

**OFFICIAL PROCEEDINGS OF THE APACHE COUNTY
BOARD OF SUPERVISORS MEETING
April 16, 2013
St. Johns, Arizona**

Present were: Chairman Tom M. White, County Manager/Clerk of the Board Delwin Wengert and County Attorney Michael Whiting. Vice Chairman Barry Weller and Supervisor Joe Shirley, Jr. participated via the telephone.

Chairman White called to order the Apache County Board of Supervisors meeting the Public Health Services District meeting and the Library District meeting at 8:34 a.m. in the Board of Supervisors chambers, County Annex Building, 75 West Cleveland Street, St. Johns, Arizona and welcomed all in attendance.

Karen Houston led the Pledge of Allegiance.

Delwin Wengert gave the invocation.

Chairman White called for the Health District item.

Chris Sexton, Health Director, requested approval to remove Jami Heap from probationary status with the 2.5% end of probation salary increase, effective April 7, 2013. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Mr. Shirley moved to adjourn the Health Services District meeting, seconded by Mr. Weller. Vote was unanimous.

Chairman White called for the Library District items.

Judith Pepple, Library Director, requested approval to hire (3) three temporary part time Library Specialists I's for the Concho, Round Valley and St. Johns Public Libraries to serve from May 20, 2013 through August 30, 2013 at a rate of \$9.05 per hour. A discussion was held between Mr. Weller and Ms. Pepple regarding the hours to be worked. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Judith Pepple, Library Director, requested approval to remove Teddy Newman from probationary status with the 2.5% end of probation increase, effective April 9, 2013. Mr. Shirley moved approval, seconded by Mr. Weller. Vote was unanimous.

Mr. Shirley moved to adjourn the Library District meeting, seconded by Mr. Weller. Vote was unanimous.

Chairman White called for the regular agenda items.

Ferrin Crosby, County Engineer, recognized the retirement of Robert Hext from the St. Johns Road Yard. Mr. Crosby stated that Bob started with the County in 1986 and worked 27 years as a valued County employee and will miss his experience and knowledge.

Mr. White opened the floor for the call to the public: Individuals may address the Board on any relevant issue for an amount of time determined by the Chairman. At the close of the call to the public, Board members may not respond to any comments but may respond to criticism, ask staff to review a matter or ask that a matter be placed on a future agenda. Chairman White stated that each member of the public would be given 3 minutes to address the Board.

Juan Luna, a resident of the County, addressed the Board regarding his frustration with the Assessor's Office and the inconsistencies with the valuation of his property. Mr. Luna stated that the biggest error with the valuation is that the Assessor indicated that he has a tennis court on his property and does not, but is being assessed for one.

Mr. Shirley stated that these issues should be handled by the Assessor because he has the authority and he should be afforded the opportunity to come to a resolution with these issues, before it comes to the Board. Mr. White stated that during the call to the public, people can address the Board on any issue. Mr. Weller stated that this is the call to the public and as Mr. White stated, any issue can be brought before the Board and recommended that the speakers include what has been done to this point within the Assessor's Office and that he is very interested in hearing the issues.

Elaine Salmi, a resident of Vernon, stated that she has been impacted over the years with her property assessments and she continues to see unjust and vindictive types of activities and she has spoken with the Department of Revenue over a period of time on different issues and their response is if something illegal in being done they can step in if it is not illegal they do not have the authority. Mrs. Salmi stated that she came here today because the buck stops with the Supervisors and she has not started the process of appeals yet for this current year but wanted to let the Supervisors know this is an ongoing situation. Mrs. Salmi provided an overview of her assessment.

Bill Jordan, a resident of Vernon, stated that this is the second time he had been here and wondered why he even bothered. Mr. Jordan voiced his concern with the valuation he received from the Assessor's Office.

Nick Scienski, a resident of Vernon, expressed his concern with the inconsistencies with the valuation he received from the Assessor's Office and provided an overview of the increase to his assessment and thanked the Board for listening to their concerns.

Susan Maxwell, a resident of Vernon, read the definition of bullying and stated that she wanted to speak today about verbal, physical and financial bullying going on against the residents of Vernon by the Assessor's Office, namely Mr. Jenson for the last 4 years. Ms. Maxwell stated that people come to her because they are afraid of him and are afraid to appeal their assessment because they just keep going up in a market that is depressed and don't want to lose their homes because they appeal. Mrs. Maxwell stated that Mr. Jenson tells people that if you appeal then I will really assess your property; they appeal and he makes sure he adds to their assessments. Mrs. Maxwell stated that recently she was made aware by Elaine Salmi that in speaking with the Department of Revenue, they are very much aware of the situation and at this point the Assessor is not doing anything illegal and can't do anything about it. Mrs. Maxwell stated that homeowners go year after year with higher assessments. Mrs. Maxwell asked the Board to stop the abuse, the intimidation and the bullying in the Assessor's Office. Mrs. Maxwell asked the Board to conduct the Board of Equalization hearings again because it is a way of stopping the foolishness that is happening and when the Board of Supervisors conducted the Board of Equalization hearings before, they used logic, reason and common sense and that is not what's happening with the Board of Equalization now.

Donald Maxwell, a resident of Vernon, stated that he has been fighting the tax assessment for five years and have appealed 3 out of the 5 years and the past 2 years have been because Mr. Jenson hasn't been doing his job. Mr. Maxwell stated that the Notice of Valuation cards that many people are not getting the valuation cards that are mailed out and without it they do not have any idea what the assessed valuation is and Mr. Maxwell stated that on Mr. Scienski's property, over the past 3 years he has had 8 different property profiles and not once did he receive a Notice of Change card which is a requirement. Mr. Maxwell stated that nonexistence improvements are showing up on valuations as well as inflated valuations on properties with no recourse.

Chairman White asked Mr. Wengert if there was someone that was hired to handle these issues. Mr. Wengert stated that there is an appeals officer that works with the County and other Arizona Counties in the State and that the officer hears the appeals and then the Board meets to confirm his decisions.

Chairman White asked Assessor Dahozy if his office has worked with the individuals who addressed the Board.

Mr. Dahozy stated that he hasn't had anyone come into the office yet this year and this is the time of the year when they start to hold meetings with the public and after that meeting they have time to take the issue to the hearing officer and then the people have a right to take it on to the State level. Mr. Dahozy stated that he is hearing quite a few issues today that haven't been brought into him. Mr. Dahozy stated Supervisor Weller came into his office and wanted to work closely with his office and he said that was ok so he has been looking into it and he is willing to work out any issues.

Vice Chairman Weller stated that he realizes the Board is not supposed to interact with the public on this issue but he wanted to make a comment because there was significant inferences and accusations associated with county departments and personnel and he takes that extremely serious and wanted to thank every individual for coming forth with any issue and in cases where accusations were made, he assured them that we will follow through and he will personally follow through to verify or make sure there is or is not any truth to these issues. Mr. Weller stated that they are serious allegations and the inferences that were made are absolutely unacceptable by any public organization and any government situation should never be seen in this light. Mr. Weller stated that he is not verifying that there is truth to the matter but the accusations require investigation and he will personally be staying very close to this and will be following through the appraisal process and doing as much as he can to be part of any appeal process through the Equalization Board. Mr. Weller stated that he is supportive of the Board of Supervisors taking this back on if he sees any type of illogical or irrational behavior by the person we hire; but we need to witness this and get evidence before we act on it. Mr. Weller stated that Mr. Dahozy will be working with me personally as we try to address some of the specifics of these issues but he wanted the people to know that he appreciated the input and we can't act without information from the public and he very much appreciated them bringing it to the Board and he will stay close to it to try to verify and follow through with the specific issues.

Mr. Wengert provided an overview of the budget and stated that he feels like the County is turning a corner this year and is expecting the HURF to remain level or decline just a little and in the Districts, the assessed values have gone up in the County so that will help the Library, Jail and Health Districts and in the general fund we believe that there will be about \$800,000 in additional revenue beginning in July. Ryan Patterson, Finance Director provided a presentation on the 2013-2014 Budget. Mr. Patterson provided a presentation and overview of the upcoming budget process and stated that there is an estimated additional \$800,000 in general fund revenues and based on the information received, a recommendation of 3% cost of living and a 1% hold harmless increase be

given to employees, software maintenance agreement, \$180,000 for individual departmental needs and \$150,000 for building improvement projects. Mr. Patterson stated the hold harmless is for increases in retirement and health insurance. Mr. Weller asked if the boost in the assessed value came from the power plants, not the citizens. Mr. Patterson stated that was correct. Mr. Wengert stated that 75-80% of the assessed value in the County comes from the power plants and utility companies and the other 20% comes from homeowners property taxes. Mr. White asked what would the \$180,000 for departmental needs be used for. Mr. Patterson stated that there have been several departments that have had additional cuts to help out other departments in the past so that money is at the discretion of the Board as to how they want to help a department with a specific need and the \$150,000 would be used for county projects to help maintain buildings with roofs, boilers and security systems. Mr. Weller asked what Mr. Patterson's general feeling was of the stability of this increase in revenues and asked Mr. Patterson's to comment to department heads on if they should be considering staffing increases that may not be able to be supported in the future or if Mr. Patterson thinks this is a long term benefit to the revenue structure. Mr. Patterson stated that if the \$800,000 is coming because of the major taxpayers in the county, that is as stable as SRP and TEP are since we get 80% of the funding from them so as long as they hold up, and he believed they are steady. Mr. Patterson stated that over the past several years the County has taken very large decreases to the budgets and have been very conservative in our ability in paying off our debt so now that things are looking like they are at least flat and evening out, the county does not have to take that conservative approach of paying off a 4 million dollar debt in the next 3 years so we are now able to use that additional money. Mr. Patterson stated that this only addresses the major taxpayer funds, and does not include the governor's funds of a possible additional \$550,000. Mr. Weller stated that there are various opinions on the stability of the power plants but we should be solid with the assessed value for several years to come. Mr. Wengert stated that he is not recommending any department receive a general increase unless it is an emergency, there were several departments that were supported by other departments last year and they can't do that again but in general, most departments will stay the same except for the increase for the proposed raises. Mr. Wengert stated that we need to be very careful as we come out of this recession we have been in and will watch the budgets carefully. Mr. Weller asked if it was necessary to give direction today. Mr. Patterson stated yes, in order to get the budget process and the packets are going out to the departments and without some numbers they can't do their budgets and won't make the necessary deadlines for July and August. Mr. Weller moved to approve the recommendation as staff has made so that the budget process can move forward. Mr. Shirley stated that he was not sure if action was needed today since we are just starting the budget discussions and he would hesitate to take any action this early. Mr. White stated that staff need direction so they can move forward with the packets and once the Board gives direction, the budget packets can be sent out and seconded Mr. Weller's motion. Mr. Weller stated that he agreed with Mr. Shirley's concerns; that this is in no way the final decision on the budget just a preliminary starting point that can be shifted in either direction as we go through the budget process. Mr. Wengert stated that the tentative budget is approved in July and the final budget in August so there is time to make adjustments, this just gives staff a direction and nothing is in stone Motion passed 2-0 with Mr. Shirley abstaining.

Mr. Wengert presented the **Consent Items** and recommended approval of **A – G**. Mr. Weller moved approval, seconded by Mr. Shirley. County Manager/Clerk of the Board: A. Request approval of minutes dated April 2, 2013. **B**. Request approval of demands date April 2, 2013 to April 16, 2013. Demands are payments made by the County. Specific details of the demands may be requested through the County public record request process. Payee Amount ARIZONA GYM FLOORS LLC 13,969.72 AZ COUNTIES INSURANCE POOL 3,074.40 BANK OF THE WEST 1,659.98 BRAD PETERSON B & B FABRICATIONS 5,087.25 BRADCO 30,305.07 BROWN, DEVIN R 2,172.04 BURNHAM MORTUARY 1,063.45 EMPIRE MACHINERY 9,689.64 FORENSIC DATA SOLUTIONS (SHANTZ ENTERPR) 3,800.00 GRAVES PROPANE CO INC 1,480.91 HATCH CONSTRUCTION 2,396.90 INGRAM LIBRARY SERVICES 2,047.98 KIMBALL EQUIPMENT COMPANY 1,863.41 NATIONAL BUSINESS FURNITURE 1,290.33 NAVAJO TRIBAL UTILITY

AUTHORITY 1,827.35 OFFICE DEPOT 1,047.12 OVERDRIVE INC 1,178.93 QUILL CORP 1,536.77 R & M FURNITURE 2,276.00 RACHER'S OFFICE EQUIPMENT 1,670.99 SHERWOOD SERVICE CENTER INC 1,978.27 SOUTHERN COUNTIES OIL COMPANY 28,062.48 STAFFNIK, JAMES G 1,496.25 THE WOOD LAW OFFICE (RONALD WOOD) 6,650.00 TOM GROWNEY EQUIPMENT 3,944.90 TOWN OF EAGAR 4,684.92 VERITAS RESEARCH CONSULTING 1,420.00 VERIZON WIRELESS 1,474.90 LATHAM, MICHAEL 2,257.93 OSBORN, JOSHUA DEON 2,100.00 WHITING, GARRET LEE 2,100.00 APACHE COUNTY 38,700.00 NORTHEAST ARIZONA TRAINING CENTER INC 3,000.00 PLATT, MARCOR B 2,720.00 WEST PAYMENT CTR 1,170.20 WHITING, MICHAEL B 1,800.00 Reed, Roberta 2,744.91 Shirley, Joe Junior 1,999.94 Silversmith, Barbara 2,701.85 Rogers, Kent 1,063.13 Stradling, Reed 1,228.77 Watkins, Robert 1,406.76 King, Walter Scott 1,119.66 Shirley, Lewis 1,088.33 APACHE COUNTY MEDICAL 142,492.00 APACHE COUNTY TAX WITHHOLDING 123,328.00 AZ STATE RETIREMENT SYSTEM 77,121.05 COLONIAL LIFE AND ACCIDENT INS 1,145.97 CORRECTIONS OFFICER RET PLAN 7,727.71 CORRECTIONS OFFICER RETIREMENT PLAN 520 3,859.89 MERITAIN HEALTH FLEXIBLE SPENDING 1,304.20 MUTUAL OF OMAHA 1,188.03 NATIONWIDE 1,560.84 PUBLIC SAFETY PERSONNEL 401 12,135.07 PUBLIC SAFETY SHERIFF RET 24,008.53 SECURITY BENEFIT GROUP 1,796.00 SUPPORT PAYMENT CLEARINGHOUSE 2,659.57 AMIGO CHEVROLET 1,267.35 ASSURED IMAGING WOMEN WELLNESS OF SOUTHERN AZ 3,297.60 AZ DEPT OF RISK MANAGEMENT 1,859.80 BLUE HILLS ENVIRONMENTAL 1,484.43 BRADCO 28,348.90 CAMPBELL, LEANN 1,125.28 CREATIVE MULTIMEDIA INC (CMI) 10,295.00 CRESCENT ELECTRIC SUPPLY CO 1,900.88 DISCOUNT TIRE 1,434.66 FESTER & CHAPMAN PC 2,800.00 FRONTIER 2,132.43 GREEN AND BAKER 2,840.77 HILLYARD INC 1,239.23 NAVOPACHE ELECTRIC COOPERATIVE 8,739.62 NEWMAN SIGNS INC 1,700.00 NORTH COUNTY COMMUNITY HEALTH 2,550.00 PIMA UNIFORMS 4,695.21 QUILL CORP 3,424.52 RPT ROTH 401 K 1,086.88 SANDERS UNIFIED SCHOOL DISTRICT 1,500.00 SIERRA PROPANE 1,994.88 SMITH, JOHN R 2,655.00 ST JOHNS EMERGENCY SERVICES 1,057.11 THE AARONS COMPANY LLC 3,000.00 TJP COMMUNICATIONS 2,809.55 US GEOLOGICAL SURVEY 7,500.00 WAGNER EQUIPMENT CO 1,001.92 WEST PAYMENT CTR 1,964.12 YOUNG, JOSEPH 15,260.00

C. District I: Request approval to repair a Caterpillar 950G Loader using Empire Machinery as a sole source vendor. The anticipated amount is \$19,682.18. **Personnel Items:** **D. Recorder's Office:** Request authorization to hire a part time, Temporary Administrative Assistant I, utilizing the Recorder's Surcharge at \$10.50 per hour, not to exceed 120 days. **E. Probation Services:** Request authorization to remove Bridget Rushing from probationary status effective April 9, 2013 with the 2.5% end of probation increase. **F. District II:** Request authorization to extend the temporary employment for Lewis Shirley, Administrative Coordinator and Wilbur Smith, Road Maintenance Worker II, through June 27, 2013. **G. Clerk of the Court:** Request authorization to extend the temporary employment for Courtroom Clerk Julie Ann Bishop for an additional 30 days. Vote was unanimous.

Shirley Pulsipher, Apache County Schools Business Consortium requested approval to award the bid for RFP SJ-RFP2013 to upgrade the microwave capabilities from St. Johns to Springerville. Mr. Pulsipher stated that the upgrade provides Broadband access to the Round Valley School District as well as other entities supported by the consortium.

Three bids were received:

Niles Radio – \$128,956
 Light Radio – \$129,865
 Star Radio – \$118,290

Mr. Pulsipher recommended the bid be awarded to Niles Radio, the company that met all the Criteria in the amount of \$139,561.59 including tax, and the funds will be paid out of Consortium Funds. Mr. Weller and Mr. Pulsipher held a discussion regarding the reasons Niles was the recommended

company. Mr. Weller thanked Mr. Pulsipher for his good work on the bid process. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Shirley Pulsipher, Apache County Schools Business Consortium, requested approval to award bid for SA-RFP-2013 to upgrade the existing microwave capabilities from St. Johns to Sanders Unified School and the upgrade will provide Broadband access to Sanders School District as well as the public library and County offices.

Three bids were received:

Niles Radio – \$185,094.00
Light Radio – \$177,734.00
Star Microwave – \$186,596.00

Mr. Pulsipher recommended awarding the bid to Niles Radio who met all the required criteria in the amount of \$201,002.39 including tax and the funds will be paid out of Consortium Funds. Mr. Pulsipher stated that once this is completed, the Sanders School District will pay back the funds. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Ferrin Crosby, County Engineer, requested approval to award Bid #201308 for a new Incline Screen for the limestone pit and recommended to award the bid to Kimball Equipment in the amount of \$43,460.80, the sole bidder. Mr. Weller moved approval, seconded by Mr. Shirley. Mr. Crosby stated that the funding will be come from District III HURF. Vote was unanimous.

Ferrin Crosby, County Engineer possible approval to award Bid #201309 for fuel delivery system upgrades to Chinle and Ganado Road Yards and it is recommended to award the bid to D & H Petroleum, the sole bidder in the amount of \$16,323.00 for Chinle and \$15,912.37 for Ganado. Mr. Weller and Mr. Crosby held a discussion n regarding the need for the upgrade. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Mr. Wengert requested approval of Crew Use Agreement between Apache County and State Forestry to include the Prison Conservation Crew to complete the forest thinning project in the Greer area and will allow the County to use inmates to cut and stack trees. Mr. Weller stated that it is a good program and moved approval, seconded by Mr. Shirley. Mr. White asked if the prisoners could be used in District II. Mr. Wengert stated that the prisoners can only travel within 50 miles of the prison unless special permission was received and that is a complicated process but isn't impossible but would require special accommodations. Vote was unanimous.

Mr. Wengert requested approval of the Intergovernmental Agreement between Apache County and the Arizona State Forestry Division for environmental programs impacting economic development. Mr. Wengert stated that the County has been doing this for a number of years and is a State funded program in the amount of \$15,000 that is basically a pass through to assist with economic programs. Mr. Weller stated that this is a beneficial program and moved approval, seconded by Mr. Shirley. Vote was unanimous.

Mr. Wengert requested approval of the Work and Financial Plan between Apache County and the United States Department of Agriculture, Animal and Plant Health Inspection Service Wildlife Services in the amount of \$6,998 that will take us through this year and another item will have to be brought back to the Board for possible approval next year. Mr. Weller stated that this is a beneficial

program and ranchers had approached him and over 200 ranchers have been trying to support this program from money out of their own pockets and asked for support on this needed program. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Mr. Wengert requested approval of the Independent Contractor Agreement with Doyel Shamley, Apache County Natural Resources Coordinator in the amount of \$38,000. Mr. Wengert stated that the proposed contract renewal includes a \$10,000 increase using Rural Schools Title III funding. Mr. Weller stated that he does not have words to express how important the work that Mr. Shamley does for the County is, and the proposed federal regulations that he reviews is indispensable. Mr. Weller moved to approve, seconded by Mr. Shirley. Mr. White asked to be included in Mr. Shamley's email updates. Vote was unanimous.

Mr. Weller requested approval of an Apache County Volunteer program and application which shall allow Department Heads and Elected Officials to periodically utilize citizens, at minimal cost to the County, for work load support as may be needed. Department Heads and Elected Officials shall be responsible for any expenses associated with Workers Compensation and travel as may be approved per job assignment for each of their respective volunteers. Mr. Weller moved to approve, seconded by Mr. Shirley. Vote was unanimous.

The presentation by Judge Jay Yellowhorse on the Community Cleanup Project that was created on April, 2011 was moved to the next meeting.

Mr. White presented notification of the Small Counties Forum Meeting on April 17, 2013 at 6:30 p.m. at the Hilton Garden Inn Phoenix, 3838 E. Van Buren Street in Phoenix and the County Supervisors Association (CSA) meeting on April 18, 2013 at 10:00 a.m. at the CSA building, 1905 W. Washington Street in Phoenix and the NACOG Regional Council meeting on April 25, 2013 at 10:00 a.m. located at the High Country Conference Center, 201 W. Butler, in Flagstaff, Arizona where two or more members of the Apache County Board of Supervisors may be in attendance. No action was needed or taken.

Mr. Wengert presented the item of a possible executive session pursuant to ARS 38-431.03 (A)(3) for legal advice regarding the possible implementation of future predatory animal regulations, discussion and possible approval of a letter of support to the Navajo Nation regarding predatory animals and the increasing threat to the safety, health and welfare of people. Mr. White asked if there was a need for the executive session. Mr. Weller stated that there are issues related to the predator issue and he thinks legal advice is needed and moved to go into executive session. Mr. White stated that he would like to wait until all three supervisors were present. Mr. Shirley stated that he agreed with Mr. White that the Board should be present to discuss the issues in an executive session. Mr. Weller stated that he could not disagree with that and would prefer to be face to face to discuss the issues. Motion died for lack of a second. Mr. White then deferred the executive session until the next regular board meeting and recommended the letter be approved today. Mr. Weller moved to approve the letter to the Navajo Nation, seconded by Mr. Shirley. Vote was unanimous.

Mr. White stated that there was one additional agenda item that was added after the regular agenda was posted last week.

Angela Romeo, Election Director, requested approval of a Call for Election for Ganado Fire District due to District's inability to operate and take legal action due to not having a functional board. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Mr. Shirley moved to adjourn the meeting, seconded by Mr. Weller. Vote was unanimous.

Approved this 7th day of May, 2013.

/s/ Tom M. White, Jr. /s/ Delwin Wengert
Chairman of the Board Clerk of the Board