anniversary - Employee Appreciation Certificates:** Dorothy Smith & Robert Smith, 25 Years; Richard Genet, 23 Years; Lena Lee, 19 Years; Mark Reynolds 17 Years; Melvin Bowers & Dana Sipes 13 Years; Joseph Kay, 12 Years; Bruce Evans, 11 Years; Margaret Corey, 9 Years; Melissa Sample, 7 Years; Darrin Reed, Cassandra Gardner, Carol Fraley & Robert Eldredge, 6 Years; Nikolas Issacs, Pamela Dykstra, Mary McConnel & Dallas Scott, 5 Years. Certificates were presented.

**Presentation of Retirement Plaque** to Buck A. Sinclair, Road Maintenance Worker II, given in appreciation of 24 Years of Service to Navajo County Citizens. The Board presented Mr. Sinclair with a plaque and thanked him for his many years of service.

**DEPARTMENT HEAD AND ELECTED OFFICIALS MEETING: General Discussion:** There were no items presented by those in attendance.

**ADMINISTRATION:** Eddie Koury, County Manager; 1) **Budget Discussions for FY 2003/2004:** Mr. Koury advised there was a Manager's meeting on Friday. At that meeting, the new figures regarding the impact to the County were much better. Instead of being \$6 million in the red, it appears the impact may be only \$4-5 million. (CSA is hoping to have more definite figures this week.) In either case, it still is not good for the county. 2) **Approval of budget handout information for State Legislature and Governor concerning Navajo County's financial condition and** 3) **Possible hiring freeze and/or other measures to temporarily reduce personnel-related expenses:** Mr. Koury presented a draft letter to be sent to the Governor and Legislature regarding our budgetary concerns, including our levy limit situation. It contains suggestions such as having the State exempt Navajo County from any revenue reductions or cost shifts; allowing Navajo County to pay road deputies out of HURF funds, similar to the HURF transfer to the DPS; authorizing the Navajo County Board of Supervisors to implement a temporary, five year, cent sales tax. In addition to this letter, a presentation is being looked at as a possibility to illustrate just how serious our situation is. This would be a color photograph with statistics showing where Navajo County ranks, for

example re general fund population, sales tax and property tax. This presentation would show just how little "wiggle room" the Board has in its budget; if we are hit by the Legislature, services would have to be cut because we can't raise taxes.

Discussion began with the Elected Officials and Department Heads. Laurette Justman, Navajo County Recorder, advised there has been no change regarding the lack of funding for the election changes. There is still no federal funding. Frank Turley, Navajo County Assessor, expressed serious concern regarding the possibility of a hiring freeze. He said his department provides mostly mandated services, and he believes the Elected Official and/or Department Head should be able to move the employees around as necessary. He added that there has to be some way to keep the offices functioning. Sheriff Gary Butler agreed with Mr. Turley. He said his department is critical, especially with the recent increase in the terrorism alert status. He also noted that the positions vacated by employees called to active military duty should not be frozen. He said his personnel costs are most of his budget. If positions are frozen, services will have to be cut back because there won't be enough deputies. He noted that he has written letters to the governor and legislature, but he feels they do not even listen. County Attorney Mel Bowers said that a hiring freeze will create inequities within the departments (ie a three person department versus a forty person department). We need to address whatever deficit we have coming and look at everything that is mandated. We need this information to be able to address the issues when they come up at budget time. He said it may not be in the County's best interest to just cut 15% across the board. Mr. DeSpain noted that a 15% reduction would raise only \$3.4 million for the General Fund and that is only half of what the legislature is proposing. Ms. Justman advised that she has had discussions with her staff regarding the budget. She asked if it would help to hold off in filling current vacancies, and if staff could voluntarily cut their hours to avoid laying off any individual. Mr. Gonzales said this is certainly a tool we can use. Sheriff Butler said that in his budget last year, the items that were over-budget were the mandated services, ie medications, hospitals, doctors, etc. Because of vacancies and turnover rates, personnel costs were actually under budget. He stressed that morale is low, people are leaving and replacements can't be found. He said he is running a skeleton crew in the jail because he is having a hard time finding qualified people to fill the vacancies. Mr. Deal thanked everyone for their input, and acknowledged we are all in this together. In reviewing the draft letter to the Governor and Legislature, he said we cannot ask for preferential treatment (suggestion #1 in the letter) and that should be left out. He said we should ask for State and/or Federal funding whenever the terrorist level is raised. We should have a "pot" of money set aside for those kinds of emergencies. He added that we need to talk with the Legislature as a unified Navajo County, not as individual departments. Mr. Shumway advised there have been no decisions made at this point re a hiring freeze, lay-offs, etc. These are merely ideas for discussion and we need to look at all of the alternatives. Mr. Brownlow requested that all Elected Officials and Department Heads provide some written recommendations to the Board prior to the next meeting on March 10. Mr. Koury noted that the budget packets are scheduled to be distributed on March 14, and direction is needed from the Board before then. **No action taken at this time.**

**(At this time, Mr. Shreeve advised that an item concerning CDBG grants was to have been on the agenda for today but, due to a communication problem, did not make the agenda. Margaret Kinner advised there was no requirement to have a BOS meeting for this item as it was published as a Public Hearing, not a Board meeting. Mr. Bowers advised the hearing cannot be held today as it was not agendized. Ms. Kinner advised that she will republish the notice for March 10, 2003.)**

**BOARD OF SUPERVISORS:** Jerry Brownlow, Supervisors and Mel Bowers, County Attorney: 1) Executive Session pursuant to ARS § 38-431.03(A)(3) for legal advice and consultation with County Attorney regarding Whistleblower Protection Act and County policies as they pertain to information provided by Health Services District employee: **Mr. Brownlow made a motion** to move into Executive Session at 10:10 a.m.; motion seconded by Mr. DeSpain; vote unanimously carried. Present in the Executive Session were: Chairman Pete Shumway, Vice-Chairman J.R. DeSpain; Members Jerry Brownlow and Percy Deal, County Manager Eddie Koury, Deputy County Manager Clint Shreeve, Human Resources Director Gilbert Gonzales, County Attorney Mel Bowers and Deputy Clerk Kathy Hieb. **Mr. DeSpain made a motion** to return to regular session at 10:55 a.m.; motion seconded by Mr. Deal; vote unanimous approving the motion. **No action taken.**

**Mr. Shumway left the meeting at 10:55 a.m. (to attend a meeting with Senator McCain in Phoenix). Vice-Chairman DeSpain will conduct the remainder of this meeting in Mr. Shumway's absence.**

2) Authority to negotiate and enter into "agreed upon procedure" agreement with Auditor General's contract auditor for review of fiscal policies and practices in Health Department / Public Health Services District: (Mr. Bowers noted that this item was not agendized as a Board of Directors Session, and it will have to be re-agendized. Mr. Koury asked if the Board can hear this matter as the Board of Supervisors for purposes of determining what action is to be taken. Mr. Bowers replied that we can do that.) Mr. DeSpain said we need to negotiate a contract with an auditor to look at the policies and procedures within the Health District. Mr. Bowers noted that this is an outgrowth of the letter from Gary Barnes regarding the uncollected license fees. It has been determined that this is the case, and other information offered by Mr. Koury needs to be looked into. He said that at the last meeting, the Board was advised that someone from Yavapai County would come here to review the issue, but apparently that is not the case now. The situation now is that there is a substantial amount of uncollected fees. One way to proceed is to do an audit. We are not an Auditor General county; we contract for our audits. This would not be free and we need to negotiate for this specific service. Mr. Brownlow advised that Yavapai County did not feel they should be involved in this situation if there was any hint of criminal intent involved. We do have to have Board approval to contract with the Auditor General. Mr. Bowers stressed that there is no allegation at this time that funds have been misappropriated, only that it is a possibility. The cost for the audit would have to come from either the Health District or from the General Fund contingency. Mr. Koury noted that this could cost \$5000 or more, depending on the scope of the audit. Mr. Deal said he preferred to use District funds rather than contingency funds. Mr. Bowers advised that if we want to use District funds, this would have to be agendized as a Board of Directors session. The Board could direct Administration to negotiate a price and come back to the Board, sitting as the Board of Directors, for payment authorization. Mr. Shreeve requested clarification as to whether Administration can do the negotiating. Mr. DeSpain said he believed what was said was that Administration should not be part of the audit process, not the negotiation process. Mr. Koury agreed and said that Administration could develop a scope of work and negotiate the price. Mr. Brownlow said he believed there would be no problem with Administration getting a price for the entire department, and a price for just the environmental program. Mr. Deal said the part of the contract regarding the oversight person could be left open at this time, and when the full Board is present, the oversight person could be determined. Mr. Shreeve suggested that he and Mr. Koury work with Mr. Bowers and bring the information back to the Board at the next meeting. The

Board indicated they were comfortable with this. **Mr. Brownlow made a motion** authorizing Mr. Koury and Mr. Shreeve to work with Mr. Bowers in negotiating a price, not to exceed \$7500, for the audit as presented, and present this information to the Board, sitting as the Board of Directors of the Health District, at the next meeting (March 10, 2003); motion seconded by Mr. Deal; vote unanimously carried.

**PUBLIC HEALTH SERVICES DISTRICT:** Dr. Stanley Warner, Director: Approval to hire a full-time temporary Clerk II for the Holbrook office through June 30, 2002 with funding to come from the District: **Mr. Brownlow made a motion** to enter into a Public Health Services District; motion seconded by Mr. Deal; vote unanimously carried. Dr. Warner requested authorization to hire the full-time temporary clerk to allow the permanent staff members to work on re-establishing the domestic violence prevention program and to obtain a sexual assault victim's assistance program. Susan Bardsley explained that she spoke with Donna Irwin at the Governor's office regarding the domestic violence program and she was advised that the County failed to renew the grant. Ms. Irwin stated she was willing to reinstate the program and provide technical assistance to the county in writing the grant. She would also be willing to expand the grant to include the sexual assault victim's assistance program. Dr. Warner stated that the funding for this position (approximately \$10,000) would come from the Health District. Mr. Koury confirmed there is funding in the Health District to cover this cost. Mr. Deal said he feels uncomfortable authorizing this request even though the funding is not from the General Fund, especially in light of a possible hiring freeze in other departments. Dr. Warner advised that this position was formerly covered by the grant, but when the grant "went away", so did the position. That is why it is imperative to get the grant back. **Mr. Brownlow made a motion** to authorize the hiring of a full-time, temporary Clerk II for the Holbrook office through June 30, 2003, **contingent upon this position being covered by grant funding, not General Fund monies**; motion seconded by Mr. DeSpain; vote unanimously carried. **Mr. Deal made a motion** to return to regular session; motion seconded by Mr. Brownlow; vote unanimously carried.

**JAIL FACILITIES COMMITTEE:** Jerry Brownlow, Chairman and Sheriff Gary Butler: Report and recommendation by Jail Committee regarding status and possible termination of IGA with City of Winslow for lease of Winslow detention facility: Sheriff Butler advised that the Jail Committee recommended termination of the IGA with the City of Winslow. He said he attended a meeting with the Winslow City Council last week regarding this issue, and they seemed to have no problem with this recommendation. His recommendation is therefore to terminate the IGA. He said we do not have the funds to renovate the facility and he is not comfortable committing \$500,000 in salaries to a facility we don't own. Mr. Brownlow advised that one of the responsibilities of the Jail Committee was to the Winslow facility. Two weeks ago, the committee met and voted to terminate the contract with Winslow. Mr. Bowers advised that the current IGA requires a one year notice to terminate during the initial term of the IGA. Both parties could agree on a 30 day notice if they so choose. We would need to put Winslow on notice that we do not intend to renew the IGA, and if they wish to take over the facility earlier than one year, we can work that out. On request of the Board, Mr. Bowers will draft a notice of termination for the Chairman's signature. **Mr. Deal made a motion** to authorize a letter of termination of the IGA with the City of Winslow as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

**SHERIFF'S DEPARTMENT:** Sheriff Gary Butler: Approval to hire (2) Detention Officers on a temporary basis to fill positions vacated by activated National Guard Employees: Sheriff Butler advised that two of his detention officers were called to active duty by their National Guard units two weeks ago. There are already one to two vacancies in the jail, and the loss of these two additional people will place a hardship

on the remaining personnel. He is requesting authorization to hire two temporary detention officers to cover those two positions. Mr. Gonzales advised that, pursuant to statute, the permanent employees are entitled to have their jobs back when their military duty has been completed. Therefore, the new employees must be temporary, not permanent. **Mr. Deal made a motion** to approve hiring two Detention Officers on a temporary basis to fill positions vacated by activated National Guard Employees as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

**EMERGENCY SERVICES: Paul Jaster, Director: Update on Orange Alert Status:** Mr. Jaster advised there has been much mis-information given to the public regarding the terror alert status. He presented recommendations from the Homeland Security Advisory System. The public needs to develop their own family plan, including an emergency communication plan for all family members, a personal disaster plan and disaster supplies kit, establishing an alternate meeting place away from the home for family and/or friends, etc. This could go a long way toward alleviating anxiety. He also noted that the Red Cross has a website ([www.redcross.org](http://www.redcross.org)) which lists all of this information. Mr. Deal asked that he be provided with copies of the list, as well as a copy of the presentation on Channel 12 News today re preparedness.

Dr. Nejerer explained what Level Orange is. He noted that the risk of an actual attack to Navajo County is very low. We are more likely to have panic from the public, which is why accurate information to the public is so critical. Dr. Nejerer said we are in compliance with those items that affect us, ie "local government actions". He has met with the Sheriff's office, the DPS, and the Show Low, Winslow, Holbrook fire and police departments. He said he will be talking with the Tribes about precautions so that we will have a coordinated effort in response to any problem. He noted he will be in Kayenta on Thursday this week. Mr. Jaster said he will be meeting with the mail clerk here at the County complex to go over policies and procedures to follow regarding the mail. **No action taken; informational only.**

**CLERK OF THE BOARD: Judy Jones, Clerk: Accept or reject proposal from Stephens Properties to purchase 53 parcels in the Sun Valley area: (continued from 2/3/03)** Mr. DeSpain advised he has spoken with Mr. Stephens regarding concerns the county has. Mr. Stephens advised he plans to do some blading and roadwork in the area, and will try to combine some of the smaller parcels into larger parcels. Mr. DeSpain made a motion to recommend allowing Mr. Stephens to purchase the 53 parcels for \$300 per parcel, as proposed. Motion died for lack of a second. Mr. Deal voiced concern that perhaps the county should evaluate the Ebay service and give it a chance. Mr. Bowers noted that Deputy County Attorney Lance Payette has looked into Ebay. Many counties around the country are using Ebay for their auctions. It is his opinion that it is permissible for the county to do this, but the question is whether we want to do it or not. Mr. Bowers noted that in the past, we have recommended that the Public Fiduciary use the auction service for his estate auctions. He added that it would be more administrative work than legal, and it would definitely have to be a policy decision. Mr. Shumway and Mr. Deal requested Mr. Koury and his staff, along with the Clerk of the Board, research the issue and report back to the Board at the next meeting as to what would be required if we decided to go this route. **No action taken at this time.**

**DEVELOPMENT SERVICES: Dave Ashton, Director: Approval of Agreement for Technical Assistance with the Water Infrastructure Finance Authority of Arizona (WIFA) for Phase II of the pre-design of the Heber/Overgaard Wastewater Development Plan:** Mr. Ashton explained that one year ago, WIFA provided grant funds for the start of a study of a wastewater system for Heber/Overgaard. Because the scope of the project was rather large, it was divided into two phases. This agreement will cover Phase II,

which includes formation of a special district or management entity, cost estimates for design/construction/operation and maintenance, etc. WIFA will be the manager of the project and the county will be in the review loop for the work being done and to assist in the Project Scope. Mr. Bowers advised he sees no problem with the Agreement. **Mr. Brownlow made a motion** to approve the Agreement for Technical Assistance with the Water Infrastructure Finance Authority of Arizona (WIFA) for Phase II of the pre-design of the Heber/Overgaard Wastewater Development Plan as presented; motion seconded by Mr. Deal; vote unanimously carried.

**LIBRARY DISTRICT:** Geneva Durkee, Librarian: 1) Request approval for the surplus shelving from the Navajo County Law Library be transferred to the Clay Spring Public Library: **Mr. Deal made a motion** to move into a Board of Directors Session for the Navajo County Library District; motion seconded by Mr. Brownlow; vote unanimously carried. Ms. Durkee explained that the Clay Springs Library is needing shelving for books. There are four units of freestanding, two-sided shelves available from the Law Library, and these would be ideal for the library. She noted that the Clay Springs Library is under construction, with a completion date at the end of March, and they have almost no budget for the shelving. There are also three units of regular metal shelving available from the Law Library which she would like to have for Clay Springs if no other department wants them. Mr. Bowers was asked if the Board can donate these items, and he replied that we can donate to the Library District, but not to a private entity. **Mr. Deal made a motion** to allow the surplus shelving from the Navajo County Law Library to be transferred to the Clay Springs Library as presented; motion seconded by Mr. Brownlow; vote unanimously carried.

2) Approval of IGA with the Holbrook Unified School District re: Federal Library Services and Technology Act Grant (LSTA) for the library district to establish a book collection in the Indian Wells Elementary School: Ms. Durkee advised that the county has been awarded a federal grant to establish a book collection, open to the public, at the Indian Wells Elementary School. The books will be geared towards children 0-5 years of age. This IGA will be with the Holbrook Unified School District for implementation of the grant. Mr. Deal asked Ms. Durkee to let Kayenta and Pinon see what can be done and to let us know if they are interested. **Mr. Deal made a motion** to approve the IGA with the Holbrook Unified School District re Federal Library Services and Technology (LSTA) Grant, for the library district to establish a book collection in the Indian Wells Elementary School; motion seconded by Mr. Brownlow; vote unanimously carried. **Mr. Brownlow made a motion** to return to regular session; motion seconded by Mr. Deal; vote unanimously carried.

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

**BOARD BUSINESS:** Mr. Gonzales advised he will be meeting with the Arizona State Department of Commerce representative later this week. We should be getting more information at that time regarding the possible extension of the NEG Grant. There may be an additional \$1 million made available under that grant. Mr. Koury reported on the Manager's meeting he attended last week. He said the PTOC issue was discussed and the brief from ATRA was accepted by the Arizona Supreme Court for review. He said he is trying to get this matter on the CSA agenda this week if possible. He advised that Mr. Payette will be there to explain it to everyone. We need to get CSA as well as the other counties interested so they will file a brief also. Mr. Bowers explained that while the Supreme Court has not yet accepted

jurisdiction, they have asked for further information. This is a positive sign and we are hoping they will accept jurisdiction and hear the case.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until Monday, March 10, 2003, upon a **motion made by Mr. Brownlow**; motion seconded by Mr. Deal; vote unanimously carried. The meeting adjourned at 12:30 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:**

USPS\$12000;Com1st\$2729.41;WHardy\$3500;ACIP\$5640.11;AzStateTrea\$25,898;AzSuperCrt\$19,500;CHolliday\$1,685;CWagner\$3,092.50;CitizGas\$1,325.59;CtyHlbrk\$15,000;CoconinoMedExam\$5,530.50;CCC\$1,599.50;CBrennan\$1,250;CntryMtnAir\$1,022.04;DJones\$5,540;DMartin\$3,605;DiamndPharm\$5,970;DMccoy\$2,009.88;Empire\$5,242.30;EnPoint\$1,766.14;FleetSol\$7,595.;FrontComm\$4,518.59HatchConst\$5,014.65;HlbTrib\$1,077.19;JOMPharm\$2,402.06;JWhipple\$3,800;KsStBnk\$1,628.03;KByrne\$1,050;LbrtyFence\$3,492.77;LEvans\$1,205;NRF\$7,554.24;NavShrffUnifrm\$4,218.15;NAU\$2,004;OwensEner\$5,634.99;PageSteel\$1,051.43PavementMark\$7,477.42;PShumway\$1,691.79;PnLkPolice\$4,201.68;PublicIntrest\$1,192.57;RegalPlas\$11;RimComm\$2,302.53;RHiggins\$2,170;SHeckathorne\$1,4/80;SpecLoad\$12,870.01;TPhalen\$8,704.20;TwnSnwflk\$6,976.58;TransComp\$21,604.86;WhtMtnCons\$2,905;WnslwHum\$2,298;WnslwMemHosp\$1,478.31;WoodLaw\$8,316;KachinaOfc\$1,785.47;AzPsychoSer\$18,150;ADOR\$1996.20;ACastillo\$1034;AvayaInc\$5965.44;BCox\$1120.99;Carquest\$2011.83;CitizAzGas\$3806.72;ClrkCrt\$2927.31;CocoCntyMedExmnr\$2582.25;CommSystGrInc\$2221.18;CCC\$6882.03;CompassGrp\$28348.99;DiazitCo\$3373;DFrame\$3097.50;FlagstEquipCo\$4918.50;FrntVntrElctrc\$3500;HughesSply\$1677.22;J&MWhlsl\$13486.62;JLymanDMD\$1322;JDeereCo\$56144.42;LRInvstgtns\$3211.47;LBenally\$4098;M&MProfCIng\$8373.97;MayoCInc\$1231.90;NCRF\$3140.38;OwensEnrgy\$3816.18;PacificInsltnCo\$3620.PetroleumTrdrs\$15141.40;Qwest\$1501.74;RomicEnvrnmntlTech\$1500;SpecLdrs\$3591.29;PrntPice\$2574.28;ThompsonCstmShp\$1756.98;ThndbrdClctn\$1736.96;UnitedRntl\$3360.96;VikingOfcPrd\$1324.43;WDenhamDMD\$1386;Westgroup\$2252.41;WMH\$3393.70;Xerox\$2864.53;NCSPearsonInc\$9831.36;SilkscreenXprs\$1445.83;APS\$34748.05;ASAPSftwr\$2186.66;BearCatMfg\$4739.10;Carquest\$2570.16;CitAzGas\$2833.34;CtyHlbrk\$1985.40;CtyWnslw\$4809.79;CrtClrk\$1839.99;CorralWest\$4667.52;DrakeTrck&Trlr\$3932.50;Ecolab\$2239.60;EmpireMchnry\$21981.90;FleetSol\$4190;FrntCarrierSrvs\$2251.74;GustRosenfeldPLC\$7152.82;HlbrkExtCare\$3813;GForsyth\$1810;NCRF\$12651.91;PrtnrEnt\$1534.83