

NAVAJO COUNTY BOARD OF SUPERVISORS MINUTES
MONDAY, JUNE 19, 2006

CALL TO ORDER: Chairman Thompson called the meeting to order at 9:08 a.m. Supervisor DeSpain 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: There was no response to the Call to the Public.

CONSENT AGENDA: a) Voucher list for payment; b) Liquor license amendment to reflect name and address change: Applicant William Edward Lucey, III, 2269 Highway 260 Suite 126 & 125, Overgaard, AZ 85933; c) To name an existing road in the Overgaard area "Roberta Drive" in Section 31 Township 12 North – Range 17 East; d) To name an existing road in the Overgaard area "Horseshoe Circle" in Section 31 Township 12 North – Range 17 East; e) Meeting/food supply account through May 2006; f) Constable Report: Lakeside, Whiteriver, Pinetop, Cibecue, HonDah #6 April; g) Intergovernmental Agreement for Election Services with Town of Pinetop/Lakeside; h) Navajo County Sheriff's Office purchase of a F06-051 Antenna Standby Generator; i) Approval of CDBG Closeout Report: **Supervisor Brownlow made a motion** to authorize the Chairman to sign the items in the Consent Agenda; motion seconded by Supervisor Tenney. After discussion of item "i" as related to the afternoon session, Supervisor Brownlow amended his motion to address item "i" following the afternoon CDBG presentation; Supervisor Tenney amended his second; vote unanimous approving the amended motion.

EASTERN ARIZONA ASSOCIATION OF COUNTIES: Introduction of new Director, Dr. Larry Stephenson: Supervisor Tenney introduced Dr. Larry Stephenson as the ECO/EECO Director, providing his resume. Dr. Stephenson addressed the Board advising them of the activities of ECO/EECO as they relate to forest health. In response to a question from Supervisor Deal, he advised that the office will be relocated in Payson. Supervisors welcomed Dr. Stephenson and expressed appreciation for his support.

HUMAN RESOURCES: Consideration and possible approval of Personnel Actions: Gail Calisen reviewed the written Personnel Action report of 50 items, advising that some employees were put on special duty assignments as a result of the Potato Fire. Supervisor Deal inquired if a reimbursement from FEMA is available for the expense incurred by the Potato Fire. Dusty Parsons explained the county has a contract with the Forest Service to provide assistance and will be reimbursed. **Supervisor Tenney made a motion** to approve the Personnel actions as presented and to authorize the Chairman to sign these items; motion seconded by Supervisor DeSpain; vote unanimous approving the motion.

FINANCE/PURCHASING: Consideration and possible approval upon opening and detailed review of sealed bid #B06-051706 for the contract for the official county newspaper for the period July 1, 2006 through June 30, 2007: Mary Springer named all entities that received a copy of the call for bids and opened the only response which was from the Holbrook Tribune. She advised the Holbrook Tribune bid cost is \$1.90 per column inch with each additional publication being \$1.70 per column inch. Ms. Springer advised that she will return to the Board for action on this item after a review of the bid.

PUBLIC WORKS/PLANNING AND ZONING:

a. **PUBLIC HEARING:** Consideration and possible approval, by **Resolution Number _____ - 06**, of a request by Chuck Teetsel for the Amended Special Development Site Plan for the Hidden Oak Plaza on parcel 411-39-022 in the Pinetop area: Bill Fraley advised the Planning and Zoning Commission

submitted a unanimous vote in support of this action. He displayed a map showing the property and a copy of the site plan. He reviewed the staff report that described the property, reason for request, zoning, engineering, flood control and planning and zoning staff recommendations that included stipulations as outlined on the proposed resolution. He displayed a map showing properties within 300' of the property denoting in green those in favor (largest number) of the proposal and those in red that were not in favor of the proposal. He reviewed the number of letters, signatures and phone calls received in opposition to this action. Chairman Thompson advised this is a public hearing and invited public comments. Chuck Teetsel introduced himself, stating he resides at 7168 Moon Creek Circle, Pinetop Lakes, and distributed a packet of information to the Board. He advised the property consists of 9 acres. He said the parcel had previously been approved for 69 town homes and later came before the Board reducing that number to 21 parcels. He said the concerns that were reviewed today came to Planning and Zoning and the commission and the commission still approved this project on a 9-0 vote. He provided an artists' rendering of the building, stating the building would sit back from the road about 100 feet with the retail portion in the back of the building. He advised Mr. Fraley and Mr. Chapman have letters from over 50 residents in favor of the project and that no one who objects to the project has contacted him. He read some objections to the project and stated that he would be opposed to the project they are describing and advised that he does not plan such a project. He provided pictures of the types of interiors they anticipate. He stated a common concern has been potential traffic problems. He stated it is their intent to fill a community need for products that will result in a reduction of ingress and egress into the area. He advised the real traffic challenges result from community events that target people from outside the neighborhood. He referenced several community events and described the traffic challenges they present. He advised they have approximately 40 parking spaces in this commercial development. He expressed the intent to build a community asset and urged the support of the Board for staff and Planning and Zoning Commission recommendations. Ron Shortman of 6531 Sunset Trail in Pinetop Country Club, Pat Viss of 8224 Bucksprings Road and Mary Jeanne Munroe of 8671 Country Club addressed the Board, opposing this project as presented citing concerns that: increased traffic will create hazardous situations or where residents could only exit through Apache County; a deli would not make it in the winter time; this action opens up the area to other commercial ventures such as a gas station or liquor store; this seems like a well kept secret because several community members just learned of the proposed action; increased refuse from the deli will be unsightly. Mr. Shortman stated he represents property owners in Units 1 and 2 of the Pinetop Country Club development. He expressed concern regarding traffic advising that stopping traffic on Buck Springs would create a hazardous situation where residents could only exit the subdivision through Apache County. William Allen—Innkeeper of Premier Vacation Club at Round house resort, Barbara Jo Glabman, Hank Pyle, and Marilyn Skinner, area residents, spoke in favor of this project stating: it would benefit guests of the area providing a needed service; most guests would walk to the deli creating minimal traffic increase; the project is high quality and very well planned. Mr. Pyle expressed concern that he lives in the area that Mr. Shortman stated he represents and Mr. Shortman does not represent his opinion. Ms. Glabman submitted a letter of support from her employer for this project.

The Board reviewed the project with Mr. Fraley stating that there will be increased traffic. He advised that this is not a zone change but rather the approval of a master site plan for a specific use. He reported two district Planning and Zoning Commissioners expressed a concern about bike trails and walking paths along the right of way and the owner did agree to put a walking path across their property and the manager of the vacation land resort is providing access across that property. Supervisor Brownlow reported he has had considerable input from his constituents in regard to this project. He said that previously there had been plans for a real estate complex and now the request is to approve a country store. He reported he had previously lived in this area. He stated he does not

have a problem with a real estate type business on that piece of property but does have a problem with a country store being at that location. He said in all due respect to the Planning and Zoning Commission they do not live in that area and if this is allowed a restaurant deli will be there for a long, long time. He said he would recommend not allowing the store and deli.

Supervisor Tenney stated he recognizes that he does not live in that area and it is not his district but one issue continually brought up is the traffic issue and he believes a real estate office would impact traffic more than a country store. He said he does not have a problem with the development.

Supervisor Brownlow made a motion to approve the Special Development Site Plan amendment with the stipulation that no country store-deli be allowed; Supervisor DeSpain seconded the motion. Supervisor Deal referenced the letters of opposition they received this morning. Supervisor Deal inquired if they are aware of any further stores being proposed and Mr. Fraley and Mr. Teetsel advised they are unaware of any. Supervisor Tenney inquired what Mr. Teetsel's plans would be if he did not move forward with this project. Mr. Teetsel advised that he does not know if he would build anything on that corner and he advised the corner may go back to residential plans. He discussed the commercial buildings that are already in existence. He advised that if the true concern is traffic some of the special events should be limited such as the equestrian center, car shows, and art shows. He said this project would be for the benefit of the residents. Doug Brimhall of Murphy Engineering, stated the traffic impact analysis was submitted last week and it advises that there would be a minimal impact of traffic. Supervisor DeSpain inquired if any provision can be made for pull-offs for entrance and exit into that project. Dusty Parsons stated the traffic impact analysis would determine the need for a turning lane. Mel Bowers inquired if an amended special development would be of any benefit to Mr. Teetsel if the food service/general store portion is removed and if it is not a benefit, the better course of action would be to deny the amendment. Mr. Teetsel stated it is important that the firm build what is proposed, and if the Board disagrees with staff and Planning & Zoning Commission recommendations, they would have to start over. Chairman Thompson called for the vote with Supervisors Brownlow and DeSpain voting in favor of the motion and Supervisors Tenney and Deal and Chairman Thompson voting against the motion. **Supervisor Tenney made a motion** to approve by **Resolution Number 38 - 06** a request by Chuck Teetsel for the Amended Special Development Site Plan for the Hidden Oak Plaza on parcel 411-39-022 in the Pinetop area as presented by staff; motion seconded by Supervisor Deal; vote in favor of the motion 4-2 with Supervisors Brownlow and DeSpain opposed.

- b. **PUBLIC HEARING:** Consideration and possible approval, by **Resolution Number - 06**, of a **Zone Change request by Donald Collier from R1-10,000 to Commercial-Residential for APN 212-32-064 in the Pinetop-Lakeside area:** Bill Fraley advised that the Planning and Zoning Commission submitted a 7-2 vote in support of this action. He displayed a map showing the property and a copy of the site plan. He reviewed the staff report that described the property, reason for request, engineering, flood control and planning and zoning staff recommendations that included stipulations as outlined on the proposed resolution. He advised they received one letter opposed to this action and it was included in the packet. He stated that Donald Collier of 636 North Woodland Road owns the property adjacent to the property that he wants to re-zone and he anticipates putting in a fast-food deli. He advised there are bicycle and walking lanes on that road. He submitted a display of the property stating there is parking for 12-15 cars with access to parking off Meadow Street. Chairman Thompson invited those in favor or opposed to this project to address the Board. There was no response. **Supervisor Brownlow made a motion** to approve by **Resolution Number 39 - 06** a Zone Change request by Donald Collier from R1-10,000 to Commercial-Residential for APN 212-32-064 in the Pinetop-Lakeside area; motion seconded by Supervisor Tenney; vote unanimous approving the motion.
- c. **PUBLIC HEARING:** Consideration and possible approval, by **Resolution Number - 06**, of a **Zone Change request by Charlotte Frey from R1-10,000 to Commercial-Residential for APN 212-32-065 in the Pinetop-Lakeside area:** Bill Fraley advised that this property is surrounded by commercial on three sides and staff recommends making this one complete block of commercial/residential.

Donald Collier advised they are requesting this action on advice of Planning and Zoning staff to avoid having to take this property through this process for each parcel. Mr. Bowers inquired where this property is in relation to Pinetop Lakeside and if this is consistent with their plan. Mr. Parsons stated the city/county line is split by Woodland Road and on the city side, there is a theater and other parcels that are commercial and multiple residency zoning. Mr. Fraley displayed a map showing the property and a copy of the site plan. He reviewed the staff report that described the property, reason for request, and engineering, flood control and planning and zoning staff recommendations that included stipulations as outlined on the proposed resolution. Vice-chairman Deal invited public comments and there were none. **Supervisor Brownlow made a motion** to approve by **Resolution Number 40 - 06**, of a Zone Change request by Charlotte Frey from R1-10,000 to Commercial-Residential for APN 212-32-065 in the Pinetop-Lakeside area; motion seconded by Supervisor DeSpain; vote unanimous approving the motion with Chairman Thompson absent for the vote.

- d. **PUBLIC HEARING: SAWMILL POINTE DEVELOPMENT:** Supervisor Tenney advised the Board he had previously completed the paperwork for a conflict of interest in this action due to his relationship with the developer, Lewis Tenney, his father. He excused himself from these proceedings and left the room.
- i. Consideration and possible approval, by **Resolution Number _____ - 06**, of a request by Lewis Tenney for a Zone Change from R1-10, Single-Family Residential Zoning to Special Development Zoning for APN: 207-17-047G and 103; and from Commercial-Residential Zoning to Special Development Zoning for APN: 207-12-042A and 064A, located in Township 12 North, Range 16 East, Sections 13 & 14 in the Heber-Overgaard area: Bill Fraley reviewed the staff report, advising both this item and the master development site plan come to the Board with the unanimous recommendation of the Planning and Zoning Commission for approval with specific stipulations as outlined on the resolution. He reviewed the reason for the request, and advised the developer could have developed the property without a zone change but took this route because it protects the land. He stated he compliments the developer on this action. He reported notification was sent to property owners within 300' and none were returned in opposition with two returned in favor. He advised all roadways with the exception of one will be built to county standards and all will be public with the exception of that one roadway. Mr. Lewis Tenney addressed the Board and stated he believed this zone change would control the development of this property better. Chairman Thompson invited public comments and there were none. **Supervisor DeSpain made a motion** to approve by **Resolution Number 41 - 06**, a request by Lewis Tenney for a Zone Change from R1-10, Single-Family Residential Zoning to Special Development Zoning for APN: 207-17-047G and 103; and from Commercial-Residential Zoning to Special Development Zoning for APN: 207-12-042A and 064A, located in Township 12 North, Range 16 East, Sections 13 & 14 in the Heber-Overgaard area; motion seconded by Supervisor Brownlow; vote unanimous approving the motion with Supervisor Tenney absent for the vote.
- ii. Consideration and possible approval, by **Resolution Number _____ - 06**, of a Master Development Site Plan for the proposed "Sawmill Pointe" Development for APN: 207-17-047G and 103; APN: 207-12-042A and 064A, located in Township 12 North, Range 16 East, Sections 13 & 14 in the Heber-Overgaard area: **Supervisor Deal made a motion** to approve by **Resolution Number 42 - 06**, a Master Development Site Plan for the proposed "Sawmill Pointe" Development for APN: 207-17-047G and 103; APN: 207-12-042A and 064A, located in Township 12 North, Range 16 East, Sections 13 & 14 in the Heber-Overgaard area. Supervisor Brownlow seconded the motion; vote unanimous with Supervisor Tenney absent for the vote. Mr. Lewis Tenney expressed appreciation to the Board. Supervisor Deal expressed appreciation to Mr. Tenney for the positive changes he is making in the Heber Overgaard area.
- e. **PUBLIC HEARING:** Consideration and possible approval, by **Resolution Number _____ - 06**, of the proposed Special Use Permit request by Robert K. Flake and Mae T. Flake Trust, (Agent: Nena

Pospisi) to allow the construction of a family camp with four cabins and two garages on the subject 15 acre property known as APN: 206-37-012, in Township 12 North, Range 18 East, Section 32, of the Gila and Salt River Meridian, in the Aripine area: Supervisor Tenney returned to the chambers and this public hearing. Telford Chapman reviewed a parcel map of the subject property. He reviewed the staff report advising that the current use is ranching and grazing with a few cabin areas and this proposed use is for a family owned sanctuary that is not to be sold or developed. He advised this hearing had been properly noticed, reviewed staff comments, and advised the Planning and Zoning Commission recommends approval with stipulations as outlined in the resolution. Chairman Thompson invited public comments and there were none. In response to a question from Supervisor Tenney, Mr. Parsons stated this property had been in a previous forest fire area so there would be no need for a tree-protection plan. **Supervisor Tenney made a motion** to approve by **Resolution Number 43 - 06**, the proposed Special Use Permit request by Robert K. Flake and Mae T. Flake Trust, to allow the construction of a family camp with four cabins and two garages on the subject 15 acre property known as APN: 206-37-012, in Township 12 North, Range 18 East, Section 32, of the Gila and Salt River Meridian, in the Aripine area; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

- f. **PUBLIC HEARING:** Consideration and possible approval, by **Resolution Number _____ - 06**, of a request by Silver Creek Properties, Investments and Acquisitions, LLC, a Zone Change from R1-10, Single Family Residential Zoning to Special Development Zoning for APNs: 304-40-098, 099, 100, 101, 102, 103 & 104, Township 11 North, Range 22 East, Sections 13 & 14, of the Gila and Salt River Base & Meridian in the White Mountain Lake area: Bill Fraley reviewed a parcel map of the subject property. He reviewed the staff report advising the staff and Planning Zoning Commission unanimously recommends approval of this zone change. He advised Mr. Cook is requesting to add these lots into the existing site plan. Lem Cook reported that the lots from inception were intended to have access to the airport, provided access is approved by the owner. He advised Phase II would have access to the airport but Phase III may or may not have access to the airport. He said the zoning change would authorize those lots that are adjacent to be brought into the use and become associated with the site plan for stage one. Supervisor Tenney inquired if they are taking seven lots that were going to be residences and Mr. Cook advised these lots would become part of the stage one site plan. He said there would be a parking area that would create a buffer with the original concept to be a taxi-way use for those lots. Supervisor Tenney inquired if these would be hangars rather than home sites. He referenced a letter included in the packet from a homeowner that opposed this action. Chairman Thompson invited public comment. Marc Silliman stated he resides in the White Mountain Lake area and is in favor of this zone change. **Supervisor DeSpain made a motion to approve by Resolution Number 44 - 06**, a request by Silver Creek Properties, Investments and Acquisitions, LLC, a Zone Change from R1-10, Single Family Residential Zoning to Special Development Zoning for APNs: 304-40-098, 099, 100, 101, 102, 103 & 104, Township 11 North, Range 22 East, Sections 13 & 14, of the Gila and Salt River Base & Meridian in the White Mountain Lake area; motion seconded by Supervisor Brownlow; vote unanimous approving the motion with Supervisor Deal absent for the vote.
- g. **PUBLIC HEARING:** Consideration and possible approval, by **Resolution Number _____ - 06**, of a Special Development Master Site Plan Amendment request by Silver Creek Properties, Investments and Acquisitions, LLC, with the stipulations on the resolution for parcels, 304-18-004, 005 & 006 and 304-40-098, 099, 100, 101, 102, 103 & 104, Township 11 North, Range 22 East, Sections 13 & 14, of the Gila and Salt River Base & Meridian in the White Mountain Lake area: Bill Fraley reviewed the staff report, site plan and stipulations imposed by Flood Control and the Planning and Zoning Commission. Chairman Thompson invited public comments on this action and there were none. **Supervisor DeSpain made a motion** to approve by **Resolution Number 45 - 06**, a Special Development Master Site Plan Amendment request by Silver Creek Properties, Investments and Acquisitions, LLC, with the stipulations on the resolution for parcels, 304-18-004, 005 & 006 and 304-

40-098, 099, 100, 101, 102, 103 & 104, Township 11 North, Range 22 East, Sections 13 & 14, of the Gila and Salt River Base & Meridian in the White Mountain Lake area; motion seconded by Supervisor Tenney; vote unanimous approving the motion with Supervisor Deal absent for the vote.

- h. Consideration and possible approval, by **Resolution Number** - **06**, the Final Plat and the Financial Assurances for White Mountain Lake Airpark Unit 1: Bill Fraley advised this action has gone through all of the public hearing processes, the developer has met all requirements for approval and the financial assurances for this action have been submitted to the Deputy Clerk of the Board. Doug Brimhall of Murphy Engineering spoke on behalf of Mr. Ike Isaacson, advising this is the first step of the development resulting from action taken by the Board several months ago and this is Mr. Isaacson's second project in this area. He advised the roadways will also be used as taxi ways. He said a question has been asked about the lack of actual project development and he stated that economic development in Navajo County is happening and Mr. Isaacson is doing his part in this process. **Supervisor DeSpain made a motion** to approve by **Resolution Number 46 - 06**, the Final Plat and the Financial Assurances for White Mountain Lake Airpark Unit 1; motion seconded by Supervisor Tenney. Supervisor Brownlow clarified Murphy Engineering is the engineer of record; vote unanimous approving the motion with Supervisor Deal absent for the vote.
- i. Consideration and possible approval, by **Resolution Number** - **06**, the extension of the existing Delegation Agreement, No. 00-0024, between the Arizona Department of Environmental Quality and Navajo County until December 31, 2006: Bill Fraley advised that the county agreement with ADEQ will expire June 30 and ADEQ is requesting that the county accept additional responsibilities and extend the date of the contract. **Supervisor Tenney made a motion** to approve by **Resolution Number 47 - 06**, the extension of the existing Delegation Agreement, No. 00-0024, between the Arizona Department of Environmental Quality and Navajo County until December 31, 2006; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.
- j. Consideration and possible approval to extend Contract #B04-05251 for Barbed Wire Fencing for an additional year: Dusty Parsons advised the contractor is not asking for additional price increases and the contract authorizes this extension. **Supervisor Tenney made a motion** to approve the extension of Contract #B04-05251 for Barbed Wire Fencing for an additional year; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.
- k. LTAf II funds from BOS Districts:
 - i. Dist III – Assist with purchase of a van and/or vehicle operating expenses for Winslow Senior center, Holbrook Senior Center, Bread of Life Mission and First Step Workshop: Dusty Parsons recommended that each entity receive \$5,280. Supervisor DeSpain stated that these funds will be to support operation and maintenance of vans previously purchased. **Supervisor DeSpain made a motion** to approve authorizing \$5,280 for each entity with the stipulation the funding not exceed the amount remaining in LTAf II funding; motion seconded by Supervisor Tenney; vote unanimous approving the motion.
 - ii. Dist V – Assist with funding for vehicle operating expenses for the White Mountain Apache Tribe Tribal TANF plan: **Supervisor Brownlow made a motion** to assist with funding in the amount of \$13,000 for vehicle operating expenses for the White Mountain Apache Tribe Tribal TANF plan; motion seconded by Supervisor DeSpain; vote unanimous approving the motion.
- l. **Navajo County Flood Control District Board of Directors Session:** **Supervisor Tenney made a motion** seconded by Supervisor DeSpain to enter into a Navajo County Flood Control District **Board of Directors Session**; vote unanimous approving the motion. Consideration and possible approval for the Navajo County Flood Control District to enter into a joint funding agreement with the United States Geological Survey to start a maintenance agreement for a surface-water gauging station at Jack's Canyon. Homero Vela requested that this item be tabled until a future meeting and the Board agreed with this request.

- m. Consideration and possible approval for a professional services contract with Ironside Engineering; Homero Vela discussed the services provided through this contract. **Supervisor Brownlow made a motion** to approve an additional amount not to exceed \$15,000 for the professional services contract with Ironside Engineering; motion seconded by Supervisor DeSpain; vote unanimous approving the motion.

Supervisor DeSpain made a motion to re-enter the regular session; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

PUBLIC HEALTH DISTRICT: BOARD OF DIRECTORS SESSION: **Supervisor Tenney made a motion** to enter into the Navajo County Public Health District **Board of Directors' Session**; motion seconded by Supervisor DeSpain; vote unanimous approving the motion. Consideration and possible approval of schedule for impoundment, license, and maintenance fees for the Navajo County Animal Control program: Dr. Kartchner advised this action was advertised as a public hearing. He reviewed the proposed fee schedule. Chairman Thompson invited public comments and there were none. Supervisor Brownlow inquired since this item was not listed on the agenda as a public hearing if it could be conducted as a hearing. Mr. Bowers advised that since it was advertised as a public hearing, it met the requirement of the law. **Supervisor Brownlow made a motion** to approve the fee schedule for impoundment, license, and maintenance fees for the Navajo County Animal Control program as presented; motion seconded by Supervisor Tenney; vote unanimous approving the motion. **Supervisor Tenney made a motion** to return to regular session; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

COUNTY ATTORNEY: Consideration and possible approval of the Arizona Department of Economic Security Intergovernmental Agreement to provide the joint exercise of any power common to the parties as to governmental functions necessary to the public health, safety and welfare, and proprietary functions of such public agencies: Mel Bowers advised the main difference between this contract and past contracts, is that this contract covers a five year period. **Supervisor Tenney made a motion** to approve the Arizona Department of Economic Security Intergovernmental Agreement to provide the joint exercise of any power common to the parties as to governmental functions necessary to the public health, safety and welfare, and proprietary functions of such public agencies; motion seconded by Supervisor Deal; vote unanimous approving the motion.

FINANCE/PURCHASING:

- a. Consideration and possible approval to fix the salaries of each Navajo County precinct officer (i.e., constable) in accordance with ARS§11-424.01: James Menlove advised that constables will be elected this fall and he recommends increasing the base salary from \$7,000 to \$13,500 in support of the constables' recommendation for Kayenta, Winslow, Snowflake and Holbrook. He reported Show Low and Pinetop exceed the 10,000 registered-voter requirement and he recommends a salary of \$29,437. Supervisor DeSpain clarified with Mr. Bowers that recent legislation signed by the Governor would not impact the action today. **Supervisor Brownlow made a motion** to approve the recommendations made by Mr. Menlove for constable salaries; motion seconded by Supervisor Tenney. Supervisor DeSpain inquired if fees should be addressed at this time and Mr. Bowers stated that would be done after a review of the new legislation. Vote unanimous approving the motion.
- b. Consideration and possible approval for authorization of award of Fire District line of credit: James Menlove advised they had reviewed line of credit submittals and he is recommending the award to Stockman's Bank. Mr. Menlove advised there is a \$2,000 fee to establish this line of credit and he recommends this come from the revolving fund. **Supervisor Tenney made a motion** to approve the award of the Fire District line of credit to Stockman's Bank; motion seconded by Supervisor DeSpain. Supervisor Brownlow inquired why the county would pay the establishment fee and Mr. Menlove advised that Sun State Bank was the only other bidder and their 8% fee made them a higher bidder.

Supervisor Tenney inquired if this is a line of credit for a specific fire district and Mr. Menlove advised this is a line of credit for every fire district active in Navajo County. Mr. Jayne advised this initiation fee is required for a mandated line of credit for fire districts within the county and should be considered the cost of doing business with a line of credit. Vote unanimous approving the motion.

- c. Consideration and possible approval of a Navajo County general salary adjustment effective July 1, 2006: James Menlove advised the Board that on July 1 all employees who are members of ASRS will have a 1.7% increase in ASRS contribution and in order to not have a reduction in take home pay, he recommends that Navajo County employees receive a 2% increase. **Supervisor DeSpain made a motion** to approve a Navajo County general salary adjustment of 2% to be effective July 1, 2006; motion seconded by Supervisor Tenney. In response to a question from Supervisor Deal, Mr. Menlove stated this cost will be about \$300,000 to the general fund and about \$500,000 to all funds for all employees in the county. Mr. Menlove advised that as they have gone through the budget process, they have tried to work with grant funded positions to assure those employees do not take a decrease in salaries. Mr. Bowers stated that he is speaking as a department head, not as a County Attorney. He said he appreciates the expenditure limitation issues but all employee expenses are increasing and the county is losing ground with respect to other governmental agencies and private organizations. He expressed concern that the employees only receive an additional 0.3% for additional fuel, housing, and food expenses. He recommended that the county downsize employees through the attrition process. He said that if we can't successfully do something to change the expenditure limitation we must revisit this process. He expressed appreciation for squeezing funds out of the budget to assist employees and requested that additional funding be considered. Chairman Thompson stated this point is very well taken yet the Board must operate within the budget. Supervisor Deal inquired what neighboring counties are giving for raises and Mr. Menlove advised he did not know. Mr. Menlove stated he agrees with Mr. Bowers, that the employees are getting further behind economically. He discussed the budget as compared to the expenditure limitation and constitutionally allowed exclusions from the expenditure limitation. He advised if the county taps into the contingency fund, the county could go broke as it has in the past. He stated the biggest stumbling block is the expenditure limitation. Supervisors agreed with the concerns that were raised. Mark Reynolds of the Personnel Commission reported that Sheriff's office employees are concerned as to whether or not they can afford to work here, advising detention officers are among the lowest paid in the county. He said it is important to educate the public about raising the expenditure limitation. Supervisor DeSpain stated that attrition of employees that have worked here a long time may help in the budget process. Vote unanimous approving the motion.

At this time, the board addressed the earlier bid item: Consideration and possible approval upon opening and detailed review of sealed bid #B06-051706 for the contract for the official county newspaper for the period July 1, 2006 through June 30, 2007: Mary Springer advised the Holbrook Tribune News was the only responsive bidder and she recommends award of the publication contract to that entity. **Supervisor Tenney made a motion** to approve the award of sealed bid #B06-051706 for the contract for the official county newspaper for the period July 1, 2006 through June 30, 2007 to the Holbrook Tribune News; motion seconded by Supervisor DeSpain; vote unanimous approving the motion.

- d. Consideration and possible approval to extend existing janitorial contract until November 2006: Mary Springer advised this is an extension of an existing contract that will provide the time to determine county needs and then bid the contract. **Supervisor Tenney made a motion** to extend the existing janitorial contract until November 30, 2006; Supervisor Brownlow seconded the motion; vote unanimous approving the motion.
- e. Consideration and possible approval to enter into an intergovernmental agreement with SAVE (Strategic Alliance for Volume Expenditures) for cooperative purchasing: Mary Springer discussed

using this entity for cooperative purchasing to maximize the county's purchasing power. **Supervisor Tenney made a motion** to enter into an intergovernmental agreement with SAVE (Strategic Alliance for Volume Expenditures) for cooperative purchasing; motion seconded by Supervisor DeSpain; vote unanimous approving the motion.

SILVER LAKE VOLUNTEER FIRE DEPARTMENT: Consideration and possible acceptance of submittal of fire district Impact Statement, setting the hearing date as 9:00 a.m. on August 21, 2006 for the proposed formation of the Silver Lake Fire District: Linda Maloney advised that currently there is no fire coverage in their area except for their non-profit volunteer fire department. She requested acceptance of their proposed fire district Impact Statement. Linda Maloney corrected the middle of page two, where it states \$20,000, advising it should have read \$350.00 for \$200,000 and she would amend it to read \$175.00 for \$100,000. **Supervisor Tenney made a motion** to accept the submittal of the Impact Statement as corrected, setting the hearing date as 9:00 a.m. on August 21, 2006 for the proposed formation of the Silver Lake Fire District; motion seconded by Supervisor DeSpain. Linda Maloney inquired what the hearing would cover in August. Mel Bowers advised his office has prepared an outline that covers the formation of a district that he will provide. Supervisor Tenney read the procedures as outlined on the cover sheet. Vote unanimous approving the motion with Supervisor DeSpain absent for the vote.

The Board of Supervisors recessed at 12:45 p.m. and reconvened at 1:40 p.m.

HUMAN RESOURCES: Consideration and possible approval of FY 2006-07 employee health plan changes, selection of a broker and third party administrator (TPA): Gail Calisen advised the Board that following this presentation, they are requesting the Board approve the health insurance plan design, select a broker and third party administrator (TPA). Karen Bray reviewed a plan comparison of the county's existing Mountain States program to a proposal from AZLGEBT (Arizona Local) if the county goes to Type I membership in three years. The comparison shows that the total Mountain States billing would be \$441,263 and the Arizona Local is \$476,132. Erin Collins and Karen Bray discussed differences in the calculations used to arrive at that figure. In response to a question from Mr. Jayne, Gail Schumann advised that the costs in the Mountain States' documents reflected claims and all additional costs. Karen Bray advised that AZLGEBT did not have a Plan A to compare with Mountain States Plan A. She reviewed, line by line, the comparison between Plan B for Navajo County and AZLGEBT. All Supervisors, Cammy Darris, Karen Bray, Gail Calisen, Doug Atler of Mountain States, Gail Schumann and Steve Touche of Lovett & Touche, Erin Collins and Norene Kurtze of Erin Collins and Associates, Mark Reynolds of the Health Insurance Task Force, James Menlove and James G. Jayne all addressed this issue, discussing coverage, rate comparisons, this year's additional medical costs of almost \$800,000 over the rates charged last year; regardless of which firm is selected, there will be a substantial premium increase this year; prior year's rates that did meet medical costs with a minimum increase in premiums. At a request from Supervisor Tenney for his opinion, James Menlove stated that since the sound financial premise of health insurance is to spread the risk to minimize the impact of extreme highs and lows, it is his recommendation to take action to give the county the opportunity to join a pool in three years or sooner. He stated that retirees have been able to keep their insurance benefits for ten years in the past and it has been discussed to give the option of a retiree benefit for one year only. Mr. Jayne expressed his appreciation to the Task Force for their effort on this issue and that Mr. Menlove, Ms. Calisen and he are recommending a change. He stated that the good year, bad year issue was re-emphasized today and as a county we have no way knowing how many will get sick in the future. He advised that Arizona Local has a solid plan that is fairly predictable, that their rates were available in February and did not increase because they have \$9 million in the bank. He said that six other counties believe this plan is in the best interest of their employees and he believes Navajo County should join Arizona Local as well.

Supervisor Tenney made a motion to contract with Arizona Local for the upcoming plan year; motion seconded by Supervisor Brownlow who stated he supports this change as the county must do something different to minimize risk. Supervisor Deal expressed his appreciation to Karen Bray and Gail Calisen for putting these reports together and in examining these numbers and household health issues and expressed appreciation that James Menlove and Jimmy Jayne are looking far beyond the immediate needs of the county. He inquired if any of the counties in this pool are considering other insurance and Mr. Collins advised no county has chosen to leave Arizona Local and none are contemplating moving. He expressed appreciation for the foresight of the County Manager and Finance Director.

Supervisor DeSpain asked Mr. Collins to re-state the situation the retirees will be in when the decision is made. Mr. Collins stated that benefits will stay in effect until the county comes in as a Type 1 member; the policy will not change. He advised that whoever is on the plan when the county is accepted as Type 1 on July 1 will remain on the plan but no new retirees will be added. Supervisor DeSpain clarified that this year there will be a rate increase regardless of which insurance company selected. Mr. Collins stated that he never recommends under funding. Supervisor DeSpain clarified that the county could become a Type 1 sooner than three years and Mr. Collins agreed, stating that the county must agree to stay with Arizona Local for a minimum of three years. Supervisor DeSpain expressed appreciation to the Task Force. Chairman Thompson expressed appreciation to Gail Calisen and Karen Bray for their efforts in making this decision understandable and to Doug Atler for their service over the past years. He encouraged Erin Collins to consider alternative treatments including the Native American treatment.

James Jayne requested clarification through discussion with Erin Collins that the motion authorizes the County Manager to seek approval to negotiate terms for Type 2 coverage with AZLGEBT for a period of three years and to execute documents necessary to terminate coverage through TPA and initiate and execute all required coverage documents through Arizona Local. Supervisors Tenney and Brownlow reported that this was their intent with the motion and second that they made. Vote unanimous approving the motion.

The Board of Supervisors recessed at 3:55 for ten minutes.

BOARD OF SUPERVISORS:

a. Consideration and possible approval of distribution of General Fund Special Project money as requested by each district as set forth below: James Menlove advised he distributed lists of funds available for these projects and the board can authorize up to their budget capacity for each district. He advised he makes the following recommendations:

District I – Pinon, Forest Lake, Kayenta, Blue Gap, Whipporwill and Hardrock Senior Centers—\$500 for each center, Youth Program in Kayenta—\$500.00, Drought Assistance & Chapter Assistance—\$1,000 for the Community of Hardrock for drought related program. **Supervisor Deal made a motion** to authorize those expenditures as outlined; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

District II – Hotevilla School \$2300, Indian Wells \$400.00: **Chairman Thompson made a motion** to authorize those expenditures as outlined; motion seconded by Supervisor Tenney; vote unanimous approving the motion. Dilcon District Court--\$1,000. James A. Paddock addressed the Board requesting funding in the amount of \$1,000 for operational expenses of the Dilcon District Court. **Chairman Thompson made a motion** to authorize funding in the amount of \$700 for a manual warrant for the operational expenses of the Dilcon District Court; motion seconded by Supervisor Tenney. Supervisor Deal inquired to whom the manual warrant should be made out and Mr. Paddock responded it should be made out to Dilcon District Court. Vote unanimous approving the motion

District III – Corral Panels for 4-H and Junior Livestock use at Navajo County Fairgrounds:

Supervisor DeSpain advised he does not have enough money in this budget to complete the purchase of the panels and he hopes to come up with funds for next year. **Supervisor DeSpain made a motion** to fund \$4,716.94 for corral panels for 4-H and Junior Livestock use at Navajo County Fairgrounds; motion seconded by Supervisor Tenney; vote unanimous approving the motion.

District IV – Rim Country Senior Center: Supervisor Tenney advised the agenda should have read Rim Country Library and Mr. Bowers advised that this was a clerical error and it is acceptable to remain on the agenda. **Supervisor Tenney made a motion** to issue a \$5,000 manual warrant to Rim Country Library; motion seconded by Supervisor Brownlow; vote unanimous approving the motion.

District V – Pinetop/Lakeside Historical Society: **Supervisor Brownlow made a motion** to expend \$2,000 of District V funds to the Pinetop/Lakeside Historical Society; motion seconded by Supervisor Tenney; vote unanimous approving the motion.

- b. Update on the Navajo Mountain fire and consideration and possible approval for emergency funding for Navajo Mountain Community to help provide the community with potable water: Supervisor Deal reported that Navajo Mountain sits between three counties and in that area approximately 3,350 acres is burning. The fire is moving north into the State of Utah, beginning on the Arizona side and is burning the part of the mountain located in Navajo County. He reported the Navajo EPA issued a halt to the water usage until they determine the purity of the water. He outlined the water problem that exists that feeds the Navajo Mountain school, the chapter and community and reported they are now hauling water 30 miles. He advised they will haul water until the EPA allows them to start using their water supply. **Supervisor Deal said that through this motion** he is requesting Board support to take \$5,000 from the contingency fund to assist these residents in their water hauling efforts; motion seconded by Supervisor Tenney. Supervisor Deal advised a declaration of emergency was issued on June 12th. Mr. Bowers inquired if Navajo Mountain is in Utah and Supervisor Deal advised that the community is at the base of the mountain with parts located in Coconino and Navajo Counties and Utah. He stated the mountain is actually in Utah with the community spreading east. He said a good number of the community reside in Navajo County utilizing the water supply. Supervisor Tenney inquired if the Board has the authority to do this since these are county residents. Mr. Bowers advised that if this Board finds this will serve residents of Navajo County they have the right to take this action. It was determined the Navajo Mountain chapter requested the funding and there are Navajo Mountain residents in that chapter. Mr. Bowers inquired if, since the Tribe declared an emergency, they have received federal funding. Supervisor Brownlow stated that when federal funds come in, there will be a check off list for reimbursement issues and when that happens, tracking should be in place. He suggested amending the motion that if reimbursement from the federal government is received, the chapter would reimburse Navajo County. **Supervisor Deal amended his motion** to include that if the federal government reimburses the chapter for their water resources development, the chapter will reimburse the county; amended motion seconded by Supervisor Tenney. Vote unanimous approving the motion with amendment.

ELECTIONS:

- a. Consideration and possible approval to conduct Referendum Election for Town of Pinetop-Lakeside in conjunction with the Primary Election on September 12, 2006: Kelly Dastrup advised that all affected parties are in agreement to conduct this election on this date. **Supervisor Brownlow made a motion** to approve the County Election Office to conduct a Referendum Election for the Town of Pinetop- Lakeside in conjunction with the Primary Election on September 12, 2006; motion seconded by Supervisor Tenney; vote unanimous approving the motion.
- b. Consideration and possible approval of Call of Election for:
- i. McLaws Road Fire District – 3 positions (2-4 yr; 1-2 yr terms) to be held in conjunction with the November 7, 2006 General Election: James Menlove advised that he is the appointed administrator for the McLaws Road Fire District and he is requesting that an election be conducted

to fill the board positions. **Supervisor DeSpain made a motion** to call for the election for the McLaws Road Fire District – 3 positions (2-4yr; 1-2 yr term) with the election to be held in conjunction with the November 7, 2006 General Election; motion seconded by Supervisor Brownlow. Kelly Dastrup advised the issue will go on the ballot to elect the entire Board with the term to be determined by the number of votes. Vote unanimous approving the motion

- ii. Overgaard Townsite Domestic Wastewater Improvement District – 3 positions (2-4 yr; 1-2 yr) terms to be held in conjunction with the November 7, 2006 General Election: James Menlove advised he is the administrator for this improvement district. Supervisor Tenney inquired if there has been any interest expressed in serving on this Board, stating that he thought it should be a five member board. Ms. Dastrup stated no one has expressed interest in these positions and she will research the question of the number on the board. Supervisor Tenney stated he had requested a report from Public Works regarding the ADEQ grant and stated this may create interest in the community for serving on this Board. **Supervisor Tenney made a motion** to approve a call for election for the Overgaard Townsite Domestic Wastewater Improvement District – 3 positions (2-4 yr; 1-2 yr. terms) to be held in conjunction with the November 7, 2006 General Election; motion seconded by Supervisor DeSpain; vote unanimous approving the motion. Kelly Dastrup advised that the board would convene and determine board terms.

ADMINISTRATION/FINANCE: Consultation, discussion and possible action to provide direction regarding existing NACOG projects and proposed NACOG projects within Navajo County with discussion on the following projects:

- a. The Close-Out report for HOME Grant #307-04
- b. The progress of the awarded CDBG and HOME Grants as related to home construction
- c. The number of people on the waiting list and the anticipated service time frame: Mr. Stephens advised applications are kept for each funding round and the allocation determines how rapidly they can be served. Supervisor Brownlow inquired how many homes were done in Navajo County during this funding cycle and Mr. Stephens stated he is unsure. Supervisor Brownlow stated he wants the entire list of homes worked on, amounts spent and where they are in the process. Mr. Stephens stated they could provide this information with the understanding they have to honor confidentiality issues.
- d. The review of files for the HOME Grant #307-04 and for CDBG Grant #142-04 to determine compliance with the Department of Housing requirements and findings in the monitoring letter issued by Rose Roy, ADOM

James Menlove introduced Bob Stephens of NACOG. Mr. Stephens distributed and reviewed written reports. Supervisor DeSpain inquired if CDBG funds can be used on the reservation and Mr. Stephens stated they can be but the restrictions limit the use. Mr. Stephens discussed the difficulties in getting contractors and getting work done because contractors are reluctant to travel into the rural areas of the county. Supervisor DeSpain inquired if a remodeled home is destroyed by fire if there is any replacement through the grants and Mr. Stephens stated he believed it would only be replaced through personal insurance.

Margaret Keener advised the board Navajo County will receive about \$542,000 in CDBG funds. She stated CDBG funding has been cut state-wide so it could be about \$65,000 less and they will not know until March. She reviewed accomplishments since 1983. Supervisor DeSpain inquired when the Board has to determine when dollars will be spent and Ms. Keener advised it will be following the public hearings. She advised that the county has not funded transportation before but can do so. Ms. Keener advised the board they can prioritize the projects.

Chairman Thompson stated that there may be a way that the NACOG program could provide emergency

funds for on-reservation housing and encouraged Ms. Keener to get more information from the director at the State level, stating he would like to review these policies. Ms. Keener volunteered to get information from reservation contacts and Chairman Thompson stated he is more interested in State information.

James Menlove and Randy Sullivan advised the board that the county will file a letter of intent to participate in grant funding in July and will apply for grants in August. Supervisor DeSpain clarified that this funding is for rehabilitation only. Mr. Menlove advised there is tremendous competition for this funding throughout the State. Ms. Keener advised that the Board must demonstrate need as there are still over 400 applications that are un-served. Supervisor DeSpain inquired if there is a funding grant match and Mr. Menlove stated there is not.

Approval of CDBG Closeout Report: Randy Sullivan advised the Board that it is a condition of the CDBG grant that the Close Out report must be submitted to the State, advising a copy of that report was contained in their packet. **Supervisor Brownlow made a motion** to approve the submittal of the CDBG Close out report, authorizing the Chairman to sign required documentation; motion seconded by Supervisor DeSpain; vote unanimous approving the motion.

Supervisor Deal inquired if the 92 homes could be broken down into communities. Ms. Keener advised she has that information and will provide it. Supervisor Deal inquired about the number waiting to be awarded from communities. Ms. Keener advised that they have expended all funds but will provide the information for those on the waiting list.

BOARD BUSINESS: Supervisor Deal reported that last Wednesday another grandson was born.

ADJOURN: At 5:23 p.m., **Supervisor DeSpain made a motion** to adjourn; seconded by Supervisor Brownlow; vote unanimous with Supervisor Tenney absent for the vote.

APPROVED:

DATE:

Jesse Thompson, Chairman

ATTEST:

Deputy Clerk of the Board