

**OFFICIAL PROCEEDINGS OF THE APACHE COUNTY
BOARD OF SUPERVISORS MEETING
October 21, 2014
St. Johns, Arizona**

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

Chairman White called to order the Board of Supervisors and Library District meetings 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.

Lenora Fulton gave the Invocation.

Mark Patterson led the Pledge of Allegiance.

Chairman White called for the Library District items.

SuAnn Collins, on behalf of the Library, requested approval to accept State Grant-in-Aid in the amount of \$25,000, an ongoing grant from the Arizona State Library. Mr. Shirley moved approval, seconded by Mr. Weller. Vote was unanimous.

SuAnn Collins, on behalf of the Library, requested approval to amend Sierra Propane's propane delivery contract due to closure of Ft. Wingate, NM propane distribution center. 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.

The Board sat as the Board of Equalization to hear the Petition of Review of Real Property Valuation for parcel 107-52-029 for owner, Diana Shobe which was tabled from the October 7, 2014 meeting. Petitioner Terry Shobe stated he had the tax returns for his ranch and he had just obtained the needed documents and brought them today. Mr. Weller asked if the Assessor had been given copy of the returns. Mr. Shobe stated no. (copies of Shobe's 2010 – 2013 tax returns were provided to the Assessor's representatives B.J. Greer and Mark Patterson). A discussion was held regarding the tax returns and the profit/loss related to the Shobe's Ranch. Mr. Greer stated at the that last Board meeting, Mr. Shobe had stated he had a viable cattle operation in Utah and he researched it and found no evidence of that; at one point the Shobes owned some property but was never granted any agriculture status and he also found a website of the Shobes called GB7.com for a cattle operation that stated it was primarily for custom grass fed beef but the website stated it went out of business. Mr. Greer stated that the tax return that were just provided to him shows a loss every year from 2010 through 2013 and that information will not be viable to the Assessor's Office in creating some type of income approach on the operation itself. Mr. Greer stated according to State Statute, in looking at agriculture status, they look primarily at the property being able to generate a viable profit for the owner. Mr. Greer asked Mr. Shobe if he had a ranching operation in Utah. Mr. Shone stated that property was sold. Mr. Greer and Mr. Shobe held a discussion as to whether the cattle operation was strictly grass fed or a controlled feed/supplementation operation. Mr. Weller stated there was no evidence of a profit, which is an issue relative to the statutes and asked Mr. Shobe if he had any

evidence that shows profitability of the business. Mr. Shobe stated with depreciation and cost of goods, you can have a negative value and still have a profit with depreciation, but it is still an asset. Mr. Weller asked Mr. Greer what the statute required for showing a profit. Mr. Greer stated they use 3 out of the past 5 years and Mr. Shobe only provided his returns for the past 4 years. Mr. Weller asked if depreciation was used to value of a business. Mr. Greer stated it can be used but technically it is used for rental/income properties. Mr. Greer stated he had called other counties to see how they handle feed lots and there was a feed lot in Holbrook that is a much large feed lot and is also an cattle auction site. Mr. Shobe stated that his operation is not a feed lot; it is a controlled feed operation, as outlined in U.S.D.A. under federal standards. A discussion was held regarding the requirements needed for a designation of agriculture use. Mr. Weller stated he is trying to understand the small operations in the county as possible so he is trying to understand a method that would be appropriate for the classification that would suit Mr. Shobe but doesn't appear to meet statutory limitations right now. Mr. Weller stated from an income standpoint, the evidence does not seem strong. Mr. Shobe stated his property is designed to keep and feed animals in a confined area. Mr. Weller asked Mr. Greer if there were any other ways to designate this as agriculture status. Mr. Greer responded that profitability is the main point the State has them look at for the status to be designated and 40 acre parcels are not normally recognized for agriculture status unless used as part of larger grazing land, but going off the profit/loss statement, it provides nothing showing a profit to work with. Mr. Greer provided the method and formula used to value property which requires a positive income to start that process. Mr. Weller stated at the last meeting he had asked the Assessor's Office to provide some comparable values of what this would be rated at if it was agriculture status and how would it modify the taxes by. Mr. Greer stated that since they did not receive the tax information from the petitioner until today, they had nothing to go off of but looking at their tax return he just provided, in 2010 he spent 27,000 on feed and in 2011, 2012 and 2013 he spent no money on feed which makes him question if there was cattle on the property since it shows cattle were fed one year out of the four years that Mr. Shobe provided tax returns for. Mr. Weller moved to deny the applicant's petition until further information can come through, with the understanding that the tax assessors are taxing on the profitability of the business, seconded by Mr. Shirley. Vote was unanimous.

Milton Ollerton, Community Development Director, requested approval of a Final Plat for CK Cabins Condominium Subdivision located at 84 North Main Street, Greer, Arizona, Parcel 102-08-021A. Mr. Ollerton stated that the Planning and Zoning Commission voted 5-1 in favor on creating 5 condominium lots on the parcel. David Brown, attorney representing the owner, Doug Sandahl stated this project has been approved twice by the Planning and Zoning Commission, approved by the Board of Supervisors back in August in its preliminary fashion and no changes have been made since the preliminary and final, and meets all the requirements of the ordinances and statues. Mr. Brown stated there is access from main street, all utilities are constructed and the project has been approved by the County Attorney, Engineer, Planning and Zoning, Building and Health Departments. Mr. Shirley moved approval, seconded by Mr. White. Motion passed 2-1 with Mr. Weller voted nay on the grounds it does not meets the intent of Article 6.

Mr. Wengert presented the Consent Items A, B & C. Mr. Shirley moved approval. Weller requested taking each item separately. Chairman White allowed Mr. Weller's request.

Mr. Wengert presented the request for approval of minutes dated October 7, 2014. Mr. Weller stated again, the minutes clearly state there was promised information to him from the County Attorney's Office relative to the special taxing district issues that were supposed to be a written confirmation from the Attorney General of the State of Arizona that the County has met all requirements associated with the special taxing districts and notifications. Mr. Weller stated we are now into

October and he has still not received that promised written communication from then Attorney General. Mr. Weller stated the minutes also reflect his statement regarding the demands and read from the October 7th minutes: "the agenda item did not match any of the information sent for the demands to his department for approval." Mr. Weller stated the word "any" is not one he would have used unless it was accidental because some of the information on the agenda did match the information sent to him for review, but all of it was not there and was not accurate in it's entirety so he would like the word "any" stricken or at least corrected by his statement here today. (The audio recording of the minutes from the October 7, 2014 meeting were reviewed and the word "any" was correctly reflected in the minutes). Mr. Weller moved to approve the minutes as clarified, seconded by Mr. Shirley. Vote was unanimous.

Mr. Wengert Request approval of demands dated October 7, 2014 – October 21, 2014. Mr. Shirley moved approval, seconded by Mr. White. Demands are payments made by the County. Specific details of the demands may be requested through the County public record request process Payee Amount APACHE COUNTY HAS 2,629.59 APACHE COUNTY MEDICAL 142,820.52 APACHE COUNTY TAX WITHHOLDING 130,028.67 AZ STATE RETIREMENT SYSTEM 87,241.16 COLONIAL LIFE AND ACCIDENT INS 1,431.81 CORRECTIONS OFFICER RET PLAN 8,820.85 CORRECTIONS OFFICER RETIREMENT PLAN 520 4,437.29 NATIONWIDE 1,605.00 PUBLIC SAFETY PERSONNEL 401 14,293.21 PUBLIC SAFETY SHERIFF RET 29,361.80 SECURITY BENEFIT GROUP 1,321.00 SUPPORT PAYMENT CLEARINGHOUSE 2,096.18 APACHE COUNTY SHERIFF'S POSSE 10,000.00 APPLIED CONCEPTS INC 3,043.89 ARIZONA STATE FORESTRY DIVISION 8,403.14 AZ COUNTIES INSURANCE POOL 1,500.00 AZ DEPT OF RISK MANAGEMENT 2,261.57 BANK OF THE WEST – 6432 2,196.08 BLUE HILLS ENVIRONMENTAL 4,142.34 BRADCO 47,261.20 CDW GOVERNMENT LLC 1,293.06 CREATIVE MULTIMEDIA INC (CMI) 23,272.50 CRESCENT ELECTRIC SUPPLY CO 1,086.50 CRISS CANDELARIA LAW OFFICE 2,381.50 CULLEY, JOANNE R 2,357.91 DAVID'S PROFESSIONAL FIRE SYSTEMS INC 1,550.00 EMPIRE MACHINERY 16,889.50 EVENFLO COMPANY INC 1,311.24 FRONTIER 1,740.51 GILA COUNTY 15,802.76 HILLYARD INC 2,562.20 HOV SERVICES 1,265.00 LAW OFFICE OF MARSHA GREGORY 8,500.00 LEXIPOL LLC 7,300.00 MERRILL, KYLER GRANT 1,935.00 NAVAJO TRIBAL UTILITY AUTHORITY 1,061.88 NAVOPACHE ELECTRIC COOPERATIVE 11,038.54 NORTHLAND PIONEER COLLEGE 39,748.35 OVERDRIVE INC 8,336.38 PLATT DDS, RANDOLPH 1,203.00 PROFORCE LAW ENFORCEMENT 1,555.91 QUILL CORP 3,497.09 RDO EQUIPMENT CO 2,150.14 SANOFI PASTEUR INC 13,615.18 SHELL OIL 2,353.94 SHUMWAY, TRACY 1,117.00 SPRINGERVILLE-EAGAR CHAMBER OF COMMERCE 4,125.00 ST JOHNS CITY 4,458.51 STALEY LAW FIRM PLLC 2,260.50 SUPERSTITION SPRINGS MID LLC 98,998.41 SYSTEM ID WAREHOUSE 2,454.85 THE AARONS COMPANY LLC 3,000.00 THE UNIVERSITY OF ARIZONA 6,250.00 THOMSON REUTERS WEST 1,073.56 TJP COMMUNICATIONS 2,019.82 TYLER TECHNOLOGIES INC 60,702.16 VALDIVIA, LINDA D 2,250.00 VERIZON WIRELESS 2,482.11 WATCHGUARD VIDEO 15,371.31 WILLIAMS LAW GROUP PLLC 8,500.00 XEROX CORP 1,360.44 YAVAPAI COUNTY GOVERNMENT 7,750.00 YOUNG, JOSEPH 7,320.00 ALLEGRA 2,243.38 AMERICAN SPORTSMAN HOLDINGS CO 16,334.00 AMIGO CHEVROLET 3,621.70 APPLIED CONCEPTS INC 2,455.84 AZ COUNTIES WORKERS COMPENSATION PLAN 64,911.25 BAUMAN HOME AND AUTO INC 1,890.82 BRADCO 7,947.45 CASTILLO, KODI LEE 1,056.24 DELL COMPUTER CORPORATION 15,377.37 DESERT MOUNTAIN CORPORATION 11,496.40 DIAMOND DRUGS INC 3,796.75 DINE TIRES AND ACCESSORIES INC 1,191.99 EBSCO SUBSCRIPTION SERVICES 2,977.16 EPPS FORENSIC CONSULTING PLLC 1,815.00 FLEET PRIDE 1,763.45 GALLUP BLUEPRINT 2,868.29 HILLYARD INC 1,596.74 HUGHES SUPPLY INC (LAKESIDE) 1,422.88 INGRAM LIBRARY SERVICES 1,106.13 LOEHRS AND ASSOCIATES LLC 5,500.00 MOUNTAIN COMFORT HEATING AND COOLING 6,388.23 MOUNTAIN PAINT CENTER 1,056.95 NAVOPACHE ELECTRIC COOPERATIVE 1,838.36 NEW WORLD SYSTEMS CORPORATION 1,728.45 QUILL CORP 2,756.26 SCHIFF, LAURENCE 2,000.00 SECURUS TECHNOLOGIES INC 1,300.48 SHELL OIL 2,975.19 SPECTRA TEK LAW ENFORCEMENT TECHNOLOGY LLC 16,420.00 ST JOHNS

CITY 2,252.60 TOWN OF EAGAR 7,300.01 TP PUMP AND PIPE CO INC 5,354.52 VERIZON WIRELESS 1,747.63 WAGNER EQUIPMENT CO 9,492.88 YOUNG, JOSEPH 7,250.00 AZ DEPT OF REVENUE 2,034.72 RESERVE ACCOUNT 10,000.00 Motion passed 2-1 with Mr. Weller voting nay stating it was based on the same grounds as last meeting.

Mr. Wengert presented Item C of the Consent agenda, requesting approval of a Fireworks Permit for Concho Fire Department for a fireworks display to be held on November 11, 2014 located at Cinder Mountain in Concho, Arizona. Mr. Weller moved approval, seconded by Mr. Shirley. Vote was unanimous.

Chief Deputy Sheriff Brannon Eagar requested approval of the revised Arizona Mutual Aid Contract (AZMAC) Chief Eagar stated the AZMAC was revised to allow school districts to become signatories which resulted is a substantive enough change to require all signatories to re-sign, according to the opinion of the Arizona Attorney General. Chief Eagar stated this agreement is what they use during emergencies to obtain aid from other counties and municipalities participating within the agreement and then apply for reimbursement for those entities that assist. Mr. Shirley moved approval, seconded by Mr. Weller. Mr. Weller asked Chief Eagar if this agreement was different than the Mutual Aid Agreement the County has with the Navajo Nation. Chief Eagar stated yes. Vote was unanimous.

Chief Deputy Sheriff Brannon Eagar requested approval to sell a 2000 Chevrolet C2500 van to the St. Johns Emergency Service for use on their Explorer training Program and the price for this sale would be \$1.00, pursuant to the Board's authority under A.R.S. 11-251. Chief Eagar stated the van is a former detention vehicle that is being retired from Sheriff's Office use. Mr. Shirley moved approval seconded by Mr. Weller. Mr. Weller asked if St. Johns Emergency Services was an ambulance district. Chief Eagar stated no it is part of the City of St. Johns and the Explorers are high school students who are part of the fire EMS program. Mr. Weller stated they are a district that is able to tax their citizen for funding. Chief Eagar stated no, it is part of the municipal government. Chief Eagar stated he does not believe it is a taxing district. Mr. Weller stated he was not supportive of giving vehicles to the Eagar Group which has the ability to pay some value, he is supportive of a reduced values to these organizations to help but to sell a \$3200 vehicle for \$1.00 does not seem appropriate for our taxpayers so to remain consistent he will be voting no. Motion passed 2-1 with Mr. Weller voting nay. Mr. Wengert stated according to a legal opinion from Attorney Joe Young, this action requires a unanimous vote by the Board in order to transfer a vehicle to a municipality so with it not being unanimous the action fails.

Sheriff Dedman requested approval to implement the 2009 Public Sector Salary Study for certified law enforcement officers working within the Sheriff's Office. Mr. Weller stated he supports getting the deputies to what the Sheriff is requesting; he has looked at the study and it was done well and is not an overly great impact to a larger budget, but is concerned it is not within the budget that has been approved. Mr. Weller stated the rates being requested appropriate but he would like to see how this impacts the budget but is such small amount he thinks it can be worked out. Mr. Weller stated what the sheriff's office does is an absolute priority for the County and he will do his best to figure out a way to be supportive to get this approved within a short period of time. Mr. White asked Mr. Wengert how much this would cost and where would the funds come from to implement the increases. Mr. Wengert stated the cost is about \$90,000 with vacancies and without vacancies it would cost about \$40,000 but the numbers are not exact since they are using a study that was done in 2009. Mr. Wengert stated the funds to implement the increases would come from the savings account. Mr. Shirley stated the County needs to look at guaranteeing we won't lose any more officers to other law enforcement agencies; that he is aware starting deputies make \$41,000 in Coconino and the County needs to do what it can to raise salaries so we don't continue losing

deputies. A discussion was held regarding the salaries and options available. Mr. Wengert suggested the Board give him, Chief Eagar and Human Resources a chance to look into the issue and come back with more information. Mr. Shirley stated he would like to defer this for a couple weeks to give Mr. Wengert a chance to look into options for retention of the deputies. Mr. White agreed to revisit this issue in two weeks. Mr. Weller voiced his concerns with shooting for the highest rate available with the idea of guaranteeing the retention of the deputies; salary is one aspect of a job and this salary study was done exceptionally well in looking at the mean of competitive counties and asked the Human Resources Director be a part of the discussion to look at the turnover rate of other counties pay levels and the reasons for a turnover. Mr. Weller stated pay levels are only one aspect and he thinks that an adjustment is needed for the deputies but we have to know how it will impact the budget and there are also other departments that can come up with a study showing their employees are nowhere near the pay of other counties so we have to be careful how this impacts our entire budget but he is supportive of raises for the deputies. Sheriff Dedman stated that he has been using some RICO funds to purchase vehicles which helps offset county money so he has been helping out to utilize that money for equipment since that money can't be used for salaries, it has helped to contribute to the county by using RICO funds. Sheriff Dedman stated this is a good step forward and asked the board for a motion of support so he can take that positive feedback to the deputies and he looks forward to working on this issue. Chairman White directed Mr. Wengert to have Human Resources Director, Karen Houston be part of the meetings regarding the salary study. Mr. Shirley stated in support of law enforcement, made the motion for the Board to do all it can to address the low salaries of law enforcement including any benefits such as housing and health insurance and the Board will look at the study to give a substantial increase to the law enforcement personnel. Mr. Weller seconded the motion. Mr. Wengert suggested the issue be put on the second meeting in November because of the election on the next Board meeting date, November 4th and to include item with a possible executive session to discuss personnel issues. Mr. White agreed and stated the agenda needs to be short because both he and Mr. Shirley will be busy on that day. Vote was unanimous.

Recorder Lenora Fulton, requested approval to convert the currently vacant Projects Coordinator (range 35, full-time 40 hours) to an Administrative Assistant II (range 26, Part-time, benefits eligible) and an Administrative Assistant III (range 30, part-time benefits eligible) and fill the two vacancies. Mr. Shirley moved approval, seconded by Mr. Weller. Vote was unanimous.

Angela Romero, Election Director, requested approval of the polling places and appointment of precinct and tally board workers for the upcoming November 4, 2014 General Election. Mr. Shirley moved approval, seconded by Mr. Weller. Vote was unanimous.

Chairman White stated the update on Lyman Lake State Park by Mike Rollins, Lyman Lake State Park Ranger was to be rescheduled.

Vincent Cameron, a resident of the County stated that he is addressing the Board regarding his property taxes and stated in 2008 he applied for the disability and age exemption and he isn't getting that even though he has submitted it every year. Mr. Cameron stated he has health issue and asked the Board to help straighten out his tax issues as well as a problem with NACOG when they destroyed his heating system. Mr. Cameron asked if there was anything the Board might be able to do to assist him in obtaining the tax relief he should be getting, since he is now behind and is trying not to lose his property. Chairman White directed Mr. Wengert to do what can be done to help Mr. Cameron.

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

Approved this 4th day of November, 2014.

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