

OFFICE OF BOARD OF SUPERVISORS
YAVAPAI COUNTY, ARIZONA

Prescott, Arizona

July 24, 2002

The Board of Supervisors met in special session on July 24, 2002.

Present: Lorna Street, Chairman; Chip Davis, Vice Chairman; Gheral Brownlow, Member; Bev Staddon, Clerk.

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

ITEM NO. 1. Study session for discussion only of the following items:

1. **Regional Road Program.** Public Works Director Richard Straub and Regional Roads Program Manager Phil Bourdon participated in discussion of this item. Referring to the Montezuma Castle Highway issue on the Board's July 15, 2002, agenda, Chairman Street said she had had concerns about the project and about the program, but that following the meeting had met with staff and received answers to her questions, and that the intergovernmental agreement with the Town of Camp Verde for this project would be on the Public Works Consent Agenda for approval at the August 5, 2002, Board meeting. Mr. Holst provided the Board members with a spreadsheet showing the various projects and the expenses associated with them through the 2005/2006 fiscal year, noting that the projects on the board for the current fiscal year totaled \$21 million. He said that for the current fiscal year the Regional Road Fund would also have a 75%/25% split instead of the 80%/20% split that was standard in prior years, so that this year only 75% of the half-cent sales tax revenues would go to the Regional Road Program. Mr. Holst said that the County expected to generate \$1.3 million from impact fees during the current fiscal year, adding that Mr. Bourdon would be presenting a study session regarding that issue in the near future. He said the Board might want to discuss the size of the impact fee, noting that recent changes in state law now allowed for more options with regard to impact fees. Mr. Hunt said that, generally, there would need to be a capital improvement plan in place in order to assess the fee. He pointed out that currently the revenue generated by impact fees is limited to roads, but that the Board could look at adding some new areas for funding. Mr. Holst continued his review of the spreadsheet, saying that ADOT would soon be starting work on its portion of Highway 89A to provide the link to Fain Road. Mr. Straub told the Board that the County was obligated to ADOT in the amount of \$12 million for all of the work on Highway 89A. There was brief discussion regarding the overpass at Larry Caldwell Drive and the interchange of Highway 89A and Glassford Hill Road, during which Mr. Straub said that ADOT would pay for the interchange at Glassford Hill Road. Mr. Holst said that in addition to funding for projects, the Regional Road Program also contained funding for reconstruction of existing County roads. Mr. Straub reviewed the reconstruction plan, saying that the County would be looking at spending tens of millions of dollars in the future on reconstruction projects. He told the Board that Iron Springs Road, Williamson Valley Road and Outer Loop Road all needed to be rebuilt, and that Thompson Valley Road needed to be resurfaced. He said the bridge at Wagoner would need to be replaced, but would qualify for bridge replacement funds. Mr. Straub said that in the Verde Valley, the western portion of Cornville Road needed to be reconstructed, as did Jacks Canyon Road and Beaver Creek Road. He said that in order to save old Highway 66 in the Seligman area, it would be necessary to put a structural overlay over approximately 40 miles of the highway, and that the cost of that would come from all three supervisorial districts. He told the Board that costs for reconstruction of Iron Springs Road would likely average more than \$1 million a mile, and that as part of that project he wanted to look at doing away with Adams Street. Mr. Straub pointed out that the reconstruction plan was a 20-year plan. There was brief discussion regarding a suggestion made some years ago to trade Iron Springs Road with ADOT in exchange for the County's taking responsibility for White Spar, during which Supervisor Brownlow said he was not in favor of making such a trade. Supervisor Davis asked Mr. Straub if there was a road assessment showing the roads closest to failing. Mr. Straub said staff had identified the roads most in need of work by going out and looking at them. There was brief discussion regarding the possibility of borrowing money at currently low interest rates in order to fast-track some of the needed road work, during which Supervisor Davis said he thought it would be a good idea to look into borrowing money. Chairman Street said that if Supervisor Davis was going to get one-third of the Regional Road Program money, she also wanted one-third for her district with the understanding that all three Board members should cooperate on projects when the opportunity arose, and she cited the reconstruction of Williamson Valley

Road as an example of a cooperative project. Supervisor Davis said he was not in favor of going into debt, but that because of current economic conditions bids for road work were coming in 30% below the engineer's estimate and that it was possible for the County to borrow money at a 2% interest rate, and that the Board should take that into consideration. Mr. Straub said it would take nine to 12 months just for planning on the Iron Springs Road reconstruction, but that there were some other projects that he could move on. Supervisor Davis said perhaps the Board should consider obtaining a HELP loan to move forward on some of the fiscal year 2003/2004 projects, and then use the half-cent sales tax revenues for reconstruction projects. He said he did not think that interest rates would stay where they are for more than a couple of more months. Chairman Street said the thought of going in the hole made her nervous. Mr. Holst said he could talk to the state about a repayment schedule on a HELP loan, adding that interest rates would be somewhat higher if the repayment schedule was longer. Supervisor Davis said his point was that now, while the economy was in a slump, the County could get better prices for road work. Supervisor Brownlow said he thought the Board should look into it. Mr. Bourdon said he would be coming to the Board in the near future with intergovernmental agreements for some of the projects listed on the spreadsheet, as well as a contract for aerial photography of areas to be reconstructed. Referring to impact fees, Supervisor Brownlow asked if the reconstruction plan could be used in looking at revising the fees.

2. Training/travel to be paid from funds other than the General Fund, HURF or special district funds. Mr. Holst said that at its July 15, 2002, meeting, the Board had given direction regarding travel being paid from the General Fund and grant or special revenue funds, and that it was his understanding that department heads would determine how travel funds would be spent and would not need to come back to the Board for approval of those expenditures. He said the Board still needed to discuss how it wanted to handle training and travel to be paid from the Recorder's and Assessor's storage and retrieval funds. He noted that as it had for other departments, the Board had also approved an amount for training and travel to be paid from the General Fund for both the Recorder's and the Assessor's offices. Mr. Hunt said that with regard to the storage and retrieval funds, it appeared that there should be agreement on the part of both parties with regard to expenditure of those funds. He said that things had gone well with regard to the Recorder's storage and retrieval fund, but that the Board was still feeling its way with regard to the Assessor's fund. He said the Board needed to be sure that whatever was spent out of those funds was in accordance with state statute. Chairman Street said she thought a request for \$47,000 in training/travel for the Assessor's Office was too much and not what the fund was intended for. Supervisor Davis said it was clear from the memo that Mr. Hunt had provided to the Board that the Board was responsible for both funds, and that he would like to know clearly what the authorized uses were. County Recorder Patsy Jenney-Colon said that when the statute was written for the Recorder's storage and retrieval fund, Recorder's offices throughout the state needed money to expand their microfilm departments and computer systems. She said that if she could train someone in-state she would do that, but that sometimes she had to send people out-of-state for training. Mr. Hunt said that the statute pertaining to the Recorder's fund was more liberal in terms of what the funds could be used for than was the statute pertaining to the Assessor's fund. Ms. Jenney-Colon said that each year at budget time the Board had always either approved or not approved her surcharge fund budget. Chairman Street said that money had been set aside in the General Fund for training and travel for each department and that those funds were to be spent at the discretion of the elected official or department head, with the understanding that people were to be careful with expenditures and that training and travel funds would be monitored. She said it was also understood that elected officials and department heads did not have to come back to the Board for approval to expend those funds, and asked if Supervisors Brownlow and Davis agreed with that. Supervisors Brownlow and Davis said they did. Supervisor Davis said that department heads would not know when the Board might request a report on travel for a particular department or all departments. Chief Deputy Assessor Diana Minette asked whether it would still be necessary to obtain the Board's permission to take a vehicle out of state. Mr. Holst and Mr. Hunt replied that the answer to that question was in the travel policy, and that it was not a budget issue. Chairman Street said that most departments had listed specific travel in their budgets, but that department heads now had the authority to spend their travel money however they wanted, regardless of what they had listed in their budget. Supervisors Davis and Brownlow said that was their understanding as well. Chairman Street stressed that department heads must be careful about travel expenditures. Sheriff Buck Buchanan said he had requested \$85,000 in travel for his 330 employees and that the Board had approved \$58,000. He said he would like to have the option

of coming back to the Board to ask for more money when he ran out. Chairman Street said she thought that was a given. Supervisor Davis said he would like to have on the next agenda an item prohibiting the transfer of funds from special revenue accounts into travel accounts. Discussion returned to the surcharge funds for the Recorder and Assessor, with Mr. Holst saying that the amounts requested for travel from those funds could be put into a contingency line item which would require the Recorder and Assessor to come to the Board for approval of travel. Ms. Minette said that the training and travel the Assessor's Office had budgeted from the surcharge fund was necessary, particularly in light of plans to move away from dependence on the Arizona Department of Revenue's computer system. Supervisor Davis said he did not want to see General Fund travel come before the Board, but that he did want to see all storage and retrieval fund requests. Chairman Street added that the Board was responsible for all money that comes in and goes out, no matter the source. Mr. Holst said that if the Board was not prepared to establish an amount for travel in the two storage and retrieval funds, and if the Board wanted to review the travel requests for those funds, he would move the travel amounts for each fund into contingency. He said that if later the Board wanted to change how it handled those travel requests, it could still do so. He said he would prepare the final budget with those travel amounts in contingency so the Board could be assured that any proposed expenditures for travel from the two storage and retrieval funds would have to come to them for approval. Supervisor Brownlow said he did not know exactly what the Assessor's Office would be doing with regard to moving away from the DOR system and that he would like to see some sort of demonstration of what would be done. He said he needed to know more about what employees would be learning when they attend training sessions.

3. **Future use of the Marina Street Building.** Special Projects Coordinator Angelo Manera, Facilities Director Pat Kirshman, and Health Department Director Marcia Jacobson participated in discussion of this item. Mr. Holst said that some time ago he had been asked whether, if the County sold the Marina Street building, the sale would generate enough money to build a new clinic for the Health Department. He said the answer was that it would probably not generate enough money, and as a result the Board and staff had looked at remodeling the building for the Health Department and putting the clinic there. He said that Mr. Manera did not consider the Marina Street building to be a permanent solution for the clinic because of the building's age. He said that if the clinic could not be operated at an appropriate standard at that location for an extended period of time, then it might be wise to talk about an alternate plan of building a new clinic. He said the Board might wish to hire an appraiser in order to determine the value of the Marina Street property. Mr. Manera told the Board it would cost a great deal of money to bring the building up to standards to use even as a short-term clinic, saying that it would cost about \$20 a square foot just to make the building minimally serviceable. He said the Board should look at how long the building would work for a clinic, adding that any building could be made to work for any activity and that it all depended upon how much money one wanted to put into it. Mr. Holst said staff would like to know whether to begin looking into another option. He said that starting in September or October the County would have to begin paying rent on the Division Street Health Department building, and that it might be possible to work through the Prescott Valley Health Department facility on an interim basis. He said he was aware that the hospital was eager to start work on its plans. Mr. Manera said there was County property that could be used for a new health facility, and he noted that sections of Pioneer Park were approved for government uses. He said there was also room at the Fair Street property. Mr. Holst said a first step would be to get an appraisal on the Marina Street property. Mr. Manera said he was looking at a 10,000-square-foot clinic. Ms. Jacobson said what she needed space-wise in Prescott would also include administrative people. Mr. Manera said he would prefer to have the Prescott clinic separate from administrative functions. He said that if the Board decided to pursue another option, it would probably take less time because remodeling of the Marina Street building could not even begin until the new Fair Street administration building was completed. Supervisor Davis asked whether the Marina Street building would work as a justice court facility. Mr. Manera said he could make it work, and Mr. Holst said that use would be more compatible than a clinic. Mr. Holst said the Board might want to consider keeping the Marina Street building and adjacent parking lot, but selling the view lots on the hill. Supervisor Davis asked if the Marina Street building might also work as a minimum security facility. Mr. Manera said if all it would be used for was sleeping quarters, the answer was yes. Chairman Street said she believed the Board needed to explore its options, and that she was not sure the Marina Street location was best for the Health Department in the long run. Mr. Kirshman said the plumbing in the building was quite old, but that it could be redone. Mr. Manera said that it

would not take much remodeling to turn the building into a court facility. He said an appraisal of the building would cost about \$2,500. Supervisor Davis expressed concern about selling the property, saying it was difficult to get property in the downtown area. Supervisor Brownlow asked Ms. Jacobson whether putting the clinic at Pioneer Park would create a travel problem for her clients. Ms. Jacobson responded that it might for some, but that it would also be a more centralized location. She said her experience had been that if someone had problems traveling, it was usually a problem no matter how near or far. There was general agreement that staff would look into options and report back to the Board.

- 4. Resolve into the Board of Directors of the Yavapai County Jail District. Update on Jail District by County Administrator Jim Holst. Reference: Jail District minutes.

ITEM NO. 2. Resolve into Board of Supervisors. Convene in executive session pursuant to A.R.S. §38-431.03(A)(7) for the purpose of discussing potential lease of the old County fairgrounds. Approved by unanimous vote. Motion by Supervisor Davis, second by Supervisor Brownlow.

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

ATTEST:

_____ Clerk _____ Chairman