

OFFICIAL PROCEEDINGS OF THE APACHE COUNTY
BOARD OF SUPERVISORS' MEETING

March 24, 2026
St. Johns, Arizona

Present were, Chairman Alton Joe Shepherd, Vice Chairman Joe Shirley, Jr. and Supervisor Nelson Davis. Also present, Ryan Patterson Clerk of the Board/Manager, County Attorney Jasmine Blackwater-Nygren and Chief Deputy County Attorney Chris Resare.

Chairman Shepherd called to order the Board of Supervisors meeting at 9:07 a.m. in the Board of Supervisors' chambers, County Annex Building, 75 West Cleveland Street, St. Johns, Arizona and welcomed all in attendance.

Chief Deputy Sheriff Rosoe Herrera, on behalf of the Sheriff's Office, introduced Kirsten Green with the Arizona Sheriff's Association she stated she worked with Chief Herrera on the communications system and thanked the Sheriff's Office for their diligence in completing the audits with the schools and how well they worked with each of the schools to ensure they have been tested and are ready to go. Chief Herrera requested approval of the Mutualink agreement pursuant to A.R.S. §41-1722 for the School Safety Inoperable Communications Systems. **Mr. Davis moved approval, seconded by Mr. Shepherd.** Mr. Shepherd spoke about the need for this system throughout all schools and hoped funding could be located at the state to help bring this system into those schools as well. Vote was unanimous.

Megan Hill, Election Director, requested approval of amended 2020 HAVA Election Security Sub-Grant Application. **Mr. Davis moved with approval, seconded by Mr. Shirley.** Mr. Davis asked what will be used on the funding. Mrs. Hill stated she is in the process of putting in a secure lobby in the elections office as well as a secure tabulation room, the recorder's office is getting 7 new laptops so all of their staff will have up to date laptops so they can do signation verification, purchasing more voting booths, signage and generators for each of the IT staff so they can be deployed to locations that lose electricity. Vote was unanimous.

Chairman The Board of Supervisors called for the work session items.

Mrs. Hill on behalf of the Election Department, presented the item regarding Vote Centers, Mrs. Hill stated we are currently a precinct-based model which means the voter goes to the precinct they are registered to vote at, if not they have to vote an out of precinct provisional ballot. If we transition to vote centers any registered voter in Apache county can go to any polling place and vote a regular ballot, ensuring the accuracy of the ballot style and not at the determination of the poll worker to provide the correct ballot for each voter will be easier for the poll workers and no additional equipment is necessary. Mrs. Hill outlined the proposed locations for vote centers and there is an issue at Oak Springs due to internet and IT was there yesterday and it looks like the internet they brought in will be compatible as long as everyone at the chapters willing to stay off the internet while the voting center is open so there is no vulnerability with security. Mr. Patterson asked if there are voting locations that will be shut down. Mrs. Hill stated Alpine will be shut due to internet issues, Mexican Water will be shut due to the facility no longer being in

usable. Mrs. Hill stated the two locations in Ganado are being combined into one as well as Chinle and Canyon De Chelly. Mrs. Hill stated there are four voting locations in Springerville and Eagar will be combined into one that will eliminate a voter going to the wrong location and being told they have to go to a different location and Greer would also be closed. Mr. Davis asked how this will impact election day. Mrs. Hill stated it will not affect election day, but it will be much smoother process after the election since there will be no out of precinct provisionals that slowed down the Recorder's office drastically in 2024. Mr. Shirley stated he has heard from constituents that ICE may be in the polling locations during the election and asked how elections is preparing for that. Mrs. Hill stated she has not heard if they are coming but only authorized observers are allowed in the polling locations but if something changes, she will work with the county attorney's office and secretary of state to come up with a plan. Mr. Shepherd asked how much of an impact the finances. Mrs. Hill stated voting centers will decrease the costs since the poll workers can be consolidated and pay less poll workers. Mr. Shepherd stated we will need to educate the voters on the changes and get the work out. Mrs. Hill stated Clean Election has agreed to the education portion to make sure people know we have switched to vote centers and radio ads are one of the tools they will use.

Mrs. Hill presented the poll worker pay and stated they pay schedule has not been updated or increased poll worker pay since 2019 and minimum wage has drastically increased since then. Mrs. Hill provided an overview of the proposed pay schedule.

Mrs. Hill stated Spanish language on printed ballots are not required by law on the printed election ballots and will still have the translation available on accessible devices such as the Express Vote machine. Mrs. Hill stated Spanish translation was not on the 2-24 ballot. Mr. Shepherd asked if there were any issues with leaving it off in 2024. Mrs. Hill stated she is not aware of any issues created by leaving Spanish off the written ballot in 2024. Mr. Shepherd stated after the election, he would like to see the positive and negatives with the proposed changes and requires a post report be provided to the Board after the election.

Joseph Langkilde, Finance Director provided a power point presentation on the Fiscal Year 2027 Budget and Audit strategy to full A-1 compliance. Mr. Langkilde provided an overview of the upcoming budget with a proposed 2% increase to the HURF funds. Mr. Shepherd expressed his concern with rising gas prices and tariffs, and how we accommodating for that and in regard to HURF, the average is about 9.1 million that comes from the state and gets equally divided to the three districts but the previous county engineer, and over the past year and a half, Mr. Crosby took an equal portion from each of the districts and District II has been taking a lot less in tonnage compared to prior years and since we no longer have an engineer, are there staff that can provide the tonnage that comes from the pit to each of the districts because he is transitioning to utilize a mountain of milling from Deadriver to use and that will result in less travel miles to place on his dirt roads. Mr. Shepherd stated we are still going to have to provide the same services with less money. Mr. Patterson stated he will work with the engineering staff and will obtain the limestone tonnage and get the utilization of that for each district. Mr. Patterson stated

the Board will be kept intimately aware of what is going on at the HURF level and ensure the Board is part of the process on how the money is coming in and how it is being split out and will have another work session if necessary so the Board can discuss how they want to manage the numbers and process. Mr. Patterson stated since we do not currently have an engineer, we will work through and figure out the numbers.

Mr. Patterson stated the Health Insurance Board met recently and he was initially informed there would be about a 17% increase and after several meetings with vendors and with negotiations, that pricing was reduced down to about an 8.5% increase for insurance for employees which would be about \$10.00 a paycheck more for the employees with the county covering the additional cost. Mr. Patterson stated there is talk of raises in other counties and he is still pulling numbers and as we get more numbers from the state, we will start solidifying possible raises and will come back to the board with some options. Mr. Shepherd stated in the past the county has gone to the people for a levy limit override and we still have a ½ cent sales tax that is available if it gets to a point where we need to ask the people for help, but we are one of the lowest in the state for property tax. Mr. Shepherd stated he is wanting to keep services moving forward for public safety and health and we are going to be impacted so he wanted to keep this issue on our radar and evaluate it at some point. MR. Shepherd stated HURF has its own mechanism moving forward but the general fund in his and Mr. Shirley's Districts have stayed stagnant covering salaries and operations but their constituents that live on reservation pay a lot into the TPT and how the TPT is utilized is 50% goes to fund projects and services throughout the state and 25% comes to the 3 municipalities in the county and the rest of the county receives the remaining 25% and he is wondering if there has been an adjustment for the rate of inflation over the years to reflect that into the general fund budget for the three districts. Mr. Shepherd stated when it comes time to divvy out the revenues, inflation will be taken into consideration as we develop the budget for the upcoming year. Mr. Patterson stated the numbers have been moved for all departments and elected officials, there was an inflationary number that was being utilized up to COVID and since 2021 that hasn't occurred but currently, we are looking at around a 50,000 increase in the general funding of the three districts for operational and salary increases. Mr. Patterson stated each of the Supervisors' budget is around \$250,000 so we are looking to put it around \$300,000 but will have better numbers as we move forward. Mr. Shepherd asked when Finance will be coming to each district with budget projections. Mr. Langkilde stated he is planning to visit with all departments and elected officials between April 6 – 21 so between that timeframe the Finance Department will be reaching out to each Supervisor to go through their individual budgets.

Mr. Langkilde stated in regard to the audit status, timeline and path forward, the expected date for fiscal year 2023 audit to be completed is May 2026 and have enlisted the Auditor General's office to assist in moving it along and are currently working on the 2024 financial statements so as soon as the 2023 audit is complete, we can jump into the 2024 audit. Mr. Langkilde stated the auditor General's office is in charge of the audits but often contract them out to audit firms and

we currently use Snyder and Brown but for 2024 we were informed by the auditor general that we will be conducting the audit in-house to assist in getting caught up. Mr. Patterson stated Greenlee County, among other counties, had a similar circumstance using Snyder and Brown and fell three years behind in their audits and as of 2024 audit, the auditor general brought Greenlee County in-house to help bring them current. Mr. Langkilde provided an overview of the progress as well as the challenges with the audit process. Mr. Patterson expressed his appreciation for the diligence and long hours Mr. Langkilde has put in bringing the audits current. Mr. Langkilde stated as for the A-1 compliant, his goal is to stay timely with the financial statements and the audits to continue to utilize consultants to assist the treasurer's office to get the cash reconciliations completed and working to implement daily cash reconciliations to help his office stay on top of the timeliness and he is requesting one additional Finance position to strengthen the transaction review and oversight because the cleaner the books are, the easier the financial statement and audit process goes. Mr. Langkilde stated he would love to reduce the reliance on external consultants and outlined the key improvements needed. Mr. Davis asked if the biggest cog slowing down the audit is the treasurer's office. Mr. Langkilde stated that it is one of the issues, but the other is getting REDW to focus on making our work a priority but the treasurer's office has to finish their part so he can do his reconciliation portion. Mr. Davis stated the Board of Supervisors has some power and if leaning on the Board to put pressure on the treasurer's office or other agencies we are working with, to speed up the process; it is critical that we get audit compliance. Mr. Davis stated we have been out of audit compliance too long and appreciates Mr. Langkilde's efforts to move this forward but whatever the Board can do to facilitate moving this forward, he would be happy to assist. Mr. Shepherd stated in regard to REDW, he doesn't seem acceptable when you engage with a firm that is going to be doing your audits but they are not meeting the timelines and standards, they are part of the problem with us not being in compliance and possibly changing firms in the future. Mr. Shepherd stated in regard to Snyder and Brown, the fault lies with the auditor general's office because as well as Greenlee County, the money is there from grants, but the funds are delayed because the audits are not complete so funds can be released to us. Mr. Shepherd stated he stresses about this because FEMA grants, flood mitigation grants and we have lost about 1.3 million in refundable money from the united states and as we go after other grants they are going to say an A-1 audit is required to be in compliance so we are not eligible for grants that are out there. Mr. Shepherd stated it is a priority for the County Manager and staff to get us into that green area so we can go after grants. Mr. Shepherd addressed the recent issue with the Puerco Fire District and what is happening with the treasurer's office, and stated he is hearing is there will not be an investigation into the issue and didn't know if anyone was going to held accountable but the Board did take action and he would like to see and update or a report regarding this issue. Mr. Shepherd stated he receives report from Mr. Patterson on departments such as IT and economic development and would like to see reports on the audits as well. Mr. Davis stated since Mr. Shepherd referenced the audit with Puerco Fire and the treasurer's office, asked if that is something that can be talked about in this work session. Chris Resare, Chief Deputy Attorney stated that issue was not

agendized to be discussed today but he believes there will be an executive session at the April 7th Board meeting to discuss that issue. Mr. Patterson stated there will be an item on the April 7th agenda from the county attorney who has been excessively and diligently looking over the fire district issue.

Mr. Langkilde provided an overview on the PILT Apache County Budget Appropriation historically being 95% to the schools and 5% to the roads, and congress recently approved the Secure Rural Schools payments and provided a handout on the different percentages the Board would like to allocate the \$540,000. Mr. Shephed stated he wanted some background information since there are not many counties in the state that receive PILT money and the Navajo Nation is not included but he remembered when his father was a member of the Board of Supervisors relocation happened and New Lands were swapped and the county was receiving PILT for those lost revenues from acreage of land in Sanders. Mr. Shepherd stated the Navajo Nation takes up 27,000 square acres yet nothing comes back to recognize county revenue based on population so there should be funding that should go back; we have law enforcement on the nation so PILT should help cover counties that have PILT. Mr. Shepherd stated he would like to see if we get other PILT money, where it is coming from and how it is disbursed in the budget each year and we tend to accept how things have been but for him, he wants to be educated to help make things right. M. Patterson stated the way the national legislation is doing it is based on acreage on national forest in a county and in regard to the New Land having previously received PILT, he hasn't seen that in the 20 years he has been with the county so he needs to look into that and see why that hasn't happened but right now the PILT we are seeing in the general fund, the last time he looked into it about eight years ago and the calculation from CSA has been the number of acres on forested land so for us it is Apache-Sitgreaves, and they take that acreage and multiple it by a dollar amount and that is how they come up with the numbers, but he will research some more and see if they are actually putting New Land in there, and if so, that money needs to be adjusted and put into the locations that it is being generated from. Mr. Shepherd asked the county attorney's office to also look into this issue as well because it is tied to federal lands and non-taxable federal lands such as parks and forests so he is interested in seeing if counties with tribal lands receive PILT and if so, go after congressional funding. Mr. Resare stated he will work with Mr. Patterson to research that issue. Mr. Davis stated the road yards struggle to stay under budget, and are constantly looking to see how to stay within their budget and we are fighting for funding; we apply for grants and are not usually successful and the PILT money is \$540,000 and currently 5% is going to the road yards and 95% goes to Round Valley, Alpine and Vermon schools. Mr. Davis stated the projection of 20% to the roads, and asked Mr. Patterson if he would meet with the three school superintendents of the schools to see the impact changing the percentages. Mr. Patterson stated he would reach out to the schools. A discussion was held regarding school bus routes on the Navajo Nation and the costs with maintaining the school routes.

Mr. Patterson presented an update on the Engineering Department and stated the County Engineer position has been listed and have received no qualified applicant and he has been overseeing the Engineering Department to assist with what he can. Mr. Patterson stated he is looking to get direction from the Board to see how they would like to proceed with that department. Mr. Davis stated the staff in the Engineering Department are doing a great job and making decisions they are not paid to make and we need to do what we can to get help in the office to take the weight off the employees. Mr. Patterson stated state statutes do not require a county engineer and about 50% of the other counties have opted for Public Works Directors who run the department and then contract with engineering firms to provide the services needed. Mr. Shirley stated he would like to see the county manager re-write the engineering portion and go with a public works director and contract out the necessary engineering services. Mr. Davis stated we do have a licensed engineer under contract, and he does a lot of work for us but we really need a public works director that is in the office every day handling the day-to-day operations. Mr. Shirley stated he knows of engineering firms that work on the Navajo Nation and he would like to see us move in the direction of contracting for our engineering services. A discussion was held regarding engineering firms that would be able to have provide on-call engineers. A discussion was held regarding if the public works portion would be an employee or contracted and the options of having each District create their own position. Mr. Shepherd stated it will be difficult to hire an engineer willing to come to this rural area. Mr. Patterson stated he will work with the Attorney's Office and Human Resources to pull some job descriptions from other counties and put together a salary range and provide that to the Board to move forward for the April 7th Board meeting. Mr. Shepherd stated that he would like to see the possibility of a contracted employee; if they decide to leave, we will have a 30-day transition period for an exit report. Mr. Davis stated the county engineer works under the direction of the Board of Supervisors so when the vacancy occurred there was no one left in a leadership role. Chief Deputy Attorney Chris Resare stated that if the Board hired a public works director that person would work under the direction of the County Manager; the County Engineer is under the Board of Supervisor due to statute. Mr. Shepherd stated he would like to see options regarding at-will positions and contracted individuals. Mr. Resare stated he will make those options available.

Mr. Patterson presented the discussion regarding the Round Valley Rodeo grounds and stated he was approached by an individual interested in purchasing the rodeo grounds and if the Board is interested in selling it. Mr. Davis provided a brief history on the rodeo grounds, stating the last few District III Supervisors have had a desire to have an entity or individual to take over ownership and it would be best for the county to not own that facility. Mr. Shepherd stated it would be helpful to him to have background information on the income and expenses, and the liability, and to move forward with the sale and bring those options to the Board for an action item.

Matt Fish, Community Development Director, presented an overview of the conditional use permit process in his department. A discussion was held regarding how permitting is done with

State Trust Land. Chief Deputy County Attorney Chris Resare provided information on legal jurisdiction of State Land. Mr. Shepherd stated people like local authority and oversight, and people feel disenfranchised at the local level and should have a say when it comes to what happens in their communities. Mr. Resare provided an overview of the Board's authority on state land developments. Mr. Davis stated he would like to see a meeting or work session with the State Land Department and Community Development to obtain information to help be guided through the renewable energy process. Mr. Fish provided an overview of the difference between Conditional Use Permits and Development Agreements. Mr. Shepherd thanked everyone for the information presented during the work session.

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

Approved the 5th day of May, 20206.

ATTEST:

/s/ Alton Joe Shepherd
Chairman of the Board

/s/ Ryan N. Patterson
Clerk of the Board