

**BOARD OF SUPERVISORS  
NAVAJO COUNTY, ARIZONA**

**SPECIAL MEETING  
MAY 22, 2003**

Supervisors' Chambers, Holbrook, Arizona - Time: 3:30 p.m.

**PRESENT:** J.R. DeSpain, Vice-Chairman; Percy Deal, Member; Jesse Thompson, Member; Jerry Brownlow, Member; Lance Payette, Deputy County Attorney; Eddie Koury, County Manager; and Kathy Hieb, Deputy Clerk of the Board. (Chairman Pete Shumway was enroute from meetings in Washington, D.C., and was delayed in Chicago)

Mr. Deal led the Pledge of Allegiance and gave the invocation.

**BOARD OF SUPERVISORS/WORKSESSION:** 1) Transition committee recommendations for interim County Manager position: (Mr. Shumway was present briefly by conference call, but was disconnected approximately 10 minutes into the discussion) Transition Committee Chairman, Dan Hinz, presented information regarding the candidates considered by the committee for the position of interim county manager. Also included in the information were the minutes from the committee's meetings and the recommendations. Mr. Hinz advised that the committee spent considerable time looking at all aspects of this matter. He said that the committee did look at the possibility of utilizing a "head hunter" group to look for an interim manager. The cost would be approximately \$25,000 initially, plus another 2% per \$1000 of the salary eventually paid. This seemed to be cost prohibitive.

Having carefully reviewed all of the candidates, with a paramount emphasis given to the needs of the County, the committee recommends hiring Dennis Miller, of Dennis Miller & Associates, as the interim county manager. A break-down of the estimated cost was presented: Mr. Miller would be here three days a week from May 26-July 14, 2003. Professional services @\$75/hour-\$14,400; County per diem for hotel and meals-\$880 and \$708, respectively; Total (without mileage)-\$15,988. (Mr. Miller is a pilot and flies his own plane. Reimbursement for mileage would be \$.42/air mile, but the exact mileage is unknown at this time.) A county vehicle will be available for Mr. Miller's use while he is in Holbrook. Mr. Hinz noted that Mr. Miller is comfortable in working with the budget, and working with the Legislature. If approved, Mr. Miller could start work here as early as Tuesday, May 27 to allow him to work with Mr. Koury and Mr. Shreeve before they leave the county employ.

In discussion regarding the source of funds for payment to Mr. Miller, it was noted that there will be a vacancy savings of \$24,500 per month. This should be more than adequate to meet Mr. Miller's salary. Mr. Hinz advised that he has spoken with Mr. Miller and he is willing to come immediately, without any stipulations. **Mr. Deal made a motion** to hire Dennis Miller as Interim County Manager as recommended, with the cost not to exceed \$16,000 plus air and/or road mileage; that he be provided with a county vehicle; and that the costs be taken from vacancy savings; motion seconded by Mr. Thompson; vote unanimous approving the motion.

The Board requested that Mr. Payette prepare an appointment letter to Mr. Miller, indicating that he will be working at the pleasure of the Board, for the Chairman's signature. Mr. DeSpain requested that an item be placed on the agenda for June 2, 2003 for discussion/action regarding direction for the Transition Committee.

2) Tentative approval of retiree health coverage rates: Human Resources Director Gilbert Gonzales explained that in FY 2001/2002, the Arizona Legislature authorized a "rural subsidy" of \$300 and \$600 in addition to the base subsidies of \$150 and \$260. That addition was authorized for two years, which will

end on June 30, 2003. In July, 2001, the Board of Supervisors authorized retiree health care premiums of \$450 for single coverage and \$860 for the retiree and family. The subsidies covered the entire premium. These rates were renewed in July, 2002. There is a bill, HB 2349, currently under consideration in the legislature, which will likely be passed. This bill would allow the continuation of the base subsidy and the "rural subsidy" for an additional two years. However, there is a significant change. This change provides that all Arizona retirees would be entitled to the base subsidy of \$150 and \$260, but before a rural retiree would qualify for the "rural subsidy" of an additional \$300 and \$600, the retiree must pay an out-of-pocket amount of \$125 for single coverage and \$425 for family coverage. After these out-of-pocket expenses have been paid, the retiree will be eligible for the "rural subsidy" amounts. Mr. Gonzales made the following recommendation: *If HB 2349 passes*: the premium for a single retiree should be \$575 (retiree base subsidy-\$150; required payment-\$125; rural subsidy-\$300); the premium for retiree and family coverage should be \$1285 (base subsidy-\$260; required payment-\$425; rural subsidy-\$600). *Should the bill not pass*: Rates should be set at not less than the following COBRA rates: retiree-\$317.94; retiree plus children-\$572.98; retiree plus family-\$739.80. **Mr. Brownlow made a motion** to approve the retiree health coverage rates as presented; motion seconded by Mr. Deal; vote unanimous approving the motion.

**HUMAN RESOURCES:** Gilbert Gonzales, Director: Approval of payroll actions: **Mr. Thompson made a motion** to approve the payroll changes as presented; motion seconded by Mr. Brownlow; vote unanimous approving the motion.

**BOARD BUSINESS:** There was no Board business presented.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until **Monday, June 2, 2003**, upon a **motion made by Mr. Brownlow**; motion seconded by Mr. DeSpain; vote unanimously carried. The meeting adjourned at 4:20 p.m.

**APPROVED:**

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**Pete Shumway, Chairman**

**DATE:**

**ATTEST:**

**Judy Jones, Clerk of the Board**