

**OFFICIAL PROCEEDINGS OF THE APACHE COUNTY
BOARD OF SUPERVISORS MEETING
March 17, 2015
St. Johns, Arizona**

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

Chairman Shirley called to order the Board of Supervisors meeting at 8:32 a.m. in the Board of Supervisors chambers, County Annex Building, 75 West Cleveland Street, St. Johns, Arizona and welcomed all in attendance.

Judith Pepple led the Pledge of Allegiance.

Chris Sexton gave the invocation.

Milton Ollerton, Community Development Director, requested approval of the following individuals to the Building Safety Advisory and Appeals Board; a Board established to hear and decide appeals of orders, decisions or determinations made by a building official relative to the application and interpretation of building codes and the suitability of alternative materials and construction methods. Mr. Ollerton stated the Board also provides technical advice to the building official and assists in the formation of and adoption of revisions or amendments to building ordinances. Mr. Ollerton stated the Board was put in place in 2009 and never met once and the Board requires an architect, a professional engineer, a general contractor, a person representing the public, and a person who engages in a specialty trade such as electrical, mechanical or plumbing. Mr. Ollerton stated he advertised the positions in the paper in January, asking for anyone interested to submit a letter and there are four applicants for consideration to the Board: Mike Dew-General Contractor, Carlton Wise-Professional Engineer, Gerald Dewitt-Electrical Contractor and Nephi Hightower-Apache County Resident and Contractor. Mr. Weller moved approval, seconded by Mr. White. Mr. Weller asked if there were other available seats on the Board since he is getting phone calls from people interested. Mr. Ollerton stated there are three seats left; the Board can have 7 seats total and there is still a need for an architect and two positions for citizens. Vote was unanimous.

Mr. Wengert presented the Consent Items n A-G and recommended approval. Mr. Weller moved approval with a change of language on item C – instead of permanent, it should say the unexpired term for Mr. Tom Tilford, seconded by Mr. White. County Manager/Clerk of the Board: A. Request approval of demands as distributed to the Apache County Board of Supervisors between March 3, 2015 to March 17, 2015. Demands are payments made or to be made, by the County. Payee Amount AMAZON COM INC 1,250.81 AZ DEPT OF HEALTH SERVICES 1,480.00 AZLGEBT 78,702.88 B & W FIRE SECURITY SYSTEMS LLC 1,040.98 BEGAY, MARLEITA 1,705.66 BILLS DISCOUNT AUTO PARTS (NAPA) 1,253.77 BOB BARKER COMPANY INC 2,405.83 BRADCO 40,924.65 CALIFORNIA CONTRACTORS TOOLS & SUPPLIES 2,211.64 CAPPS, MELODY 1,360.00 COCONINO COUNTY 3,733.33 D & H PETROLEUM & ENVIRONMENTAL SERVICES 131,905.26 DELL COMPUTER CORPORATION 2,019.44 DINE PROTECTION AGENCY 3,075.45 EMPIRE MACHINERY 3,942.44 FLEET PRIDE 1,647.06 FOUR CORNERS WELDING & GAS SUPPLY 1,484.46 FRONTIER 1,744.27 GALLUP LUMBER & SUPPLY 1,262.60 GOLIGHTLY TIRE 2,592.24 GRAVES PROPANE CO INC 1,486.43 INDUSTRIAL COMMISSION OF ARIZONA 4,500.00 JOE, ANGELA B 1,432.95 KARTCHNER, WADE EVAN 1,625.00 MINKUS 2,462.10 NATIONAL EMERGENCY MANAGEMENT ASSOC 3,000.00 NAVAJO TRIBAL UTILITY AUTHORITY 1,467.95 NAVAPACHE FENCE CO 13,419.00 OVERDRIVE INC 2,457.19 PILKINGTON ADVERTISING DESIGN LLC 3,325.00 QUILL CORP 1,738.29 ROMERO, DAVID

JULIAN 1,216.26 RUSH TRUCK CENTER 1,162.02 SHELL OIL 2,483.83 SHI INTERNATIONAL CORP 1,338.98 SPORTS WORLD INC 3,560.00 STAPLES CREDIT PLAN 1,482.88 THE AARONS COMPANY LLC 3,000.00 TRINITY SERVICES GROUP INC 14,071.86 VERIZON WIRELESS 3,169.76 WELLS FARGO BANK 0609 1,529.38 WORLD OF TRAVEL 4,421.60 YOUNG, JOSEPH 7,710.00 APACHE COUNTY HAS 2,762.92 APACHE COUNTY MEDICAL 135,097.20 APACHE COUNTY TAX WITHHOLDING 131,543.49 AZ STATE RETIREMENT SYSTEM 86,624.08 COLONIAL LIFE AND ACCIDENT INS 1,312.06 CORRECTIONS OFFICER RET PLAN 8,846.62 CORRECTIONS OFFICER RETIREMENT PLAN 520 4,787.27 NATIONWIDE 1,605.00 PUBLIC SAFETY PERSONNEL 401 10,971.63 PUBLIC SAFETY SHERIFF RET 32,166.72 SECURITY BENEFIT GROUP 12,924.70 SUPPORT PAYMENT CLEARINGHOUSE 2,270.62 AMIGO CHEVROLET 2,173.58 APPLE INC 1,950.71 AZ COUNTIES INSURANCE POOL 3,745.41 AZ DEPT OF REVENUE 2,737.05 AZ DEPT OF RISK MANAGEMENT 2,383.48 AZ DEPT OF TRANSPORTATION 50,774.00 BAUMAN HOME AND AUTO INC 1,286.83 BEGAY, MARLEITA 1,126.50 BRADCO 16,992.44 CNS BUSINESS FORMS INC 1,133.14 EMERY K LA BARGE ATTORNEY AT LAW 2,975.50 FERRELLGAS 2,649.24 GOODYEAR AUTO SERVICE 1,446.86 GRAVES PROPANE CO INC 2,040.75 HILLYARD INC 1,599.28 HOLIDAY INN & SUITES PHOENIX AIRPORT NORTH 1,413.72 INGRAM LIBRARY SERVICES 1,244.79 LAW OFFICE OF DEVIN BROWN 1,529.00 LAW OFFICE OF DIRK LEGATE PLLC 8,500.00 MCDANIEL, RONALD D 1,370.63 NAVAJO TIMES PUBLISHING COMPANY INC 1,123.59 NAVAJO TRIBAL UTILITY AUTHORITY 1,119.34 NAVOPACHE ELECTRIC COOPERATIVE 9,380.97 QUILL CORP 1,867.68 SCHIFF, LAURENCE 1,000.00 SECURUS TECHNOLOGIES INC 1,316.94 ST JOHNS CITY 6,133.18 TOWN OF EAGAR 7,720.33 TRAK ENGINEERING INC 6,710.13 WHITING, MICHAEL B 3,348.19 WILLIAMS GC NEWSPAPERS INC 1,438.15 WILLIAMS LAW GROUP PLLC 8,500.00

Specific details of the demands may be requested through the County public record request process. B. Approval of minutes dated March 3, 2015. C. District III: Notification that District III Supervisor, under the authority of A.R.S. 11-802 (C), is appointing Mr. John Freeman to permanently the unexpired term to fill the Planning & Zoning Commission vacancy in District III created by the resignation of Mr. Tom Tilford and that Mr. George Walsh is appointed as an alternate to ensure that quorum requirements are met. Personnel Items: D. District I: Request authorization to extend the temporary employment of Daron Yellowhorse 60 days to April 10, 2015. E. District I: Request authorization to extend the temporary employment of Raymond Totsoni for an additional 6 months. F. District I: Request approval to promote Norman Claw to the vacant Public Works Foreman II position at the salary of \$42,804.77. This action will result in a savings of \$5,752.23. G. Superior Court: Request approval of the appointment of Kay H. Wilkins and Michael P. Roca as part-time Judges Pro Tem for the period beginning July 1, 2015 and ending June 20, 2016. Vote was unanimous.

Malena Bazarro, Grants Manager, requested approval of Arizona State Forestry Grant Agreement No. WFHF 14-205 from the Wildland Fire Hazardous Fuels Program in the amount of \$133,500 for fuels reduction treatment in the Tal Wi Wi Subdivision in Alpine. Mr. White moved approval, seconded by Mr. Weller. Vote was unanimous.

Malena Bazarro, Grants Manager, requested approval of Americorps Volunteer Service grant to the Apache County Recorder's Office to further their rural addressing in the St. Michaels/Oaksprings/Kinlichee areas. Ms. Bazarro stated this program is an award of service with no financial obligations to Apache County. Mr. White moved approval, seconded by Mr. Shirley. Mr. Weller stated he hasn't received anything in writing as to the cost to the project other than an email from Finance Director Patterson stating there is financial obligation so he is confused. Ms. Bazarro stated there is no financial obligation to the County so that is why there is no budget document enclosed in the backup material, the grant award is volunteer service and the agency responsible for the volunteers is where they receive their food and boarding. Mr. Weller stated he will still be voting

to oppose since the dating on the documentation does not match with the submission. Motion passed 2-1 with Mr. Weller voting nay.

Ferrin Crosby, County Engineer, requested approval to award Bid #201509 for the purchase of four (4) conveyors for the limestone pit. Mr. Crosby stated the majority of the funds will come from the limestone sales account and the remainder from carryover funds from District III. Mr. Crosby stated requests for bids were sent to four companies and two were received: Kimball Equipment \$69,610.00 Rueter Equipment \$73,030.00
Mr. Crosby recommended awarding the Bid to Kimball Equipment in the amount of \$69,610.00. Mr. Weller moved approval, seconded by Mr. White. Vote was unanimous.

Commander Mike Cirivello, on behalf of the Sheriff's Office, requested approval of a Lease Agreement with Ally Bank for new sheriff's office patrol units. Commander Cirivello stated the Board of Supervisors approved the lease on March 13, 2014 but the signed agreement was not returned to the dealership in time to order 2014 model vehicles and the subsequent delay was due to production times from manufacturer and the price change is the cost increase for 2015 year models. Commander Cirivello stated the approved amount was \$336,026.56, the new model year increase is \$347,464.00, a difference of approximately 3.3%. Chairman Shirley called for a motion. Mr. Weller made the motion to table the item due to questions and concerns. Mr. White seconded the motion to table the item. Mr. Weller stated this item was originally approved on March 13, 2014 and it didn't get in in time and now its March 17, 2015 and how can he be assured it will get in this time. Commander Cirivello stated the agreement sat on desks in various departments in the County so by the time the Sheriff got it back it was too late to order the 2014 models and there were no more available so they had to wait for the 2015 run which subsequently were delayed. Mr. Weller stated that the minutes from the meeting held on March 13, 2014 reflect his request that he was assured by the Sheriff's Office, he would receive justification and delineation of information on the age and mileage of the current vehicles as well as written documentation prior to any request this size again, and he had not received any of that information and now the price has gone up so he will be looking for justification and detailed information about the sheriff's office fleet. Commander Cirivello stated he would let the sheriff know. Motion passed to table the item and Chairman Shirley asked Mr. Wengert to work with the Sheriff to get the item back on the agenda as soon as possible. Mr. Wengert stated he would speak with the sheriff.

Doyel Shamley, Natural Resources Liaison presented an update on forest issues including the outlook for moisture in the forest, the Farm Services Agency grants, and legislation updates. Mr. Shamley provided an overview of three bills at the State Capital of predominate importance to Apache County HB2580 HB2581 and HB2583 and so far they have received unanimous support at the committee level, one unanimous vote on the floor and have been transferred to the senate side and he is very hopeful they will pass. Mr. Shamley discussed the biomass issue and stated he is currently enrolling contractors in a new procurement program with the State that is more accessible and he is helping them get enrolled so they can received bid notifications for things such as road site and fire flooding. Mr. Shamley spoke about the Farm Services Agency and the process for applying for a loan due to the drought declaration in our area for agriculture producers for those impacted by drought and stated notice of the process will be placed on a link on the County website. Mr. Shamley stated on March 13th a meeting was held regarding the Mexican wolf program and he created a letter regarding questions raised to be submitted to Game and Fish. Mr. Shamley provide a power point presentation on the water shed data that will impact fire restrictions and activities on large parts of state and federal land. No action was needed or taken.

Doyel Shamley, Natural Resources Liaison, requested approval of a letter of support regarding forest issues sponsored by Senator Flake regarding the Flame Act. Mr. White moved approval, seconded by Mr. Weller. Vote was unanimous.

District III Supervisors, Barry Weller presented the item to discuss the Apache County Ordinance Adoption process and procedures, shortfalls and/or potential improvements to said process or procedure, and offered Pima County's process for ordinances and resolutions. Mr. Weller stated he was seeking the support of the other Board members and held a brief discussion on the issue. Mr. Weller stated since it was placed on the agenda, he has had staff approach him with enthusiastic support to help develop a process to bring before the Board at a later date. Mr. White asked how many other counties use this. Mr. Wengert stated he looked into the issue of how many other counties have a formal process for creating ordinances and resolutions and there were two counties; Pima and Yuma, and the other counties utilize staff and their county attorneys. Mr. Weller asked how many other counties have a difficult time passing an ordinance like we do in Apache County. Mr. Wengert responded he couldn't speak to that; every county has their issues and in Apache County, historically, it has not been a difficult process but he could not speak to the other counties. Mr. Shirley stated he is always looking for improvement and to do things quicker but we need to be careful how that is done; especially when you bring other jurisdictions ways of doing things. Mr. Shirley stated Apache is a small county and both Yuma and Pima are large counties and as far as he knows, we get the job done doing it our own way and we need to be careful following other's ordinances. Mr. Weller stated he appreciated the support in trying to improve the County and the Pima County Ordinance is an example of what we don't want to do with long drawn out bureaucratic malarkey built in, but it does have some key issues that are important to discuss for possible adoption and improvement of the process. Mr. White stated he agreed with Mr. Shirley that Pima and Yuma are large Counties and right now we are doing alright so he couldn't support this. No action as needed or taken.

District III Supervisor Barry Weller presented the item in an effort to help in addressing constituents inquiries, the Apache County Assessor report to the Board regarding the reason for the significant increase to many property owners in 2016 valuation. Mr. Weller asked if there was anyone from the Assessor's Office present. Hearing no reply, Mr. Weller stated he knew some of the Assessor's staff were traveling and this was requested because he received many calls from constituents relative to exceptionally large assessed value increases to the tax bills of 40 -70% in one year and wanted to know the reason for it. Mr. Weller asked his staff to see how many people this affected and also to look into multiple communities and this is impacting thousands of people. Mr. Weller stated he thought this would be a good opportunity for the Assessor to explain and try and avoid the thousands of miles of travel that people will have to do to come to the office. Mr. Weller stated if the information would be put in the newspaper to explain the reasons for the increases, that might reduce costs to the county in many ways such as man hours for the Assessor. Mr. Weller stated he regrets there is no one here from the Assessor's Office today. Mr. Wengert stated the Board was sent an email from Assessor Dahozy indicating he and his chief deputy had something previously scheduled. Mr. Wengert stated he agrees there should be some information put out and he will discuss with Mr. Dahozy if he would like to prepare an article or something to address the concerns as he sees fit if the Board would like him to do that. Mr. Weller asked if the item should be tabled until Mr. Dahozy could be present to address the issue. Mr. Wengert stated he does not speak on Mr. Dahozy's behalf, he just knows he was not available today and responding to these issue is totally up to Mr. Dahozy. Mr. Weller stated he would like to table the item until the first meeting in April to have a presentation by the Assessor's Office or at least provide answers to him regarding questions he has relative to the valuation process. Mr. Weller made the motion to table the item until April 7, 2015. Chairman Shirley asked Mr. Weller if he had sat down with Assessor Dahozy to go over the intricacies of why this is happening. Mr. Shirley stated Mr. Dahozy is an elected official and has his own constituency and has been put in office by the people so instead of putting an item

before the Board, maybe Mr. Weller should discuss the issue with Mr. Dahozy first. Mr. Weller stated he has requested a meeting many times and has been difficult and laborious to get any information from the Assessor's Office so he requested Mr. Dahozy address the public since this is an urgent issue to the community, it is not his issue; Mr. Dahozy and his office need to explain this to the community. Mr. White stated that when there are concerns with any elected officials he as a Board member goes and talks to them so Mr. Weller should meet with Mr. Dahozy and his staff and does not think Mr. Dahozy should report to the Board. Chairman Shirley stated he agreed with Mr. White; all elected officials represent the people within County government and there are certainly challenges that present themselves but before it goes before the Board, Mr. Weller should try to come to a resolution or understanding outside a Board meeting. Mr. Shirley stated he does not think there is a need to continue to have this on the agenda and would like to see Mr. Weller get with Mr. Dahozy one on one and see what can be done. Mr. Weller stated he appreciates the recommendation from his fellow supervisors but when he has a significant issue in his District, he has to put the item on the agenda since he cannot talk to his fellow supervisors due to the open meeting law. Mr. Weller stated he will attempt to have further conversations with Mr. Dahozy and he does respect his position greatly, but this is a citizen issue in his District that needs some public attention. Motion died for lack of a second.

Mr. Weller, District III Supervisor recommended going onto executive session pursuant to A.R.S. 38-431, followed by discussion and possible action to reconsider the March 3, 2015 vote by the Apache County Board of Supervisors to award Bid#2015105 to National Bank of Arizona as the County's servicing bank. A discussion was held regarding the need for executive session. Mr. Weller moved to rescind the decision of the vote toward the banking services that was made on March 3, 2015 until a period of time that the Board can reevaluate and consider all the new information that has come in associated with that decision. County Attorney Whiting stated the item talks about possible action to reconsider and what Mr. Weller is asking for is a rescission and that is something for the Board to decide. Mr. Whiting stated that he recommended going into executive session due to the legal aspects but the decision regarding the banking bid should be made under ARS 35-325 no later than the 4th Monday in April. Mr. Shirley asked if it was legal for the Board to rescind its action until the end of April. Mr. Whiting stated a special meeting can be held to address rescinding the action. A discussion was held regarding the difference in reconsidering and rescinding an action taken by the Board. Mr. Weller amended his motion to reconsider the vote of March 3, 2015 to award the banking services to National Bank of Arizona. Mr. White stated he had wanted to discuss this issue openly but because there may be confidential information and a lawsuit may come from National Bank they may need an executive session. Mr. Whiting stated if executive session isn't held, he is hesitant to share with the Board the legalities for fear of what is said in the public may be used against the County if a lawsuit is filed by National Bank, so he is recommending an executive session be held. Mr. Weller withdrew his initial motion to rescind and reconsider and made the motion to go into executive session for legal advice on the banking services bid. Mr. White seconded the motion for executive session. Vote was unanimous.

Executive session was held.

The regular meeting was resumed. Mr. White made the motion to come out of executive session, seconded by Mr. Weller. Vote was unanimous.

Mr. Weller made the motion to table the item regarding the banking services issue until April 7, 2015 with reconsideration of some language in the agenda item as well as a request that the County Treasurer spend the time to meet with National Bank of Arizona and the School Districts who have concerns with the bank and allow the districts to address issues that may or may not be there and requested the County Attorney's Office draft a letter for the Boards consideration to be sent to

National Bank of Arizona, addressing the potential misunderstandings between the Request for Proposal that was submitted and the bid proposal as well as to clarify any issues. Mr. White seconded by motion. Mr. Weller stated the letter would be signed by Treasurer Marleita Begay and take the lead in the investigation of banking services. Mr. Whiting stated if the letter was to be approved by the Board, he will circulate among the Board members and would need to have a quick telephonic special meeting just to make sure the board was alright with the letter. Chairman Shirley stated that item would be tabled and picked back up on April 7, 2015. Vote was unanimous.

Mr. Wengert presented notification of the Small Counties Forum meeting to be held on March 18, 2015 at 6:00 p.m. at the County Supervisors Association (CSA) building, 1905 W. Washington Street in Phoenix and the County Supervisors Association meeting to be held on March 19, 2015 at 10:00 a.m. at the CSA building, 1905 W. Washington Street in Phoenix. No action was needed or taken.

Chairman Shirley opened the floor for the Call to the public and members of the public were given three minutes to address the Board.

Judy James, representing Ganado School District addressed the Board regarding the letter she had sent them regarding her concerns with how using National Bank of Arizona could negatively affect some of the school districts. Mrs. James stated that the district was not happy because the school districts were not involved with the bank selection and requested the schools concerns be heard during the reconsideration process.

Lorraine Vaught, a resident of Vernon, Arizona stated that she has attended Board meeting for the past 18 months and over that time frame she was hoping things would get better and is disappointed to come back to meetings after an illness to find some things have not changed. Ms. Vaught commended Mr. Weller for looking out for the best interest of the County in District III and he has repeatedly given reasons for not voting on items he feels are not in the best interest of the taxpayers. Ms. Vaught stated a few months back, she mentioned the County was headed for the wall if spending wasn't brought under control and stated that unfortunately her words are coming to fruition. Ms. Vaught stated she can see Gadianton at work which will eventually destroy the very things the Board is charged with safeguarding, but if the Board would all work together and do the best for Apache County, perhaps things can be turned around; take personal feelings out of the decisions in the future and make this a great Apache County that future generations will feel proud of and want to live in.

Marcarlo Roanhorse, with Ganado Fire District, stated in regard to the banking bid, he is in support of the Board looking into reconsideration of the banking bid with National Bank of Arizona and the fire district will work with the treasurer pertaining to the banking services issues.

Christine Wilson, representing New Life Learning Center in Window Rock, Arizona and asked for funding for general education development within Apache County. Ms. Wilson stated they are a nonprofit organization and asked to be placed on a future agenda so she can do a presentation for the Board.

Mr. White stated the next Board of Supervisors meeting will be held in Ganado and the banking services item will be addressed again at that time.

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

Approved this 7th day of April, 2015.

/s/ Joe Shirley, Jr.
Chairman of the Board

/s/ Delwin Wengert
Clerk of the Board