

**OFFICIAL PROCEEDINGS OF THE APACHE COUNTY  
BOARD OF SUPERVISORS MEETING  
May 1, 2012  
St. Johns, Arizona**

Present were: Chairman Jim Claw, Vice Chairman Tom M. White, Jr. and Supervisor R. John Lee. Also present were Clerk/Manager Delwin Wengert and Deputy County Attorney Joe Young.

Chairman Claw called to order the Apache County Board of Supervisors meeting, the Jail District meeting, Public Health Services District meeting and the Library District 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.

Mr. Lee led the Pledge of Allegiance.

Chairman Claw called for the Jail District items.

Chief Deputy Brannan Eagar requested authorization to remove Stephanie Puzzi-Vallejos from probationary status with the 2.5% end of probation increase effective May 1, 2012. Mr. White moved approval, seconded by Mr. Lee. Vote was unanimous.

Mr. Lee moved to adjourn the Jail District meeting, seconded by Mr. White. Vote was unanimous.

Chairman Claw called for the Public Health Services District items.

Chris Sexton, Health Director, Request authorization to remove Dianne Samarin from probationary status, effective April 30, 2012 with the 2.5% end of probation increase. Mr. Lee moved approval, seconded by Mr. White. Vote was unanimous.

Mr. Lee moved to adjourn the Public Health Services District meeting, seconded by Mr. White. Vote was unanimous.

Chairman Claw called for the Library District items.

Judith Pepple, Library Director, requested authorization to advertise Request for Proposals for janitorial services for seven facilities in the Apache County Library District. Ms. Pepple stated that there is a modification to the legal notice, an inclusion of a pre-submittal conference on May 15, 2012. Mr. White moved approval, seconded by Mr. Lee. Vote was unanimous.

Judith Pepple, Library Director, requested approval to renew our electronic subscription to Ancestry Library Edition in the amount of \$7,620 to provide public access to this database at all of our libraries. Ms. Pepple stated that there is no comparable company that provides the same information. Mr. Lee moved approval, seconded by Mr. White. Vote was unanimous.

Judith Pepple, Library Director, request authorization to remove Rene Greene effective April 17, 2012 and Tamara Applegate, effective April 25, 2012 from probationary status with the 2.5% end of probation increase. Mr. White moved approval, seconded by Mr. Lee. Vote was unanimous.

Judith Peple, Library Director, requested authorization to hire three temporary part-time Library Specialists I, for the Concho, Round Valley, and St. Johns Public Libraries to serve from June 4, 2012 through August 31, 2012 at a rate of \$9.05 per hour. Mr. Lee moved approval, seconded by Mr. White. Vote was unanimous.

Judith Peple, Library Director, requested authorization to accept a donation in the amount of \$1,038.35 from the Salt River Project Boosters Association through the agency of the United Way of Northern Arizona. Mr. White moved approval, seconded by Mr. Lee. Vote was unanimous.

Judith Peple, Library Director, requested authorization to close District libraries on Saturday, May 26, 2012 and Saturday, September 1, 2012 due to low demand for library services on these holiday weekends. Mr. Lee moved approval, seconded by Mr. White. Vote was unanimous.

Mr. Lee moved to adjourn the Library District meeting, seconded by Mr. White. Vote was Unanimous.

Chairman Claw called for the regular agenda items.

Chairman Claw opened the floor for the call to the public.

George Walsh, a resident of Vernon, Arizona stated that he had two concerns; one has to do with the last Board of Supervisors meeting in which the Board approved the demand in the amount of \$1,422.00 to White Mountain Publishing and just before the meeting, via certified mail the Board was made aware of a possible contract violation between the County and the Contractor and asked that it be looked into. Mr. Walsh stated his seconded concern has to do with the upcoming Saguaro man event this weekend which was approved by Planning and Zoning with multiple conditions and it may have been possible for the planning and zoning department to approve a temporary use permit themselves before it was brought to the commission. Once that happened the commission by statute, is a recommending body only and the conditions placed on the event cannot be approved by the commission, it must be moved forward to the Board of Supervisors for final approval. There is no way to hold them to the conditions and there is liability. Mr. Walsh asked if Item #1 and Item G on the Consent Agenda be moved for public hearing since it was not properly heard by the P and Z commission.

Mr. Lee stated that regarding the item for possible approval of a conditional use permit for Jeanette Lucier requesting to run a bed and breakfast on property located at #6 County Road 2036 in Alpine, Arizona. Planning and Zoning Commissioners recommendation was 3 opposed, 2 approved and 2 abstained be tabled since there are some unanswered questions that he needs to deal with before he is prepared to vote. Mr. White seconded the motion to table the item. Mr. Lee stated that he has not seen such a fractured Planning and Zoning Commission and wants to see what that is about. Vote was unanimous.

Mr. Wengert requested approval of Amendment #3 to Contract PR-10-038 between Apache County and Arizona State Parks for support of the Lyman Lake State Park which will allow Lyman Lake to open from June 15, 2012 to September 17, 2012. Mr. Wengert stated that over the past couple years the State Parks Department has asked the County to help keep the park open and this year that amount is \$20,000. Mr. Wengert stated that he has contacted some of the larger entities such as Salt River Project, Tucson Electric Power, Blue Hills, Preferred Sands Processing, Inc. and American Potash and they are willing to go in together and come up with the funds needed and the

County share would be \$3,000. Mr. Lee moved approval, seconded by Mr. White. Vote was unanimous.

Mr. realized that he had not called on Judy James during the call to the public and opened the floor to Ms. James.

Judy James, Business Manager for Red Mesa School District and she stated that she provided to the Board of Supervisors a copy of a letter she submitted to Treasurer Katherine Arviso and she is very concerned with the item regarding the Treasurer's Office that is on the agenda today. Ms. James stated that this will affect her district financially by the loss of thousands of dollars and will be a detriment to her school district if asked to prepay any funds.

Mr. Wengert presented the CONSENT ITEMS **A-I: County Manager/Clerk of the**

**Board:** **A.** Request approval of minutes dated April 17, 2012. **B.** Request approval of the demands ASHTON S REPAIR \$1,397.07 ASTRO DISTRIBUTING \$2,028.31 AZ COUNTIES WORKERS \$67,819.09 AZ DEPT OF REVENUE \$4,801.35 AZ State Library, Archives & P \$2,000.00 AZLGEBT \$286,959.60 Bank of the West \$3,020.19 Barnes, Patricia M. \$1,826.00 BILL'S DISCOUNT PARTS \$1,864.13 COUNTRY MOUNTAIN AIRWAVES, LLC \$5,177.52 COURTESY CHEVROLET/Ally \$27,244.86 Creative Product Source Inc. \$3,051.03 DELL COMPUTER CORPORATION \$15,948.98 EDAC CORPORATION \$42,380.00 FRONTIER \$9,495.71 FUELMAN OF LAFAYETTE \$2,000.00 GLOBAL INDUSTRIAL.COM \$2,320.89 Ken Garff West Valley Chrysler \$1,552.00 Latham, Michael \$1,799.97 NAVAJO TIMES PUBLISHING \$1,021.28 NAVAJO TRIBAL UTILITY \$3,982.81 NAVOPACHE ELECTRIC COOP \$1,839.01 OPTICS PLANET \$2,089.99 Osborn, Joshua **D.** \$1,474.38 OverDrive Inc. \$2,189.85 PATTERSON, DANA BRYCE \$7,130.00 QUILL CORP. \$1,488.03 Rigg Law Firm PLLC \$1,364.00 ROGERS, STEPHEN K. \$1,198.00 Sourcecorp Inc \$2,800.00 TJP Communications \$9,500.20 WEST PAYMENT CTR. \$2,012.72 WHITE MOUNTAIN PUBLISHING \$2,667.96 Whiting, Garrett Lee \$1,800.00 Williams Law Group PLLC \$7,130.00 ADMINISTRATIVE ENTERPRISES INC \$1,631.48 APACHE COUNTY \$147,024.00 APACHE COUNTY TAX WITHHOLDING \$118,023.80 APACHE COUNTY TREASURER \$318,972.71 AZ STATE RETIREMENT SYSTEM \$77,636.03 Corrections Officer Ret. Plan \$7,861.03 Mutual of Omaha \$1,276.40 NATIONWIDE \$2,010.84 PUBLIC SAFETY CORR. RETIREMENT \$3,576.40 PUBLIC SAFETY PERSONNEL \$11,249.42 PUBLIC SAFETY SHERIFF RET. \$20,851.16 Security Benefit Group \$1,821.00 SUPPORT PAYMENT CLEARINGHOUSE \$2,269.94 ALLEGRA dba \$2,254.65 AMAZON.COM, INC. \$1,818.00 AVAYA COMMUNICATIONS \$1,345.51 BRADCO \$33,666.84 CHEVRON USA INC \$1,027.40 CONTINUOUS RAINGUTTER SYSTEMS \$3,757.77 COURTESY CHEVROLET/Ally \$27,910.99 Criss Candelaria Law Office \$2,095.50 DELL COMPUTER CORPORATION \$3,445.07 Doyle, William E. \$1,293.53 Election Systems & Software \$4,201.71 EMPIRE MACHINERY \$3,353.89 FRONTIER \$1,048.73 HILLYARD Inc \$2,752.80 Hughes Supply \$4,970.67 INGRAM LIBRARY SERVICES \$5,589.24 MOORE MEDICAL LLC \$1,289.29 NAVAJO TRIBAL UTILITY \$1,482.10 NAVAPACHE CHEM-DRY \$1,736.48 NAVOPACHE ELECTRIC COOP \$10,604.76 OFFICE DEPOT \$1,362.20 OverDrive Inc. \$1,071.21 Platt, Marc B. \$1,671.56 RB Lasting Impression \$4,780.94 SANDERS UNIFIED SCHOOL DIST. \$1,200.00 Scialli MD, John V \$4,440.00 ST. JOHNS UNIFIED SCHOOL DIST. \$1,093.63 Summit Equipment Repair \$1,153.91 U.S. POSTMASTER \$1,436.45 Universal Fleet Card \$1,105.81 Veritas Research Consulting \$1,524.00 WEST PAYMENT CTR. \$2,476.28 WINR/WOMEN IN NEW RECOVERY \$3,000.00 Young's Future Tire \$4,486.60. **C. District III:** Request authorization to purchase a refrigerator for the Nahata Dziel Senior Center, not to exceed \$1,310.00 utilizing District III funds. **Human Resources: D. District II:** Request authorization to extend the temporary employment of Anthony Wilson, Custodian, and David Kinlichee, Road Worker II, both for an additional 120 days. **E. District II:** Request authorization to assign Executive Assistant Curtis Berry to the position of Acting Operations Manager for a period of 90 days. Mr. Berry will conduct the duties of the position at the minimum of the salary. The position of Executive Assistant

will remain vacant during this period. **F. District III:** Request authorization to hire a temporary, part time Administrative Coordinator for a period of 180 days at \$15.58 per hour. **Community Development: G.** Request approval of a conditional use permit for Jon Dahl requesting to build a laundry facility to serve the needs of the community located at #4 County Road 8235. Planning and Zoning Commission recommended unanimous approval. **School Superintendent's Office: H.** Request authorization to use donation money from Tucson Electric Power Company in the amount of \$500.00 for annual Teacher and Administrator of the Year event. **Engineering Department: I.** Request authorization to solicit bids for blasting Services for limestone pit east of St. Johns, utilizing carryover funds. Mr. Lee moved approval, seconded by Mr. White. George Walsh, a resident of Vernon, stated that he protested and requested a public hearing concerning Item G and asked that it be removed from the agenda at this time and placed for public hearing. Vote was unanimous.

Mr. Wengert presented the item for possible executive session for legal advice pursuant to A.R.S. 38-431.03(A)(3), further discussion of annual County audit findings and review of treasurer's office performance, including discussion and/or action relating to a possible course of action intended to prevent loss or further issues relating to treasurer's office. Mr. Lee moved to go into executive session, seconded by Mr. White. Mr. Wengert requested Ryan Patterson and John Smith also attend the executive session. Mr. White requested School Superintendent Dr. Pauline Begay to also attend. Vote was unanimous.

Executive session was held.

Mr. White made the motion to come out of executive session, seconded by Mr. Lee. Vote was unanimous.

Mr. Wengert stated that now that the executive session was held, we now have a place for if the Board wants to put forth motion regarding the information that is on the agenda. Mr. Lee stated that based on what we know from information presented to us from the Auditor General and from our own Finance Department, he moved to give notice to the Treasurer pursuant to ARS 11-664 that her suspension from office will be considered in a special board meeting to be held Tuesday, May 8, 2012 at 8:30 a.m. The reasons for the possible suspension are as follows: The treasurer has neglected and failed in her statutory duties to apportion investment losses for many years on a quarterly basis, as required to all Districts and funds within the County. This has resulted in an accumulation of losses that must be apportioned now in one event, and will create an unanticipated budget reduction that will cause severe hardship, especially in our School Districts and other County entities on the Navajo Nation. The Treasurer has failed to adequately train and supervise her employees which has resulted in over \$2,000,000 being erroneously allocated to various special district budgets. The Districts rely on financial data provided by the Treasurer to plan their yearly budgets. These errors have led to budgets which are artificially inflated and now must be reduced to reflect what funds have actually been received. This will also cause severe hardship upon all Districts and funds within the County. Make no mistake these errors were made in the Treasurer's Office and only in the Treasurer's Office. None of the District Boards have any part of this. The Treasurer has proven that she does not have the ability or motivation to execute her statutory duties. After eight years in office, errors of expertise and inefficiency persist and the victims are County entities. Our Districts and County funds are already financially strapped and the discovery of mismanaged funds and erroneously established budgets will be devastating to each of those entities. This defalcation and neglect of duty warrants and interim suspension to allow the appointment of a qualified individual to right the sinking ship which is the Treasurer's Office. The Board of Supervisors has the statutory obligation to the public and the authority to make sure the funds of all County entities are handled appropriately and in a timely manner. We must take action now to ensure that the problems identified in the Treasurer's Office are resolved quickly and

measures are taken to prevent similar problems from happening again. Mr. White seconded the motion. Chairman Claw called for any other comments. Hearing none, Vote was unanimous.

Mr. Lee moved to adjourn, seconded by Mr. White. Vote was unanimous.

Approved this 15th day of May, 2012.

/s/ Jim Claw  
Chairman of the Board

/s/ Delwin Wengert  
Clerk of the Board