

NAVAJO COUNTY BOARD OF SUPERVISORS MINUTES
WEDNESDAY, MAY 31, 2006

8:06 a.m. CALL TO ORDER: Supervisor Deal led the Pledge of Allegiance and offered the invocation.

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

CALL TO THE PUBLIC: Lee Baiza of the Petrified Forest National Park addressed the Board, stating the Park will host a Tourism Summit on June 27 and 28th in cooperation with NACO. He stated they are continuing to work with the Bureau of Land Management to complete the exchange of the State properties. He reported the Painted Desert Inn renovations are near completion and they are hosting a media event today to which the Board is invited. He advised they hope to have a formal opening in August. Chairman Thompson thanked Mr. Baiza for his attendance and expressed appreciation for his hospitality at the last meeting.

ELECTIONS: Discussion and possible approval of Canvass of Official Results of the Heber-Overgaard Incorporation Election conducted on May 16, 2006: Kelly Dastrup advised there were 2770 registered voters in this election with a 46% voter turn out. She advised the Board that there were 433 votes in favor of the issue and 842 votes opposed to the issue. She stated new equipment was utilized and the requirement for voter identification was implemented, resulting in only two provisional conditional ballots with both resolved. Supervisor Tenney and community residents thanked Kelly Dastrup and her group for their efforts related to the new equipment and the new protocol for voting. **Supervisor Tenney made a motion** to accept the Canvass of Official Results of the Heber-Overgaard Incorporation Election conducted on May 16, 2006; Supervisor Brownlow seconded the motion. Supervisor Deal asked what the major factors were that caused this election to fail and James Ryff, a Heber resident, stated that there was concern that the tax base would not support incorporation. Supervisor Tenney stated that there were also concerns about the amount of funds needed to run a town. Supervisor Deal inquired what is the earliest they could attempt this process again. Kelly Dastrup advised that the Board could not call for another election within 12 months; it is the residents' responsibility to petition the Board for a new election. Vote unanimous approving the motion.

FINANCE/ADMINISTRATION: Discussion and possible approval of PY2006-2007 employee health plan changes: James Menlove advised the Board that in the past fiscal year health insurance has become a significant issue due to the tremendous medical expenses incurred by Navajo County health plan participants. He stated that since the county is self-funded, it is responsible for all expenses of the health plan. Steve Touche and Gail Schuman of Lovitt and Touche, third party administrator for Navajo County for the past 20 years, advised the Board that they had analyzed the county program to determine ways to reduce the cost of the plan. They reviewed a written document that outlined historical plan performance, recommended changes, plan options including a health savings account, a summary of medical benefits, disease management, stop loss analysis, dental and prescription reserve calculations, and Task Force recommendations. At the request of the County Manager, they advised case management services are billed at \$103.00 per hour and that Navajo County has not historically used that tool. Norene Kurtz of the Arizona Local Government Employee Benefit Trust, conducted a power point presentation outlining the history of their consortium and benefits of participating in their program including their sound financial position, stable membership, minimal benefit changes with very competitive rates, long term rate stability, medical claim funding factors, the PPO network, prescription benefits, utilization review, a comprehensive wellness program brought on site, and COBRA administration. She discussed Administrative Enterprises,

Inc. as the third party administrator who is represented today by Wayne Carpenter. She reported that due to Navajo County's loss history, the consortium can not offer membership at this time but will offer a Type 2 program with the understanding that they will work with Navajo County to prepare for possible future acceptance into the program. She advised that AZLGEBT requires a three year commitment by the county and that when a Type 1 member, the county manager would be a participating member on the board. Both entities stressed the importance of an employee wellness program. Health Task Force members, including Gail DeCross, Karen Bray, Debbie Kester and Mark Reynolds addressed the Board on this issue. All present reviewed the substantially increased cost of both programs to fund at the full amount and proposed changes to the insurance program as submitted by the Health Insurance Task Force. Supervisor Tenney requested that orthodontia coverage under the dental plan be considered in the future. The Board discussed the need to transfer funds to pay existing medical claims that far exceeded this year's rate contribution.

BUDGET HEARINGS FOR DISCUSSION ONLY

Treasurer: Treasurer Manny Hernandez reviewed his printed budget justifying proposed changes advising that over the entire budget there is only a minimal increase, and requesting the Board's support of the budget.

Superintendent of Schools: Superintendent Linda Morrow reviewed her budget, discussing proposed changes, the need for a future increase in staff, and advising that there is a minimal increase over all.

Sheriff/Jail: Commander Eavenson advised that the Sheriff is proposing a tight budget as he is very aware of the expenditure limitation and advised the main change is additional over time in the jail and an increase in capital equipment. Supervisor Tenney inquired about the impact on the expenditure limitation of the proposed capital expenditures as listed. James Menlove stated that any capital purchases will be lease purchases and will not impact the expenditure limitation. Commander Eavenson reviewed the Department of Corrections revenue and Department of Prison fund revenue projections. Commander David Burke reviewed the current jail visitation process and compared it to video visitations where the inmate can remain in the cell with visitors having video access. He advised that the capital purchase would save the operations budget approximately \$55,000 per year for the jail and later the justice system, legal defender, public defender and the county attorney's office could use the system. He discussed the capacity for video conferencing in response to a question from Chairman Thompson as related to religious services. Supervisor Deal questioned the advisability of investing an additional \$400,000 in the jail for visitation when those funds could be spent for additional deputies. Commander Eavenson advised this would provide the family member the opportunity to visit from their area and would also increase revenue in remote locations through the sale of video time cards. Chairman Thompson inquired if a sweat lodge for spiritual wellness for Native Americans in the jail could be initiated and Commander Eavenson said they would explore this. Supervisor Deal inquired if 55 inmates is the maximum number and Commander Eavenson said that is the average of inmates per day; from July 1 to May 1 they averaged almost 61 and he likes to estimate revenue low. Commander Burke advised there are 75 beds available. Supervisor Deal requested they explore the possibility of housing inmates from the Navajo Nation. Commander Eavenson discussed staffing needs as related to the increased population, stating the county has approximately the same number of deputies as 20 years ago. He explained they don't want to hire too many personnel with BOP and DOC funding as that funding can go away. He said there has been further discussion regarding the tribal mutual aid issues with the Sheriff's office and the County Attorney's office. In response to a question from Supervisor Deal, Mr. Bowers advised they are working on getting a memorandum of understanding in place and it is difficult to get responses from the Navajo Nation. He explained that without that agreement Navajo County has no jurisdiction as the Nation is sovereign. Supervisor Deal said

that he believes there is a way to appropriate a certain amount of funding and give it to the Tribe to hire their police. Mr. Bowers discussed jurisdiction problems. Supervisor Deal advised that an arrangement was made through the BIA several years ago to fund officers on the reservation with none of them being BIA officers. Commander Eavenson advised that in a felony situation the FBI can be called in. He said that Deputies only have jurisdiction over non-Native Americans. Chairman Thompson advised that he would like further cooperation between the Sheriff's department and the Tribe. Supervisor Deal inquired where emergency management fits into the budget and Mr. Menlove stated a portion of it is included in the Sheriff's budget and a large part is paid by grants and a portion is paid by the general fund. Supervisor Deal expressed a concern that for the last few months Bio Terrorism and Emergency Management staff participated in meetings on the reservation and no longer do so. Sheriff Butler advised that Larry Dunagan helped set up the most recent cultural awareness workshop and he will check to see if he was in attendance. Supervisor Deal encouraged that participation.

Recorder: Recorder Laurette Justman reviewed the Recorder's budget, stating that last year she asked for an employee and in lieu of the employee was given a temporary employee budget. She stated she is requesting additional funding for temporary employees, an increase in postage costs, and an increase in vendor services for outside production of microfilm. She outlined a requested increase in the voter registration area. Supervisor Deal complimented the Recorder's office participation in a meeting yesterday on the reservation.

County Attorney: County Attorney Mel Bowers reported he is not asking for an increase in his budget due to the expenditure limitation issues and increases in health insurance and state retirement. He discussed expenditure line item changes. He advised that the Byrne grant funds were reduced and those positions will be covered under the Fill the Gap funds. He stated that with the growth in the County and the addition of Division IV, next year there will be the need for additional personnel.

Constables: Constable Reinhold reported the Constables met several times to review their budget. He reviewed information on a Power Point presentation that discussed duties as they relate to the budget. He reported they are requesting a salary increase for every constable with the exception of Pinetop and an increase in supplies, travel, cell phone and dues. He reported a Constable Ethics Board will be funded by an additional \$5.00 surcharge on each writ, generating about \$300,000 for the State. In response to a question from Supervisor DeSpain, it was reported that the following precincts are under the 10,000 registered voter limit: Holbrook 200, Snowflake 400, Show Low 80, and Winslow is 93. Supervisor Deal inquired about the Constable in Kayenta and Constable Reinhold stated he speaks with Constable Claw frequently and there are no inter-governmental issues. He clarified that if an issue is a tribal court matter, the constable would have no authority. In response to a question from Supervisor DeSpain, Constable Reinhold stated the number of felonies have increased dramatically. Supervisor DeSpain requested a spreadsheet showing the increase over the past five years of paperwork processed, precinct by precinct.

Assessor: Assessor Cammy Darris advised that the Assessor's department has assessing authority when a new subdivision comes in, whether it is in an incorporated area or not, resulting in a tremendous workload increase for her staff. She reported she is asking for a new drafter due to additional subdivisions and since they are four months behind on splits. She reported the contract with ADOR has increased to \$186,000. She advised they are projecting adding 4,000 to 5,000 parcels this year, reporting they currently have two drafters with 81,000 parcels. She reported that fuel cost increases have an immediate impact on her budget due to the number of employees she has in the field.

Clerk of the Court/Superior Court (JP Courts, Adult & Juvenile Probation, Juvenile Detention) Justice Courts—Judge Widmaier reported that due to the statutorily mandated pay increase for judges, an

increase for pro tem judges in each court, and with funds no longer available for one person who had been paid out of a grant there is a substantial increase to this budget. He reported he would bring a request for staff next year to bring the courts close to the average in the state, advising that courts across the state average one clerk for 955 filings and Navajo County has one clerk per 2,000 filings. He advised Holbrook is now the largest court in Navajo County and Snowflake will be the largest by the end of year. Supervisor DeSpain asked for and received clarification that the listed filings do not include reimbursables with the further explanation that Holbrook's clerk filings are not reimbursable but the Winslow clerk filings are reimbursable.

Presiding Judge Dale Nielson advised that the demand on the court clerks is substantial and they are hoping to use some Fill the Gap funds to hire a full time clerk in Snowflake and in January hire one in Holbrook and Pinetop. He advised that the Superior Court requests an increase for contract attorneys, reporting that currently attorneys get only \$50.00 per hour and no mileage, which has been the same since the 1980's. He reported the Clerk of the Superior Court requests five new personnel as they are handling double the criminal filings. He reviewed the cost to the general fund resulting from the addition of Division IV. He advised that expenses for interpreters were moved to the general fund because Fill the Gap funds can not be used for that expense. He reported that adult probation needs additional reliable cars as they travel to remote areas of the county. He discussed the need to lease nine new computers before December 1, 2006 that are required by the Supreme Court. In juvenile probation they are requesting the addition of a full time senior secretary, the purchase of 17 new cell phones, and to replace five vehicles. He advised the detention budget covers the promotion of eight employees to Senior Detention officers and an increase in over time.

In response to a question regarding housing Division IV clerks, Clerk of the Court Juanita Mann said they would remodel the old justice courts for the new clerks.

James Menlove advised the Board of the upcoming afternoon schedule and the meeting recessed at 12:20 p.m. The Board reconvened at 1:08 p.m.

BUDGET HEARINGS FOR DISCUSSION ONLY

Personnel Commission & general employee requests: James Menlove introduced Laree Saline, Chairman of the Personnel Commission. Ms. Saline reported that since there will be additional costs for health insurance, retirement and fuel there will be limited funds for compensation. She reported the Commission recommends that employees be granted four days personal leave. James Menlove advised that there are two personal days in the policy and in 2003-2004 four days were granted due to the RIF with no raises and in subsequent years the Board approved three days. He pointed out these are soft dollars for administration but become hard dollars for departments who have to cover with over time. Supervisor Tenney inquired if this issue would be addressed each year and James Menlove clarified if the two additional days were granted, it would be a one time change to policy for 2006-2007. Dan Hinz reported that the Personnel Commission averages about \$275-300 month from cardboard sales to Abitibi and revenue from Suzie's Cafe. He invited everyone to the picnic on August 26th and advised that event and the Christmas party are paid for now.

Buildings & Grounds: Dan Hinz reported there is a need for an additional construction/maintenance technician in his department. He reviewed increases in his budget as related to fuel, utilities, and energy conservation equipment. He advised the electrical switch gear equipment is 38 years old and he is not sure if we have a failure of that equipment that we can find replacement parts and if we do realizes that it will be very expensive. Mr. Menlove advised that to get the electrical equipment where it should be in an

aging facility is in the neighborhood of a \$1,000,000. Supervisors expressed appreciation to the Building and Grounds staff for their crisis management control, planning and prudent equipment management.

Elections: Kelly Dastrup reviewed her budget reporting better equipment is needed to maintain the integrity of the voting process. She advised that since this is a primary and general election year there will be significant additional costs in this process related to overtime, poll workers, training, printing, and facility rental. She discussed additional costs related to the implementation of the identification at the polls issue with considerable discussion of this issue. Supervisor DeSpain inquired if the State reimburses for any costs and Ms. Dastrup advised that sample ballots are reimbursable. James Jayne advised that the election department budget must be set according to need with years differing depending on the elections to be held.

Health Department: **Supervisor Brownlow made a motion** to enter into a Public Health Services District; motion seconded by Supervisor Tenney; vote unanimous approving the motion. Dr. Kartchner reviewed increased costs related to personnel, tuberculosis expenses, flu vaccine, and equipment and vehicles. He discussed reduced costs related to professional services due to an agreement with Snowflake to use their shelter for the County shelter, the reduction in the contingency fund, and an overall budget reduction. In response to questions, Mr. Menlove advised he did not anticipate lower taxes since the main reduction was in the contingency fund. Mr. Menlove stated that the health district was not in existence when the expenditure limitation base was established. He advised there is a required maintenance of effort of approximately \$220,000 that must come from the general fund. In response to a question about animal control, Dr. Kartchner advised that the county has an agreement with Snowflake for a facility and there will be an agreement as related to animal control personnel. **Supervisor Tenney made a motion** to return to regular session; Supervisor Brownlow seconded the motion; vote unanimous approving the motion.

Information Technology: Bob Heming reviewed his budget proposal and specifically discussed the Enterprise agreement where every County employee is licensed for the same software at the same time. He discussed costs for capital equipment as coming from the general fund and a higher portion paid for through grants. Supervisor Deal inquired if the New World program was ever implemented and James Menlove stated that the software was purchased for financial management and human resources and has been implemented. He said it is a tremendous management tool for different departments and there are still a lot of areas that staff must learn to utilize.

Legal Defender: Mr. Ben Cole advised the board his budget request is essentially the same as last year with the exception of the bar dues increase. He stated that if they have extraordinary cases they have to come back to the Board for an increase but this can not be predicted because many times cases are settled before they go to court. Chairman Thompson stated that he understands that sometimes the attorney does not have the necessary resources or investigators and that occasionally clients can assist in this process. Mr. Cole stated he does appreciate assistance he can get from his clients. He said many times it is necessary to move a case along very rapidly and clients may feel they are not getting the attention. James Jayne stated that Mr. Cole is an unsung hero in this county, doing more than required when putting in a considerable amount of time.

Library District: **Supervisor Tenney made a motion** to enter into the Public Library District **Board of Directors Session**; motion seconded by Supervisor Brownlow; vote unanimous approving the motion. James Menlove advised that Geneva Durkee could not be in attendance and then reviewed her budget. He advised that increasing the internet connectivity for the library by about \$5,000 is the only major change. He stated there is an increase of .5 FTE for a person to work on the website and internet support. He stated there is no contingency built in and he anticipates not increasing the tax rate while saving funds.

Supervisor Brownlow made a motion to return to regular session; motion seconded by Supervisor Tenney; vote unanimous approving the motion.

Parks/Recreation, Fair: Sam Pogue stated he is not asking for additional funding this year. He reported on activities his department sponsors, facilities they are improving, and additional services they are providing. He advised they have some major construction projects going on. Chairman Thompson said he visited the fairgrounds last year and appreciated the improvements. Supervisor DeSpain stated that in a previous presentation they were advised there is new legislation allowing private entities to purchase government property. He suggested that some planning take place to try to make it feasible for the county to purchase Tall Timbers Park. Mr. Menlove reported the appraisal on Tall Timbers several years ago was \$5,000,000. He also said there are ideas being considered to reduce future traffic around Painted Desert Park. Supervisor DeSpain complimented the parks staff on their work projects. Mr. Menlove stated that through the ten year agreement with the City of Holbrook, improvements are being made on the fair grounds.

Public Defender: Laree Saline reviewed the Public Defender case load increase. She advised that the increased caseloads impact the need for more funding for office supplies, law books, repairs, postage, cell plan and fuel. She stated the State Bar has increased the dues again. She advised they do receive State funding that supplements the general fund budget.

Public Fiduciary: Charlie Tomlinson submitted a proposal to establish a public fiduciary charitable fund to be used for that population who have greater needs than what can be furnished with public funds. He requested that the Board reinstate a secretary position, and add an account clerk as well as increasing overtime allowance. He stated cellular phone costs will increase to provide better coverage for agents in the field. Supervisor DeSpain inquired if he currently contracts with outside attorneys and Mr. Tomlinson said he does and the client's estate pays that speciality legal cost. He clarified that on occasion they use the public defender for some clients. Lupe Bray said that non-routine issues are not handled by the County Attorney. They discussed the reimbursement process for these services. In response to a question from Supervisor Deal, Jimmy Jayne suggested a meeting be scheduled with the Chairman, Lance Payette, James Menlove and Charlie Tomlinson to review the proposal for receiving donations. Supervisor Deal inquired how many staff and how many clients they have and was advised they have eight staff with 90+ cases.

Public Works: Dusty Parsons reported that overall, the Public Works department has had a good year. He reviewed a budgeted decrease in intergovernmental revenues and discussed increases in expenses such as fuel, tires, professional services, road maintenance, contingency fund, and personnel reclassifications advising he has not requested additional employees. He reported there is a deduction in liability insurance. He discussed substantial increases in capital equipment. He distributed and reviewed a two year CIP and the 5 year plan. He stated this five year infrastructure project plan is the most ambitious the department has ever had. He clarified that the Navajo Nation Joint Project will be road yards totally staffed by the Nation and it is critical to understand that County is not responsible for maintenance. He reviewed progress made on road maintenance on the reservation and discussed funding sources. Supervisor Deal stated he would like consideration be given at the state level regarding how funds are disbursed and Mr. Parsons stated he will write a letter on board's behalf. Supervisor Deal discussed the need for additional road yards and steps that are being taken to provide land for such. He encouraged Public Works to explore submitting proposals to the Nation for cooperative use of funding provided through the Navajo Nation fuel tax. He advised that Navajo DOT is looking for a pilot project and a joint project might be the best proposal. Supervisor Deal inquired about the progress on the Memorandum of Understanding and Mr. Parsons reported that during his last conversation he was advised it is going through the Nation's transportation committee.

Mr. Parsons reviewed special project funds and responded to questions from those present. Chairman Thompson advised that Dilkon has already been discussed as a site for a road yard and the Hopi Tribe would like a site also naming other communities that would like to have a road yard. Dusty Parsons advised that he will not be able to tell the Nation where to put a road yard and consideration must be given to Hopi sovereignty versus Navajo sovereignty.

Dusty Parsons distributed spreadsheets outlining fee collections, subdivision reviews, staff time allocations as related to salaries, fee comparisons with other entities, and proposed fees for the next fiscal year. He advised that with the proposed fee increase, it will still not cover the staff cost outlay. They do anticipate developing a fast track, sending plans out to a consultant for review with the developer to pay that cost directly. He discussed the inappropriateness of a developer expecting the county to do quality review and value engineering. He advised that this is a preliminary discussion and an advertised hearing would have to take place prior to adoption.

Supervisor Deal said that the Navajo community needs to be told soon that the county can not afford a road yard in all of the communities that the chairman mentioned. Chairman Thompson said that all communities (Teesto, Jeddito, etc.) have begun community planning and have included in their plan a maintenance yard, whether it is provided by the BIA or other entity. He encouraged bringing entities together to leverage funding.

Supervisor Deal stated he would like consideration for an additional \$100,000 for his district. He stated that the special project for roads is \$200,000 for each District and in his District, because of the many miles of roads and school bus routes, it does not go far enough. He is working with two BIA agencies and three major school districts. Dusty Parsons stated this is a Board policy discussion and if Public Works is given that direction he will follow it.

Dusty Parsons reviewed the Planning and Zoning budget, stating they are tracking \$220,000 more in revenue than last year. He said the significant increases are fuel and professional services. Bill Fraley advised that issued building permits are running \$230,000 ahead in 11 months over all of last year.

Supervisor Tenney made a motion to enter into the Navajo County Flood Control District **Board of Directors Session**; motion seconded by Supervisor Brownlow; vote unanimous approving the motion with Supervisor DeSpain absent for the vote.

Homero Vela advised they expect to collect \$1,511,277 in FY 07 and the actual revenue for the current year is \$1,623,240. He advised personnel costs increased because they will be fully staffed this next year. He discussed increases as presented in his document advising that a substantial increase in professional services is for increased engineering contracts for professional services. He reviewed cost estimates for the Winslow Levee rehab, stating they are working with Congressman Renzi for cost sharing with the Corps with considerable discussion of this issue.

Supervisor Tenney made a motion to return to regular session; Supervisor DeSpain seconded the motion; vote unanimous approving the motion.

Supervisor Tenney made a motion to enter into a Little Colorado Flood Control District **Board of Directors Session**; Supervisor DeSpain seconded the motion; vote unanimous approving the motion. James Menlove reviewed the tentative budget and there were no questions related to this budget proposal. **Supervisor Tenney made a motion** to return to regular session; Supervisor Brownlow seconded the

motion; vote unanimous approving the motion.

Board of Supervisors/Administration: James Menlove advised that the board budget was increased by \$50,000 for special projects and there is no change in administration. He advised he is reclassifying the controller's position to a grants administrator to bring in grant funding that is excludable from the expenditure limitation. He advised the retirement of the controller will be for January 2007. Chairman Thompson inquired if that individual will be on payroll until January and what benefits will be extended. Mr. Menlove stated this employee will receive the same benefits as all retirees. James Jayne clarified that this discussion is centering only on positions. Supervisor DeSpain expressed concern about ending that position without being current on audits. Mr. Menlove advised that he is meeting with the Auditor General tomorrow to review progress on the audits. He said they should be complete with everything requested for the 2003 audit. He said the Auditor General auditors have been here for two months working on 2004 and Finance has provided every document requested for the 2004 audit to date; FY2005 will be completed by the end of June with all schedules provided that the Auditor General has requested. Supervisor DeSpain inquired if grants available to counties are being explored and Mr. Menlove responded that there is a need for someone to pursue these grants. Mr. Menlove advised that the grant position will be funded through the original grant for this purpose for two years and then there will be an evaluation to determine if the position is supported by the grant funding. Supervisors agreed there is a need for this position. Supervisor Deal inquired if there is any consideration to utilizing the Tom Haven group. James Jayne responded that public works and administration will share the cost for that.

James Menlove reviewed other county budget items: Indigent Health, a miscellaneous 019 increase for liability insurance, contingency fund \$4,000,000, construction projects' increase of which \$1,200,000 will pay for electrical upgrades, and capital outlay increase of \$1,000,000 due to recapping capital items. James Menlove advised that budget presented today must be pared down by \$3,000,000-4,000,000 in the next few weeks and then he will add the additional benefits, staying under the expenditure limitation.

At 5:40 p.m. Supervisor Tenney made a motion to adjourn; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

APPROVED:

DATE:

Jesse Thompson, Chairman

ATTEST:

Clerk of the Board