

**BOARD OF SUPERVISORS
NAVAJO COUNTY, ARIZONA**

July 6, 2004

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

PRESENT: J.R. DeSpain, Chairman; Jerry Brownlow, Vice-Chairman; Percy Deal, Member; Jesse Thompson, Member; Lance Payette, Deputy County Attorney; Jimmy Jayne, County Manager; and Judy Jones, Clerk of the Board. (Pete Shumway was not present due to hospitalization.). Mr. Thompson led the Pledge of Allegiance and offered the Invocation. CALL TO THE PUBLIC: No one spoke.

CONSENT AGENDA: Mr. Brownlow 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: Board Minutes: March 29, 2004; Justice Court Reports: (May) Holbrook #1, Kayenta #4 and Pinetop #6; Constable Reports: (May) Show Low #5; Liquor License: Person and Location Transfer Application #07090038 for Chaparral Cafe, Overgaard, AZ; Liquor License: Special Events for Fraternal Order of Eagles #4437, Charity for Camp Ciritan and White Mountain Hospice at Tall Timbers County Park, Overgaard, AZ on July 24, 2004; City of Holbrook: Resolution #69-04 supporting the City of Holbrook's Growing Smarter Planning Grant Application to the Arizona Department of Commerce; Resolution #70-04 supporting the City of Holbrook's Grant Application to the Arizona Department of Transportation for streetscape and revitalization measures; Resolution #71-04 supporting the construction of a memorial to Vietnam Veterans at the Historic Navajo County Courthouse in Holbrook, Arizona; Public Defender: Letter of Support for Northern Arizona Regional Behavioral Health Authority (NARBHA) for a development of a Level I Residential (housing) facility for persons with a serious mental illness and/or co-occurring independent living housing with behavioral health support; Development Services: Resolution #72-04 for a Zone Change Request by Charles and Julia Camilleri change from A-General to Commercial-Residential on the western 264' of APN 212-26-148A, Lakeside area; Resolution #73-03 for a Zone Change Request Dewayne and Rose Horton change from A-General to Commercial-Residential for APN 212-26-121, Lakeside area; Resolution #74-04 for a Zone Change Request by Virginia Stradling for change from A-General to Commercial-Residential on APN 212-26-123, Lakeside area; Resolution #75-04 for a Special Use Permit Request by Erik Topolski and Donielle Arbon to allow for a guest ranch/spiritual retreat on APN 203-20-002, Cedar Hills area; Resolution #76-04 for a Special Use Permit Request by NZ Joseph City LLC to allow for a wireless communication tower on APN 107-19-006 in the Joseph City area.

BOARD OF SUPERVISORS/BOARD OF EQUALIZATION: Board of Equalization Session: Mr. Brownlow made a motion to enter into Board of Equalization Session; motion seconded by Mr. Thompson; vote unanimously carried. Ms. Jones swore in the Assessor Appraiser and Petitioner, David Kushner (104-41-007C) was not present. Hearings on Petition for Review of Proposed Correction: Mr. Brownlow made a motion to uphold the Assessor's recommendation for no change due to sales in the area; motion seconded by Mr. Deal ; vote unanimously carried. Mr. Brownlow made a motion to return to regular session; motion seconded by Mr. Thompson; vote unanimously carried.

WHITE MOUNTAIN LAKE RECREATION DISTRICT ADVISORY COMMITTEE: John Hager,

Vice Chairman: Board of Directors Session: Acceptance and approval of tentative FY 04/05 budget pursuant to ARS §42-17101 and direction for Finance Department to proceed with statutory steps for final adoption: Mr. Brownlow made a motion to enter into a Board of Directors Session; motion seconded by Mr. Thompson; vote unanimously carried. Mr. Hager presented the tentative budget to the Board for approval and direction for the Finance Department to proceed with statutory steps for final adoption. Mr. Brownlow made a motion to acceptance and approve the tentative FY 04/05 budget and for Finance Department to proceed with statutory steps for final adoption; motion seconded by Mr. Thompson; vote unanimously carried. Mr. Brownlow made a motion to return to regular session; motion seconded by Mr. Thompson; vote unanimously carried.

RECORDER/ELECTIONS: Kelly Dastrup, Elections Coordinator: Approval of Resolution canceling the election for Precinct Committeemen pursuant to ARS §16-822 with respect to those offices for which only one nominating petition was filed as of the statutory deadline: Ms. Dastrup informed the Board that pursuant to ARS §16-822 (B). "If the number of persons who file nominating petitions for an election to fill precinct committeeman positions is less than or equal to the number of precinct committeeman positions, the county board of supervisors may cancel the election for those positions and appoint the person who filed the nominating petition to fill the position." The deadline to file nominating petitions for the office of precinct committeeman expired at 5 p.m. on June 9, 2004. The number of persons who filed nominating petitions as of the statutory deadline was less than or equal to the number of precinct committeeman positions has been certified, therefore it is recommended the Board approve canceling the election as presented. Sylvia Allen, Navajo County Republican Party Chairman, spoke in opposition to canceling the election for Precinct Committeemen stating saying the ability to have write-in voting has been an important part of the political process for years. The new law is not totally understood, and she would hope that we could go forward as we have in the past for this election and take a closer look at the new law before the next election. She stated that there were two reasons why she felt this would be unfair; 1) it is important to all parties for precinct committeemen to be able to see who is representing them in their precinct; and 2) as part of the election process people like to be able to see their name on the ballot. She closed by complimenting Ms. Dastrup and her staff on their efficiency and willingness to help. Mr. Brownlow made a motion to Deny canceling the election for Precinct Committeemen as presented; motion seconded by Mr. Deal; vote unanimously carried.

Approval of undated list of Precinct and Polling Places for the upcoming Primary (9/7/04) and General (11/2/04) Elections: Ms. Dastrup stated that changes are to be submitted to US Department of Justice: Clay Springs from the Middle School to the Library (at request of Board Workers, eliminating inconvenience to students & staff at school), Lakeside #2 - from Blue Ridge High School to the Living Water Baptist Church (eliminating inconvenience to students & staff at school), Birdsprings from the Birdsprings Chapter House back to the Little Singer School (Chapter House lies within Coconino County boundaries). Per Mr. Deal, the Hardrock Chapter House is unusable and we are using the Administration Building. Taylor #1 was erroneously reported as using the Taylor Town Hall, when in fact it has been pre-cleared to use the Taylor Fire Station. Hopi Elections has advised that the Toreva polling place may cause problems (Sipaulovi Village Community Center). Mr. Thompson stated that he would talk to them and see what can be worked out. Mr. Brownlow made a motion to approve the Precinct and Polling places as presented with the exception Toreva (which Mr. Thompson will

check on); motion seconded by Mr. Thompson; vote unanimously carried. Approve Mail Ballot Election for the Silver Creek Flood Protection District for October 6, 2004: Ms. Dastrup stated they had received a letter from the Representative of the Silver Creek Flood Protection District asking for the Navajo County Elections Dept. to conduct their Oct 6, 2004 mail ballot election. Mr. Brownlow made a motion to approve a Mail Ballot Election for the Silver Creek Flood Protection District as presented; motion seconded by Mr. Thompson; vote unanimously carried.

LIBRARY DISTRICT: Geneva Durkee, Librarian: Board of Directors: Accept the following three federal Library Services and Technology Acts grants award for FY 04: Public Library Support for Homeschool & Charter School Students; Enhancing Computer Training through Portable Computer Lab and Improving Accessibility to Local History and Cultural Materials in County Libraries and Museums: Mr. Thompson made a motion to enter into a Board of Directors session; motion seconded by Mr. Deal; vote unanimously carried. Ms. Durkee explained that the Library had received three Library Services and Technology Acts grants for FY 04. 1) Public Library Support for Homeschool & Charter School Students in the amount of \$53,400; 2) Enhancing Computer Training through Portable Computer Lab in the amount of \$32,100; and, Improving Accessibility to Local History and Cultural Materials in County Libraries and Museums in the amount of \$6,000 for a total of \$91,500. Mr. Thompson made a motion to approve the three federal grants as presented; motion seconded by Mr. Deal; vote unanimously carried. Mr. Brownlow made a motion to return to regular session; motion seconded by Mr. Thompson; vote unanimously carried.

HEALTH SERVICES DISTRICT: Mary Tyler, Interim Director: Board of Directors Session: Approval of Amendment # 1 with Arizona Department of Health Services Contract #HG454010, Tuberculosis Control Program (7/01/04 - 6/30/05): Mr. Thompson made a motion to enter into a Board of Directors Session; motion seconded by Mr. Brownlow; vote unanimously carried. Mr. Thompson made a motion to approve Contract #HG454010, Tuberculosis Control Program; motion seconded by Mr. Brownlow, vote unanimously carried. Approval of Amendment # 3 with Arizona Department of Health Services Contract #HG352200, Immunization Services (1/01/04- 12/31/04): Mr. Deal made a motion to approve Contract #HG352200, Immunization Services; motion seconded by Mr. Thompson; vote unanimously carried. Mr. Deal made a motion to return to regular session; motion seconded by Mr. Thompson; vote unanimously carried.

COUNTY ATTORNEY: Melvin R. Bowers, County Attorney: Approval of Victim Assistance Grant #VA-05-026 with Arizona Criminal Justice Commission for FY 04/05 for part of the salary/ERE for the Victim Services Director: Mr. Payette explained that these funds are in the amount of \$19,580 and assist with part of the salary and ERE for the Victim Services Director. No match is required. Mr. Brownlow made a motion to approve the Victim Assistance Grant #VA-05-026; motion seconded by Mr. Thompson; vote unanimously carried.

BOARD OF SUPERVISORS: Judy Jones, Clerk: Approval to release all of the Sun Valley property currently being held in moratorium and set Tuesday, August, 10, 2004 @10:00 a.m. as the date and time to hold a Special Back Tax Auction: Ms. Jones gave an update to the Board regarding this item: The Moratorium was set in place several years ago with hopes of

acquiring all parcel in entire subdivisions and therefore having the ability to combine the smaller parcels to make larger ones to improve the chances of selling them. However, there are property owners who live in those areas and will not be letting their property go for back taxes. Therefore, it is not likely that we will ever obtain all parcels in the subdivisions. We have sold all of the back tax parcels in the Sun Valley area. We have people calling or coming in daily who are interested in purchasing property. This is a good source of revenue for the County and will get these parcels back on the tax roll. Approximately of the amount due on each parcel will go to the general fund. If approved approximately 3356 parcels will be available for sale. Mr. Deal made a motion to approve release of all of the Sun Valley property currently held in moratorium and set Tuesday, August, 10, 2004 @ 10:00 a.m. as the date and time to hold a Special Back Tax Auction; motion seconded by Mr. Thompson; vote unanimously carried.

HUMAN RESOURCES: Gail Calisen, Director: Approval to extend temporary employee in Board/ Administration department until July 15, 2004: Mr. Thompson made a motion to approval extension of temporary for Board/Admin until July 15, 2004; motion seconded by Mr. Deal, vote unanimously carried. Approval of extension of temporary Clerk while Justice Legal Clerk is on Family Medical Leave for Winslow Justice Court until August 2, 2004: Mr. Deal made a motion to approve extension of temporary Clerk for Winslow Justice Court until August 2, 2004; motion seconded by Mr. Thompson; vote unanimously carried. Personnel Actions: Mr. Brownlow made a motion to approve routine personnel actions as presented; motion seconded by Mr. Thompson; vote unanimously carried.

PUBLIC WORKS: Bill Cox, Director: Approve Partnership Agreement with FEMA to develop Digital Flood Insurance Rate Maps for Navajo County: Mr. Cox stated the agreement with FEMA is the first step in developing digital, GIS-based, Flood Insurance Rate Maps for Navajo County. It will allow the County and FEMA to work together to create and maintain accurate, up-to-date flood hazard information. It will also allow Navajo County to obtain FEMA map-modernization funds, which will greatly increase the funds available for developing digital maps, and will greatly reduce the time needed to complete the work if we had to do it using just Navajo County resources. The agreement does not obligate the county to spend any money at this time, and it is anticipated that the majority of funds needed for this work will be available from FEMA. Any County funding needed would be detailed in future 'Mapping Activity Statements' and 'Cooperative Agreements', would be approved by the Board, and would likely come from funds budgeted in the Navajo County Flood Control District 04/05 budget. Work on this project is anticipated to start in January of 2005. Mr. Deal made a motion to approve Partnership Agreement with FEMA to develop Digital Flood Insurance Rate Maps; motion seconded by Mr. Thompson; vote unanimously carried. Award Contract #B04-05251 for Supply of Barbed Wire Fencing: Mr. Cox stated that this contract is for the annual supply of barbed wire fencing. All bids were higher this year than last year and while Pioneer Fence was the lowest bidder they are 8% higher than last year's bidder. The reason for the increased cost is due to the sharp increase in steel prices (a 40% increase in the last 3 months). Therefore staff is recommending the BOS approve the award to Pioneer Fence. Mr. Thompson made a motion to Award Contract #B04-05251 for Supply of Barbed Wire Fencing to Pioneer Fence; motion seconded by Mr. Brownlow; vote unanimously carried. Award Contract #B04-06031 for Hot Asphaltic Concrete Pavement Overlay: This is a routine annual bid and recommendation

is to award to Combs Construction (Winslow area) and Hatch Construction (all other areas). Mr. Brownlow made a motion to award Contract #B04-06031 for Hot Asphaltic Concrete Pavement Overlay as presented; motion seconded by Mr. Thompson; vote unanimously carried. Award Contract for #B04-06021 HVAC system to be installed in the new Public Works building: Mr. Cox stated that there was only one bidder and after reviewing the bid with Building & Grounds they were pleased with the Bid from Spectrum in the amount of \$154,219.58. Mr. Deal made a motion to award Contract for #B04-06021 HVAC system to be installed in the new Public Works building to Spectrum; motion seconded by Mr. Brownlow; vote unanimously carried. Approve IGA with Apache County for the maintenance of a fire escape route in the Pinetop Country Club area: Mr. Cox informed the Board that Navajo and Apache Counties together with the U. S. Forest Service and the Pinetop Country Club Home Owners Association, Pinetop Lakes Home Owners Association and Pinetop Community Association, previously entered into a cooperative agreement to develop a fire escape route for the Pinetop Country Club area across Forest Service roadway 9600-T to Forest Service Road 271. This project has been substantially completed, and it is the purpose of this IGA to provide for the long-term maintenance of the fire escape route. Mr. Brownlow made a motion to approve IGA with Apache County for the maintenance of a fire escape route in the Pinetop Country Club area; motion seconded by Mr. Deal; vote unanimously carried. Authorize newspaper advertisements pursuant to ARS §11-256 to invite proposals for cell tower leases at portions of the Satellite Road Yard on Pinedale Road in Taylor and the South County Complex on Penrod Road in Show Low: Mr. Cox stated that pursuant to ARS §11-256 the County is authorized to lease its land for up to 50 years at no less than 90% of the appraised rental value. A notice inviting proposals must be published in the newspaper at least once a week for four consecutive weeks. The bid period is 30 days after the final publication. The successful bidder is the one that offers the highest rent. The lease of a small portion of the Satellite Road Yard in Taylor as a cell tower site will provide several benefits to the County and its residents. A cell tower will improve cell phone service and will enhance the communication capabilities of Public Works, MIS and the Sheriff's Office in the Snowflake and Taylor areas. A cell tower will also provide an additional source of revenue for Public Works. A tower at this location will take up only a very small portion of the yard (less than 1,000 square feet). A cell tower at the South County Complex would have the same benefits. The revenue from this tower would go to the General Fund. The Assessor's Office has determined the fair rental value for each site. At the end of the bid period (30 days after publication of the final notice), we will review the bids and seek the Board's approval to negotiate final leases with the successful bidder(s). Mr. Thompson made a motion to authorize newspaper advertisements to invite proposals for cell tower leases at portions of the Satellite Road Yard on Pinedale Road in Taylor and the South County Complex on Penrod Road in Show Low; motion seconded by Mr. Deal; vote unanimously carried. Approve request by Town of Pinetop/Lakeside to close Woodland Road from July 11 through 16, 2004 for utility relocation: Mr. Cox stated that the county is working, through an IGA, with the Town of Pinetop to make improvements to Woodland Road. To eliminate conflicts between existing utilities and the road construction some utilities must be relocated therefore he recommended a pproval of the request from the Town to close the road from July 11 thru July 15 to facilitate this relocation. Mr. Brownlow made a motion to approve request by Town of Pinetop/Lakeside to close Woodland Road from July 11 through 16, 2004 for utility relocation; motion seconded by Mr. Deal; vote unanimously carried.

SHERIFF: Sheriff Gary Butler: Approval to enter into agreement with Office of the Attorney General for the Victim's Right Program for partial funding for one Clerk II position: Sheriff Butler explained that a Clerk II position has been partially funded in order to implement these laws. Approve Victim's Rights Program grant from Office of the Attorney General in the amount of \$16,450 for partial funding for one Clerk II position. Mr. Thompson made a motion to enter into an agreement with Office of the Attorney General for the Victim's Right Program for partial funding for one Clerk II position; motion seconded by Mr. Deal; vote unanimously carried.

EMERGENCY SERVICES: Larry Dunagan, Director: Acceptance of the Navajo County Emergency Operation Plan: Mr. Dunagan explained that the last Emergency Operation Plan was implemented in 1988 by FEMA. This Plan will be shared with all entities within the county including the tribal communities. However, each entity has its own plan as well. Mr. Deal made a motion to accept the Navajo County Emergency Operation Plan; motion seconded by Mr. Thompson; vote unanimously carried.

KAYENTA TOWNSHIP: Percy Deal: Funding assistance for (Toh Nanees Dizi Economic Summit) "Building a Nation through Local Empowerment" to be held on July 14-15, 2004 in Tuba City, AZ: Mr. Deal stated that it is estimated that about 200 people will attend the economic summit in Tuba City and the majority of those will be from the various Navajo chapters (and several other Native American) communities. Mr. Deal stated that Mr. Brownlow had agreed to trade Special Project Funds for Road Funds from District I to fund this request. Mr. Deal made a motion to approve funding assistance for Toh Nanees Dizi Economic Summit from District V Special Project funds in the amount of \$1,000 (manual warrant); motion seconded by Mr. Brownlow; vote unanimously carried.

BOARD OF SUPERVISORS: Presentation of Retirement Plaque: Larry Dunagan, Commander, given in appreciation of 20 years of service to Navajo County since June 1, 1984 and Resolution to Recognize and Honor Commander Larry Dunagan for 42 Years of Service as a Certified Police Officer: The Board made the presentations to Commander Larry Dunagan.

BOARD OF SUPERVISORS/ADMINISTRATION: James G. Jayne, County Manager and James Menlove, Finance Director: Possible adoption of Preliminary Budget for FY 2004/2005: Mr. Menlove handed out a "Budget Summary by Department" showing Employees for FY03-04, Budgeted Salaries (\$14,891,368) and FY 04-05 Budgeted Salaries (\$15,578,825) a 4.2% increase; FY 03-04 Budget (\$23,994,675) and FY04-05 Budget (\$30,027,525) a 25.14% increase. A "Summary Schedule of Estimated Revenue and Expenditures/Expenses" showing FY 03-04 total of expenditures for all funds (\$61,942,867); Actual Expenditure/Expenses for FY 03-04 (\$41,981,700); and, Fund Balance/Net Assets as of July 1, 2004 (\$10,935,224). Direct Property Tax Revenue for FY 04-05 (\$4,071,264) and Estimated Revenues other than Property Taxes (\$52,849,709); Total Financial Resources Available FY 04-05 (\$67,856,197) and Budgeted Expenditures FY 04-05 (\$67,856,197). "Expenditure Limitation Comparison" for FY 03-04 and FY 04-05 as follows: FY 03-04 Budgeted Expenditures/ Expenses (\$61,942,867) and FY 04-05 (\$67,856,197); Less: Estimated exclusions FY 03-04 (\$37,235,110) FY 04-05 (\$39,777,678); Amounts subject to

expenditure limitation (\$24,707,757) FY 04-05 (\$28,078,519) and the EEC Expenditure Limitation FY 03-04 (\$27,316,795) FY 04-05 (\$28,078,520). "Summary of Tax Levy and Rate Information" for FY 04-05: Maximum allowable primary property tax levy for FY 03-04 (\$2,976,547) and FY 04-05 (\$4,071,264). Total property tax levy amounts FY 03-04 (\$5,832,177) FY 04-05 (\$6,847,661). The Primary Tax rate for FY 03-04 was 0.4772 and for FY 04-05 is 0.6316 and Total County Tax Rate for FY 03-04 WAS \$1.6217 and for FY 04-05 IS \$1.7761. "Summary by Fund Type of Revenue other than Property Taxes" for FY 03-04 Total General Fund Revenue was \$19,659,937, Actual Revenues FY 03-04 \$19,717,358 and Estimated General Fund Revenue for FY 04-05 is \$21,937,832. Total All Funds Revenue for FY 03-04 was \$49,494,675, Actual Revenues for All Funds FY 03-04 was \$44,366,887 and Estimate All Funds Revenue for FY 04-05 is \$52,849,709. "Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers" FY 04-05, Debt Service Funds (Jail Bonds) \$637,345 and Capital Project Funds \$1,000,000 for a total of \$1,637,345." Summary by Department of Expenditures/Expenses" within each Fund Type for FY 03-04 Total General Fund (\$24,479,435); Actual FY 03-04 (\$20,900,819) and FY 04-05 Budgeted Expenditures (\$30,027,529); Total Special Revenue Funds FY 03-04 (\$29,834,738), Adjustments (\$129,134), Actual FY 03-04 (\$19,555,237) and Budgeted FY 04-05 (\$30,911,877) and Total All Funds FY 03-04 (\$61,813,733), Adjustments (\$129,134), Actual (\$41,981,700) and FY 04-05 (\$67,856,197). Mr. Menlove continued by saying that each employee will get an \$1800 salary increase will be approximately \$700,000 in the General Fund that also included Elected Official salary adjustments. Mr. Brownlow asked if the three personal days for each employee needed to be approved as well. Mr. Jayne stated that it should be in the motion and concluded by saying that the key is to plan for future needs of the county and set aside dollars so we can properly plan. Mr. Brownlow made a motion to adopt the Preliminary Budget for FY 04/05 and include the three days Personal Time to employees; motion seconded by Mr. Deal; vote unanimously carried.

BOARD BUSINESS: Mr. Jayne reported the Supervisor Shumway had been hospitalized on Saturday with heart related problems. He is home now and will be recovering for a few weeks. There being no further business to come before the Board of Supervisors, the meeting was adjourned until Monday, July 26, 2004, upon a motion made by Mr. Thompson; motion seconded by Mr. Deal; vote unanimously carried. The meeting adjourned at 2:45 p.m.

APPROVED: ATTEST:

J. R. DeSpain, Chairman

DATE: _____

Judy Jones, Clerk of the Board