

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

July 2, 2003

Supervisors' Chambers, Holbrook, Arizona - Time: 10:05 a.m.

PRESENT: Pete Shumway, Chairman; J.R. DeSpain, Vice-Chairman; Percy Deal, Member; Jesse Thompson, Member; Jerry Brownlow, Member; Lance Payette, Deputy County Attorney; Dennis Miller, Interim County Manager; and Judy Jones, Clerk of the Board.

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

CALL TO THE PUBLIC: There were no comments offered.

BOARD OF SUPERVISORS: 1) Budget Discussions - FY 2003/2004: Public Health Services District (Board of Directors Session): Mr. Brownlow made a motion to enter into a Board of Directors Session; motion seconded by Mr. DeSpain; vote unanimous approving the motion. (Dr. Stanley Warner, Director, was not present) Mr. Miller presented the proposed budget and noted that the tax rate for FY 03/04 is .0759. Mr. Miller said he has spoken with Dr. Warner and he supports the budget as has been presented. It was noted that the previously approved fee increases are reflected in the budget. Mr. DeSpain made a motion to adopt the tentative budget for the Public Health Services District, and tentatively set the tax rate at .0759, as presented; motion seconded by Mr. Deal; vote unanimous approving the motion. Mr. DeSpain made a motion to return to regular session; motion seconded by Mr. Brownlow; vote unanimous approving the motion.

Library District (Board of Directors Session): Mr. Thompson made a motion to enter into a Board of Directors Session; motion seconded by Mr. DeSpain; vote unanimous approving the motion. Library Director Geneva Durkee presented her budget, noting that the tax rate remains the same at .0200. Mr. Thompson made a motion to adopt the tentative budget for the Library District, and to tentatively set the tax rate at .0200, as presented; motion seconded by Mr. Deal; vote unanimous approving the motion. Mr. Thompson made a motion to return to regular session; motion seconded by Mr. Brownlow; vote unanimous approving the motion

Navajo County Flood Control District (Board of Directors Session): Mr. DeSpain made a motion to enter into a Board of Directors Session; motion seconded by Mr. Brownlow; vote unanimous approving the motion. County Engineer Bill Cox advised there is no real change in the budget from what was originally presented, except for the 3% salary increase. Tom Hieb, Deputy Director Flood Control, advised that \$2 million has been budgeted toward the Winslow Levee pending the receipt of more details. Mr. Cox added that there is still a lawsuit pending, with a \$1.5 million potential, which the county must keep in mind. The Board was advised that the combined tax rates of the Navajo County Flood Control District and the Little Colorado Flood Control District may not exceed \$0.50. Mr. Cox assured the Board that the tax rate for the Navajo County Flood Control District has not increased from last year (0.2041) and is within the statute. Mr. Thompson expressed concerns about flooding in the Birdsprings area. Discussion was held regarding possible solutions. Mr. Deal asked Deputy County Attorney Lance Payette to look into whether FEMA can go onto the reservations, and if not, then why. He also asked Mr. Payette to see whether flood control funds can be spent on non-FEMA projects. Mr. Payette advised that there is a Court of Appeals case from Apache County which clearly stated that flood control funds can be spent on the reservations. Mr. Deal, noting there is a serious flood threat in the Birdsprings area, suggested that perhaps the flood control district can partner with other entities to try and find a solution.

Mr. Hieb noted that the Navajo Tribe has chosen not to participate in FEMA flood mapping in the past, although the Zuni Tribe has. This could still be an option for the Navajo Tribe. He added that the Corps of Engineers has the major responsibility for flood control nation-wide. In response to a question from Mr. Brownlow, Mr. Hieb stated that the list of projects for FY 2003/2004 is flexible. Mr. Brownlow made a motion to adopt the tentative budget of the Navajo County Flood Control District as presented; and to tentatively adopt the tax rate of 0.2041; motion seconded by Mr. DeSpain; vote unanimous approving the motion. Mr. Shumway made a motion to return to regular session; motion seconded by Mr. Thompson; vote unanimous approving the motion

Little Colorado Flood Control District (Board of Directors Session): Mr. Shumway made a motion to enter into a Board of Directors Session; motion seconded by Mr. DeSpain; vote unanimous approving the motion. The Board was advised that the tax rate is 0.2728. Mr. DeSpain made a motion to adopt the tentative budget of the Little Colorado Flood Control District as presented; and tentatively adopt the tax rate of 0.2728; motion seconded by Mr. Deal; vote unanimous approving the motion. Mr. DeSpain made a motion to return to regular session; motion seconded by Mr. Thompson; vote unanimous approving the motion

Public Works Budget: Mr. Cox explained that the contingency fund has been reduced due to \$910,000 due to a combination of a decrease in HURF funds and the adjustments to salary. He advised that he would like to discuss three of the priority requests previously presented: 1) The HURF revolving fund, which would provide up to \$300,000 for road improvement districts. Last year, there were two smaller projects-Beaver Dam Circle and Wildcat Way-which totaled about \$220,000. Some of the property owners paid up front, others wished to pay it off over a 10 year period. Mr. Cox requested the Board allow him to use \$127,000 from contingency to bring the revolving fund back to the original \$300,000 funding level. He advised there are two more districts that could benefit in the next 1-2 years. Mr. Payette noted that this revolving fund can be used for capital improvement projects only, with each project not exceeding the \$300,000 limit. Mr. DeSpain made a motion to accept the recommendation to move \$127,000 from the Public Works contingency fund to the HURF Revolving Fund to restore the total to \$300,000; motion seconded by Mr. Brownlow; vote unanimous approving the motion. 2) HURF Reservation Road Funds-increase from \$500,000 to \$700,000. Mr. Cox noted there has been some discussion on this matter, ie. , whether the whole amount should go only to the reservations, or be evenly divided among all of the districts. As an option, Mr. Cox suggested taking an additional \$500,000 from the contingency fund and adding it to the current \$500,000, for a total of \$1 million. This amount would then be divided evenly among all districts (\$200,000 each). Discussion began, with Mr. Shumway stressing that equity demands an even distribution for all of the citizens of Navajo County. Mr. Thompson felt strongly that the main issue is the safety of school bus routes on the reservation. He added that there should be a road yard at Dilcon. He said he believes equity should take into consideration where the need is the greatest, and that is on the reservation. Mr. Brownlow said he recognizes the need, and he has supported the Reservation Road Fund from its inception to the increase granted last year. (From \$300,000 to \$500,000). He noted we must abide by the statutes. He said he also understands Mr. Shumway's position, as there is a need off of the reservation, too. He said he would like to discuss Mr. Cox's proposal, as he cannot support the requested increase to \$700,000. Mr. Deal expressed appreciation to Mr. Cox for his proposal, and to Mr. Shumway for his efforts regarding the TEA-21 funds, which must be used for school bus routes. He noted that HURF funds are regulated by statute, and the county is doing its best to comply with all pertinent statutes/laws. His suggestion is to try and work something out to provide equity for everyone. Mr.

DeSpain made a motion to accept the proposal of the County Engineer (\$500,000 current funding, and an additional \$500,000 from contingency for a total of \$1 million; this shall be divided evenly among all five districts-\$200,000 each), with the stipulation that this funding comply with all Arizona Revised Statutes; and that this funding be combined with the annual allocation to each District's Special Project Road Funds; and that the resulting fund be renamed "Special Project Road Funds"; motion seconded by Mr. Deal; vote unanimous approving the motion. 3) Request for 5% salary increase for Public Works employees-Mr. Cox presented this request, noting that although he was very grateful for the 3% increase approved by the Board, he still felt his employees should have the additional 2%. Dusty Parson, Deputy Director of Highways, presented information regarding average wages for the road workers. He advised that in the last month, he has had 5 employees resign. New employees then have to be trained, if we can get them at all. He noted that the extra 2% increase would cost \$44,000; more than that is spent in training every time two employees walk out the door. Mr. Parsons advised that he had approached the Personnel Commission, who voted to support the 5% increase. A survey was conducted by the Commission, and it showed that the majority of the employees in the county did not oppose the increase. Mr. Miller said he understood where the department is coming from, but he is absolutely opposed to the request. Regardless of what the survey said, employees want to be treated the same. It is not right to segregate people out by fund and he believes it is not in the best interest of the county. A lengthy discussion followed. Mr. DeSpain and Mr. Brownlow said they seriously considered approving the increase as requested, but the Board has approved a 3% increase for all employees and they believe that is equitable. Mr. Thompson agreed. Mr. Shumway said he feels strongly that all employees should be treated the same. Mr. DeSpain did suggest that if HURF funds are available, perhaps Public Works could reinstate the merit increases in their department. Mr. Parsons agreed that could be a solution. No action taken on this priority item.

Mr. Cox having concluded his budget presentation, Mr. Shumway made a motion to tentatively adopt the Public Works budget as presented, with the modifications as acted upon; motion seconded by Mr. DeSpain; vote unanimous approving the motion. *Clerk's Note: An annual amount placed in the Special Project Road Funds is \$50,000 for each District, the \$200,000 that will be allotted to each District this year will make a total of \$250,000 in each District "Special Project Road Funds."*

2) Final approval of selection and review process for County Manager Position: Ms. Jones advised there have been 47 applications received to date. Mr. Miller advised that the Board should think about the mechanism they wish to utilize for screening and interviews. This matter will be placed on the July 7th agenda for further discussion and action.

3) Authorization to use contingency funds to purchase FEMA equipment: Mr. Cox explained that with the FEMA chipping program coming to an end, we may have an opportunity to purchase some of the equipment at a very reasonable cost. These items include: four(4) 3/4 ton pickups; two (2) John Deere Tractors; One (1) 1.5 ton dump truck. The equipment was purchased new for approximately \$300,000 last fall. Mr. Cox said he is negotiating with FEMA to purchase all of this equipment for \$200,000. Part of this amount (\$112,000) would come from the current budget for replacement vehicles. He is requesting that the Board approve the balance of \$88,000 be taken from his contingency. He said he would have had to purchase the pickups anyway, but the other equipment would be good to have and at this price, we shouldn't pass up the opportunity. He noted that the total cost for the equipment may be less than \$200,000, but this is the maximum he would want to spend. Mr. DeSpain made a motion to authorize Mr.

Cox to purchase the equipment as presented, utilizing currently budgeted funds and contingency funds; motion seconded by Mr. Brownlow. Further discussion ensued. Motion and second were withdrawn; matter is tabled at this time. Mr. Cox will bring this item back to the Board on July 7 with more accurate figures.

4) Re-appoint temporary representatives for Navajo County to the Arizona Counties Insurance Pool and Workman’s Compensation:Mr. Miller noted that our Risk Analyst, Tommy Price, is currently the alternate. Mr. DeSpain made a motion to appoint Tommy Price as temporary representative to ACIP and Workman’s Compensation as recommended; motion seconded by Mr. Brownlow; vote unanimous approving the motion. (Mr. Deal absent for the vote)

5) Authorization for Interim County Manager to expend up to \$1,500 for professional services agreement with independent contractor for payroll services: Mr. Miller advised that Gilbert Gonzales, previous Navajo County Human Resources Director, has submitted a proposal to help with the fiscal changes re payroll matters. The total fee would not exceed \$1500. Mr. Shumway made a motion to approve a letter of agreement with Gilbert Gonzales for services as presented; motion seconded by Mr. Thompson; vote unanimous approving the motion.

BOARD BUSINESS:Mr. Shumway advised that the City of Show Low will be having a 4th of July Parade and they have invited the Board to ride along. Mr. Thompson advised we have received a letter of thanks from Lloyd Ami regarding the financial support for the boulder project at First Mesa.

There being no further business to come before the Board of Supervisors, the meeting was adjourned until Monday, July 7, 2003, upon a motion made by Mr. Thompson; motion seconded by Mr. Deal; vote unanimously carried. The meeting adjourned at 2:35 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: