

OFFICE OF BOARD OF SUPERVISORS
YAVAPAI COUNTY, ARIZONA
Prescott, Arizona
March 27, 2000

The Board of Supervisors met in special session on March 27, 2000.

Present: Chip Davis, Chairman (via telephone, joined the meeting late); Gheral Brownlow, Vice Chairman; John Olsen, Member; Bev Staddon, Clerk.

Also present: Jim Holst, County Administrator; Dave Hunt, Board Attorney/Assistant County Administrator.

ITEM NO. 1. Public Works Director Richard Straub. All four items listed below were approved by unanimous vote. Motion by Supervisor Olsen, second by Supervisor Brownlow. No comments from the public.

1. Request for approval to place a double chip seal on Reed Road (Road 2 South to Road 2 North) in the Chino Valley area in place of asphalt concrete. Half-cent sales tax project.
2. Consider approval of Change Order #6 with A. Miner Contracting for Verde Valley School Road Reconstruction Phase III, Project #997575. Increase of \$3,404. Half-cent sales tax project.
3. Award or reject bids received for the Installation of Guardrail at Crown King Road, Crown King, Arizona, Yavapai County Project #961253. Recommend awarding to apparent low bidder, Five G, Inc., \$49,724.95. Half-cent sales tax project.
4. Consider approval of Change Order #1 with Lima & Associates for travel expenses to enable the transit consultant from Colorado to attend the April 3, 2000, Verde Valley Transportation Organization meeting in Cottonwood. Increase of \$500. Half-cent sales tax project.

ITEM NO. 2. Board of Supervisors.

1. Discussion and possible action regarding County subsidy for dependent health care coverage. Participating in discussion were Human Resources Director Julie Ayers and Medical Assistance Director Mona Berkowitz. Mr. Holst and Ms. Berkowitz explained that the County's cost to provide insurance coverage for employees would be increasing approximately 15% for the next fiscal year. Mr. Holst said that the other two members of the Yavapai Combined Trust, the City of Prescott and Yavapai College, had both been subsidizing dependant coverage for their employees but that the County had never provided such subsidy. He said that in order to put County employees on a level playing field with city and college employees the County should consider providing a similar subsidy, noting that it would cost approximately \$230,000 to provide a 25% subsidy on dependant coverage. Supervisor Brownlow asked if the County was going to remain in the Trust or go out on its own for insurance. Mr. Holst said he would like to see the County remain in the Trust for at least another six to nine months in order to see how things work out, and that Ms. Ayers would continue to analyze a "cafeteria" type insurance plan in the meantime. Ms. Berkowitz said that of the Trust members the County has the lowest number of employees utilizing dependant coverage, most likely because a subsidy was not being provided for County employees. Chairman Davis suggested that any subsidy for dependant coverage be taken into consideration when considering salary increases for the 2000-01 fiscal year. Mr. Holst agreed, saying he believed the Board could consider the subsidy as a one-year situation with the understanding that Ms. Ayers would provide more information regarding insurance next year. Supervisor Olsen moved to approve subsidizing employees' dependant coverage at the rate of 25%, with the understanding that this would be worked into the overall employees' benefits package. Chairman Davis seconded the motion, which carried by unanimous vote. No comments from the public.
2. Discussion and possible action regarding required County approvals related to the Yavapai County Fair Association loan for the New Fairgrounds. Yavapai County Fair Association Executive Director Jim Grundy and Yavapai County Fair Association attorney Ted Beck participated in discussion. Mr. Holst gave the Board a brief summary of the County's arrangements with the Fair Association with regard to the New Fairgrounds,

saying that the Fair Association would be making improvements on 100 acres of property, that the County had approximately 50 acres on which improvements would be made, and that the 50 acres was to be deeded to the County. Mr. Hunt said that some issues had arisen with regard to the bank loan for the Fair Association, and that the bank was concerned that if the Fair Association should default on the loan the bank might not be able to step in and make the property work under the current arrangements. He said that as a result, the bank wanted to have a lien not only on the Fair Association's 100 acres, but also on the County's 50 acres. Mr. Hunt said that an agreement had been reached with the bank that the 50 acres could still be deeded to the County free and clear of any liens, but that in order to do this the County would have to stipulate that the 50 acres could only be used for certain purposes. He said that those purposes were the same as what the County had always intended to use the property for, and that the stipulations would only go into effect if there was a foreclosure on the property. Mr. Holst noted that in the case of a default on the loan, the County would have first right of refusal. Chairman Davis asked if the agreement with the bank would result in the County paying any additional costs. Mr. Beck said it would not. Mr. Hunt said that the conditions of the agreement would go away once the lease period of 40 years has expired, or if the Fair Association fails to hold a race meet for three years. There was brief discussion about the construction period, during which Mr. Beck said the bank would be controlling the County's \$6.2 million contribution to the Fair Association and that both the County and the Fair Association would be at risk during that period. Mr. Beck said that the County and the Fair Association both had the same interest in seeing that the construction moves along on schedule. Supervisor Olsen said he believed the Board should receive weekly updates from the Fair Association regarding progress on the project. Supervisor Olsen moved to approve the County Lender Agreement with the National Bank of Arizona, contingent upon Mr. Hunt's final approval of the agreement. Supervisor Brownlow seconded the motion, which carried by unanimous vote. No comments from the public.

There being no further business to discuss, the meeting was adjourned.

ATTEST:

_____ Clerk _____ Chairman