Tuesday January 29, 2019

NOTICE OF SPECIAL SESSION, WORK SESSION AND EXECUTIVE SESSION OF THE COCONINO COUNTY BOARD OF SUPERVISORS AND THE BOARD OF DIRECTORS OF THE COCONINO COUNTY FLOOD CONTROL DISTRICT

PURSUANT TO A.R.S. § 38-431.02

10:00 a.m. – Special Session
Work Session immediately following
Followed by Executive Session
1:15 p.m. – Work Session continues
Executive Session immediately following
Special Session continues
Work Session continues
4:30 p.m. - Special Session

First Floor Board Room
Executive Sessions will be held in the Second Floor Conference Room
219 E. Cherry Ave., Flagstaff, AZ

The Board may change the order of the agenda at the time of convening the meeting or at any time during the meeting. Members of the Board of Supervisors will attend either in person or by telephone conference call. Work sessions and regular meetings are open to the public. Persons with a disability may request a reasonable accommodation by contacting the Clerk of the Board of Supervisors Office at 928-679-7144. Requests should be made as early as possible to allow time to arrange the accommodation.

Notice of Option to Recess in Executive Session

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Board of Supervisors and to the general public that, at this meeting, the Board of Supervisors may vote to recess into Executive Session, which will not be open to the public, with the County’s attorneys for legal advice and discussion on any item listed on the following agenda, pursuant to A.R.S. § 38-431.03 (A) (3).
**Call to the Public for items not on the Agenda**

After the pledge of allegiance, the Chairman will call on members of the public to speak on any item or area of concern not listed on the agenda. Items presented during the Call to the Public portion of the Agenda cannot be acted on by the Board of Supervisors. Individual Supervisors may ask questions of the public, but are prohibited by the Open Meeting law from discussing or considering the item among themselves until the item is officially placed on the Agenda. Individuals are limited in their presentations.

**Consent Agenda**

All matters under Consent Agenda are considered by the Board of Supervisors to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item that item will be removed from the consent agenda and will be considered separately.

**Speaking During a Public Hearing**

After staff and applicant presentations for specific public hearing items, the Chairman will open the public hearing and ask for comments from the public. Those who fill out a speaker's form will be called on first. You do not need to fill out a speaker's form to speak.

As a reminder, if you are carrying a cell phone, computer, two-way radio, or other sound device, we ask that you silence it at this time to minimize disruption of today’s meeting.

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**Call to Order:**

**Pledge of Allegiance:**

**Call to the Public:**

**Proclamation:**

1. Proclamation declaring the month of February 2019 as African American History Month. **Human Resources**

**Work Session:**

2. Presentation, discussion and possible direction regarding Insurance options for Coconino County in Fiscal Year 2020. **Human Resources**
Executive Session:

3. Discussion, consultation with attorneys, and possible direction regarding renegotiation or termination of the County’s License Agreement with Recapturing Americana, LLC. dba The North Pole Experience. Pursuant to ARS 38-431.03(A)(4) the Board may enter executive session for discussion. **Parks and Recreation**

**BREAK**

**Work Session – 1:15 p.m.:**

4. Presentation and discussion regarding an update from Marilyn Hammarstrom, Executive Director of the Fort Tuthill Military Museum, on the museum’s operations and upcoming programs. **Parks and Recreation**

5. Presentation and discussion regarding LAUNCH Flagstaff’s pilot solution for Expanding High Quality Preschool in Flagstaff. **County Manager**

*The Board will resolve as the Flood Control District Board of Directors.*

Executive Session:

6. Executive Session to receive legal advice and provide instruction to the District’s attorney with regard to Coconino County Flood Control District v. Town of Tusayan CV2018-00616, pursuant to A.R.S. 38-431.03 (A)(3) and (4). **Flood Control**

**Special Session – Action Item:**

7. Consideration, discussion and potential adoption of a stipulation for entry of preliminary injunction in Coconino County Flood Control District v. Town of Tusayan, CV2018-00616. **Flood Control**

*The Board will resolve as the Board of Supervisors.*

**Work Session - continues:**

8. Roundtable: To be discussed. Pursuant to A.R.S. 38-431.02(H), these matters will not be acted upon.

- Reports from Supervisors; updates on new projects, district budgets, requests for services and initiatives, updated from county staff:
  - District 4- Supervisor Jim Parks
• District 2 - Supervisor Elizabeth Archuleta
• District 3 - Supervisor Matt Ryan
• District 5 - Supervisor Lena Fowler
• District 1 - Supervisor Art Babbott

• County Manager's Report
• Board Planning Calendar
• Events Calendar

• Chair's Report

• Update, discussion, and possible direction to staff regarding the 2020 Census and Management Oversight Committee

• Update, discussion, and possible direction to staff regarding Local, State and Federal Issues

• Update, discussion, and possible direction to staff regarding the federal government shutdown and impact to the local community

**Special Session - Public Hearing – 4:30 p.m.:**

9. Public hearing for the purpose of receiving public input on the proposed use of State Community Block Grant (CDBG) Funds and consideration and possible adoption of Resolution 2019-04, authorizing the submission of an application for FY20 CDBG Regional Account Funds and use of the funds as recommended by the Community Services Department. **Community Services**

Adjourn:

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at the Coconino County Administration Building, 219 East Cherry Avenue, Flagstaff, Arizona, on this Date: __________________________
at ___________ am / pm (circle one) in accordance with the statement filed by the Coconino County Board of Supervisors with the Clerk of the Board. Dated this ____________ day of ______________________________, 2019.

____________________________________
Lindsay Daley, Clerk of the Board
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Erika Philpot, Human Resources Director

SUBJECT: Proclamation declaring the month of February 2019 as African American History Month.

RECOMMENDED MOTION or MOTION REQUESTED:

Proclaim February 2019 as African American History Month.

PERSON OR ORGANIZATION REQUESTING THE PROCLAMATION:

Erika Philpot, Human Resources Director

REASON FOR THIS PROCLAMATION:

In celebration of African American History month.

PERSON WHO WILL BE READING OR ACCEPTING THE PROCLAMATION:

African American Advisory Council

ATTACHMENTS:

Proclamation
Proclamation

Designating February 2019 as National African American History Month

Whereas, the Coconino County Board of Supervisors join citizens and local governments across the Country in recognizing February 2019 as African American History Month, inclusive of all, as recognized in the African Diaspora; and

Whereas, this annual observance is an opportunity to remember the challenges of our past, but also to honor countless African-American heroes who inspired and continue to inspire us to shape our country’s and our local communities’ future;

Whereas, Coconino County celebrates and honors the diversity of its residents and recognizes the many contributions of African American entrepreneurs, industrial workers, educators, artists, scientists, athletes, community leaders and public servants; and

Whereas, Coconino County celebrates and honors the diversity of its residents and recognizes the many contributions of African American entrepreneurs, industrial workers, educators, artists, scientists, athletes, community leaders and public servants; and

Whereas, we honor the African Americans that enlisted in the Buffalo Soldiers who were two regiments of Calvary composed of African American men to bolster the military presence in Arizona after the Civil War ended; and

Whereas, the African American community in Coconino County has also made notable contributions to our historic industries such as the lumber and sawmill industries as well as many others; and

Whereas, the Coconino County Board of Supervisors formed, and engages with, the County African American Advisory Council to involve its residents on issues that impact our communities; and

Whereas, we thank the African American community for the countless acts of courage in the face of discrimination and injustice to make our country the land of the free and to further ensure justice for all; and

Therefore, be it resolved that in the spirit of celebrating and honoring the positive contributions of African Americans in our county, our nation and our society, we do hereby recognize February 2019 as National African American History Month and call upon all residents to reflect on and embrace the diversity that strengthens us.

Signed and sealed 29th day of January 2019

COCONINO COUNTY BOARD OF SUPERVISORS:

Art Babbott, Chair
District 1 Supervisor

Jim Parks
District 4 Supervisor

Elizabeth C. Archuleta
District 2 Supervisor

Lena Fowler, Vice Chair
District 5 Supervisor

Matt Ryan
District 3 Supervisor
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Erika Philpot, Human Resources Director

SUBJECT: Presentation, discussion and possible direction regarding Insurance options for Coconino County in Fiscal Year 2020.

BACKGROUND:

Coconino County reviews insurance placement annually and each year considers the Arizona Counties Insurance Pool (ACIP). The ACIP pool was established in 1988 and now includes twelve out of fifteen counties. The ACIP pool is attuned to Arizona issues, and presents information to the Arizona legislature on behalf of all counties and its members on pending legislation and emerging issues. Member entities often share information and work together for improved outcomes in risk management. The ACIP pool also affords the ability to partner with Arizona counties to build an equity position in paid premiums accumulated by the ACIP pool, with the possibility of dividends.

The coverages offered by ACIP are very similar to our existing guaranteed cost program with national insurers for property, public entity liability, crime, cyber liability, healthcare liability, pollution liability, and excess liability. The ACIP group proposes lower coverage limits for public entity liability, and cyber liability in alignment with other Arizona counties. The ACIP proposal also offers lower deductibles and self-insured retentions at lower overall pricing which would benefit the County.

ACIP has provided a proposal for moving property/casualty coverage to them in FY20. If we were to switch to ACIP, we would consider leaving our workers’ compensation with CopperPoint Mutual. The Workers' compensation is anticipated to renew at a deeply discounted price, and we could move the workers' compensation to ACIP at a later date if so desired.

PURPOSE OF THE PRESENTATION:

The purpose of this presentation is to present the ACIP proposal to the Board of Supervisors and seek their direction regarding possible changes in the property/casualty and/or workers’ compensation placement of Coconino County’s insurance.
ALTERNATIVES:

If the Board chooses not to join the ACIP pool at this time, the Board may elect to remain in the standard insurance market for purchase of property/casualty insurance at the FY20 renewal. The Board may revisit this decision in future years at its choosing.

FISCAL IMPACT:

Coconino County’s FY19 premium is presently $753,956.32 at 11 million in public entity liability including drones, 5 million for cyber liability, 5 million for medical malpractice liability, 5 million for pollution liability. The County pays an additional $106,877 in premium for a 20 million excess liability policy over its public entity liability which brings our total property/casualty insurance premium in FY19 to $860,833.32. (Non-owned aircraft liability is insured on a separate policy with 5 million in coverage separate from this, and this coverage will remain separately insured).

The ACIP proposal includes two options; both of which would reset Coconino County’s public entity liability to 15 million, drone liability to 1 million, and cyber liability to 2 million.

Option 1 priced at $702,000 provides our self-insured retention for public entity liability at $125,000 and reduces our deductible on crime from 25,000 to 10,000, reduces our cyber liability deductible from $50,000 to $10,000, and reduces our automobile physical damage deductible from $25,000 to $1,500. This option is $158,833.32 less than our current insurance pricing for property/casualty coverages.

Option 2 priced at $847,000 adds to this a change in the self-insured retention under public entity liability from our current level of $125,000 to $50,000. This option is $13,833.32 less than our current insurance pricing for property/casualty coverages.

ATTACHMENTS:

Staff Report
1 - GUEST SPEAKER BIOS
2 - ACIP INSURANCE PROPOSAL
3 - ACIP PRESENTATION
4 - INSURANCE OPTIONS TALKING POINTS
William Hardy is the Executive Director for the Arizona Counties Insurance Pool, the Risk Retention Pool for 12 of the 15 Counties in Arizona. Bill has been with the ACIP for 28 of its 31 years in existence. His strong financial background and dedication to protecting the ACIP Members' resources has gone a long way in making the ACIP what it is today.

John Chino is a 38-year veteran of the insurance industry and specializes in the marketing and placement of self-insurance for counties. He helped form the Arizona Counties Insurance Pool and works with more than 150 counties in five states. John has spent his entire career at Arthur J. Gallagher, the leading risk management provider for the Public Sector in the US.
Our Pool and Service Team
Our Pool

Established in 1988, the Arizona Counties Insurance Pool (ACIP) is uniquely positioned to protect Arizona’s Counties from financial uncertainty in today’s ever-changing market. With this partnership, the ACIP provides the stability Counties need in managing the total cost of risk by leveraging our expertise in the areas unique to government exposures. Whether it be road design, law enforcement or public policy, the ACIP has the proven ability to work with our partner Counties for effective and financially efficient outcomes. Every current Member of the ACIP enjoys economic equity and control of their financial destiny.

The ACIP prides itself on its professional staff. The ACIP managers work closely with the Arizona Sheriff’s Association, the Arizona Association of Counties, the Arizona Jail Association, Arizona Self-Insurers’ Association, and the Arizona and National Public Risk Management Association. The ACIP also partners with the County Supervisors Association and is frequently involved in liability and workers’ compensation legislation. The ACIP staff are all certified in their areas of expertise including Chartered Property Casualty Underwriter, Senior Professional in Human Resources, Associate in Claims, Associate in Risk Management, Associate in General Insurance, Associate in Underwriting Management.
Service Team

Bill Hardy has primary service responsibility for your County. We operate using a team approach. Your Service Team consists of:

<table>
<thead>
<tr>
<th>NAME / TITLE</th>
<th>PHONE / ALT. PHONE</th>
<th>EMAIL</th>
<th>ROLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Hardy Executive Director</td>
<td>(602) 452-4520 office (602)</td>
<td><a href="mailto:bill@aciponline.org">bill@aciponline.org</a></td>
<td>Executive Director</td>
</tr>
<tr>
<td></td>
<td>999-9905 cell</td>
<td></td>
<td></td>
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<tr>
<td>Joe Zingaro CFO</td>
<td>(602) 452-4521 office (602)</td>
<td><a href="mailto:joe@aciponline.org">joe@aciponline.org</a></td>
<td>Financials, Reports</td>
</tr>
<tr>
<td></td>
<td>399-3366 cell</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurt Braatz, SPHR Loss Control Manager</td>
<td>(602) 452-4522 office (602)</td>
<td><a href="mailto:kurt@aciponline.org">kurt@aciponline.org</a></td>
<td>Training, Risk Support, Loss Control Programs</td>
</tr>
<tr>
<td></td>
<td>689-5869 cell</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cynthia Maalouf, AIC Liability Claims</td>
<td>(602) 452-4533 office (602)</td>
<td><a href="mailto:cynthia@aciponline.org">cynthia@aciponline.org</a></td>
<td>Liability Claims Adjuster</td>
</tr>
<tr>
<td>Manager</td>
<td>799-5639 cell</td>
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</tr>
<tr>
<td>Valerie Porter, CPCU, ARM, AU-M, AINS</td>
<td>(602) 452-4529 office (602)</td>
<td><a href="mailto:valerie@aciponline.org">valerie@aciponline.org</a></td>
<td>Insurance Coverage and Contracts</td>
</tr>
<tr>
<td>Office Manager</td>
<td>799-4870 cell</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laura Tonges, AIC, ARM, AINS Office</td>
<td>(602) 452-4526 office</td>
<td><a href="mailto:laura@aciponline.org">laura@aciponline.org</a></td>
<td>Auto Claims Adjuster</td>
</tr>
<tr>
<td>Admin Asst.</td>
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Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. is the ACIP’s broker. Your Service Team with AJG consists of:

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<th>NAME / TITLE</th>
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<th>ROLE</th>
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</thead>
<tbody>
<tr>
<td>John Chino, ARM-PE, CSRM Area Senior</td>
<td>(949) 349-9827 office (909)</td>
<td><a href="mailto:John_Chino@ajg.com">John_Chino@ajg.com</a></td>
<td>Producer</td>
</tr>
<tr>
<td>Vice President</td>
<td>239-4733 cell</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nasreen Kopecky, CPCU, AU Account</td>
<td>(949) 349-9857 office (949)</td>
<td><a href="mailto:Nasreen_Kopecky@ajg.com">Nasreen_Kopecky@ajg.com</a></td>
<td>Client Service Manager</td>
</tr>
<tr>
<td>Executive</td>
<td>235-0169 cell</td>
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Benefits of ACIP
Benefits of ACIP

The ACIP is a non-profit insurance pool formed to enhance the fiscal strength of Arizona Counties only. As a non-profit, the ACIP is solely focused on customer service and the equity potential of Counties in our State. This is a unique benefit that is unavailable from the insurance industry. An example of this advantage is already shared with Coconino. For approximately fifteen years, the Pool has worked with the Coconino County’s Sheriff Office in statewide training and law enforcement activities. We are grateful for your contribution to the well-being of all Arizona Counties.

As experts in County risk management, we recognize Coconino County has a strong risk management program and exceptional loss history. This has enabled your County to receive extremely favorable insurance rates. However, should Coconino County experience adverse losses or if there is a “hardening” of the market, this could change. An important value to pooling is the “critical mass” to stabilize shifting markets as well as abate loss experience challenges. A recent example provides a clear illustration of this fact: Yuma County also has an exceptional loss history but was unable to prevent their carrier from increasing their deductible from $400,000 to $1 million. Since its formation in 1988, the ACIP has set its retention with reinsurers based on the needs of the membership and not the whims of the insurance industry.

As a non-profit pool we are never motivated to earn a “return on earnings”. Our profit is measured by the excellent customer service we provide. This allows us to focus effectively in all areas of risk management and work closely with our current membership of 12 Counties. Coconino County has maintained a comprehensive risk management program that is “top of the class”; however, your service model will be greatly enhanced with the benefit of the ACIP’s 30-year experience in claims handling. Our litigation oversight has never been diluted by customers who are not Arizona Counties. Therefore, our legal proficiency has been garnered from years of litigating issues unique to County government. In addition to our claims and litigation capability, the ACIP also facilitates quarterly meetings with Human Resource Directors, Risk Managers, Jail Commanders and additional groups as necessary.

Since our formation in 1988, ACIP has returned nearly $7 million ($6.98M) to the Counties in the form of dividends. There is currently in excess of $10 million of additional County equity ownership. Coconino County also has the potential to build equity in this pooling arrangement. The graph below illustrates the growth of the equity position for all 12 ACIP Members:
## Arizona Counties Insurance Pool

### Coverage: Public Entity Liability

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Coconino Program</th>
<th>ACIP Program</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Limits OCC/AGG</td>
<td>Deductible</td>
</tr>
<tr>
<td>General Liability (GL)</td>
<td>$11M/$11M</td>
<td>$25K</td>
</tr>
<tr>
<td>Automobile Liability (AL)</td>
<td>$11M/$11M</td>
<td>$25K</td>
</tr>
<tr>
<td>Law Enforcement Liability</td>
<td>$11M/$11M</td>
<td>$25K</td>
</tr>
<tr>
<td>Public Officials Errors &amp;</td>
<td>$11M/$11M</td>
<td>$25K</td>
</tr>
<tr>
<td>Omissions Liability</td>
<td>Claims-Made Form</td>
<td>None</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
<td>$11M/$11M</td>
<td>$25K</td>
</tr>
<tr>
<td>Employee Benefits Liability</td>
<td>$11M/$11M</td>
<td>$25K</td>
</tr>
<tr>
<td>Automobile Physical Damage</td>
<td>Greater than $25K</td>
<td>$25K</td>
</tr>
<tr>
<td>Comp</td>
<td>$25K</td>
<td>$25K</td>
</tr>
<tr>
<td>Collision</td>
<td>$25K</td>
<td>$25K</td>
</tr>
<tr>
<td>UM/UIM Specific Autos</td>
<td>$300,000</td>
<td>$125K</td>
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</table>

A comparison between the current structure of Coconino County’s insurance program and the ACIP yields mostly commonality except for limits in certain categories (in addition, Coconino County procures an excess policy). The ACIP is a mature Pool with thirty (30) years of reliable claims data which permits us to purchase limits strategically. As an example, in our history, the twelve ACIP Members’ claims for Errors & Omissions (E&O) is less than one percent of the total losses. In fact, the highest E&O claim the ACIP has ever paid was less than $100,000 ($91,000). In addition, Employment Liability claims make up less than seven percent of claims in the Pool’s history. We have never paid more than $481,000 for any employment claim and that claim was an anomaly. Our long history and large amount of claims...
data assists us with our assessment of the need for limits. For the ACIP (or any County) to buy higher limits for E&O, Employment Liability is an expensive process and we do not see the value. On the other hand, our history tells us that GL/AL and Law Enforcement claims can be both frequent and severe; therefore, we procure higher limits for those coverages.

Annually, the ACIP Board of Trustees evaluates the appropriate limits for the Pool Members based on historical data and verdict trends. Currently, the ACIP Board has set a limit of $15 million and feels that these limits are sufficient. Whether Coconino County decides to come to the ACIP or remain with their current insurance carrier, we will make our loss data available to Coconino County.

Public Defenders: The ACIP has always covered Public Defenders. We will amend the definition for ‘WRONGFUL ACT’ in our Memorandum of Coverage to specifically include the activities of the Public Defenders in providing legal representation to indigent defendants on behalf of the NAMED MEMBER. This will definitively demonstrate E & O coverage.

Auto Physical Damage: We presented two options. Coconino County’s current program mirrored our Option One and Option Two is ACIP’s normal package. We do not underwrite for Auto Physical Damage and therefore cannot give Coconino County a separate quote comparison. The ACIP would prefer that Coconino County begin your membership under our Option Two. In that way, Coconino will quickly establish an equity position with the ACIP. Under Option One, less money is going into the Loss Reserve Fund. It would be destabilizing if Coconino County should experience extremely adverse losses in the first couple of years of membership.
Coverage: **Public Entity Liability**

- **General Liability**: 2,966 claims (52%)
- **Auto Liability**: 908 claims (16%)
- **Auto Physical Damage**: 1,440 claims (25%)
- **Property**: 117 claims
- **Errors & Omissions**: 57 claims
- **Employment**: 197 claims
- **Crime**: 12 claims
- **Cyber**: 2 claims
Coverage: Healthcare Professional Liability

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>Coconino Program</th>
<th>ACIP Program</th>
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<tbody>
<tr>
<td></td>
<td>LIMITS OCC/AGG</td>
<td>DEDUCTIBLE</td>
</tr>
<tr>
<td>Policy Aggregate-$5,000,000</td>
<td>$5M</td>
<td>$100K</td>
</tr>
<tr>
<td>Each Medical Incident-$5,000,000</td>
<td>$5M</td>
<td>$100K</td>
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Note: doctors, dentists and medical examiners must be scheduled on policy for coverage to apply

ACIP provides the following coverage:

The ACIP has a long history of providing risk transfer and retention options to our Member Counties for Medical Malpractice exposures and based upon our loss history has determined the following structure to be most cost effective:

- **Medical Malpractice with limits of $15M** for Medical Practitioners: EMTs, RNs, LPNs, forensic nurses, counselors, nutritionists, employees trained in first aid, LE Officer providing first aid pending arrival of professional medical assistance, community workers, or health workers including health department home health aides.

- **Medical Professionals Errors and Omissions with limits of $1M/$3M/$5M**: Medical Examiner, Medical Directors/Chief Medical Officers (in their capacity as such and not as practicing physicians), nurse practitioners, and physician's assistants. Coverage is also limited to employees of named Members. We also provide medical malpractice to the following employees of the **Yavapai County School Superintendent's Office**: one certified occupational therapist, one speech therapist and two nurses, but **coverage is limited for these to $1M/$2M**.

Note: We currently do not cover doctors, osteopaths, chiropractors, residents, interns, surgeons, psychiatrists, psychologists, pharmacists, dentists, orthodontists, or periodontists, as our Board is not comfortable with the exposure presented by this group.
Coverage: Healthcare Professional Liability

Coconino County currently has $5M/$5M in coverage for the following:

- 20 RNs/LPNs/LVNs (4 Public Health, 12 Jail, 4 Juvenile Detention)
- 5 Nurse practitioners (2 at Public Health, 1 Jail, 2 Juvenile Detention)
- 3 Medical Examiners (2 FT, 1 PT)
- 1 TB and infectious disease Medical Director who sees patients as needed - Contractor
- 1 Immunization Medical Director who sees patients as needed - Contractor
- 1 General Dentist-Contractor with standing orders on dental sealant program supervising County Dental Hygienists providing service at K-12 schools
- 2 General Medicine Doctor for school sport physicals a few times per year
- 1 General Medicine Doctor-employee on call, 2-4 weeks per year for coverage when Jail NP on vacation or leave
- 1 Dentist at Jail (not sure if employee or contractor so listed in both locations)-Works 16 hours per month

$1M in coverage for the following:

- 1 Contractor- Psychiatrist for Jail (30 hours per month)
- 1 Contractor- Dental assistant to assist dentist at Jail
- 1 Contractor- Immunization Med. Director who sees patients as needed
- 0 Any RNs/LPNs/LVNs, Nurse Practitioners, Physicians, or Pharmacists who are contractors
- 1 Any Dentists who are contractors except for dentist overseeing dental sealant program for children

Given Coconino County’s exposure and current structure we recommend the following:

- 20 RNs/LPNs/LVNs (4 Public Health, 12 Jail, 4 Juvenile Detention)- Under Incidental Med Mal ($15M)
- 5 Nurse Practitioners (2 Public Health, 1 Jail, 2 Juvenile Detention)-Under Medical Professionals E&O ($1M/$3M/$5M Pool)
- 3 Medical Examiners (2 FTEs, 1 part-time employee) - Under Medical Professionals E&O ($1M/$3M/$5M Pool)

- Our proposal envisions buying the same policy for Coconino County that it currently has with the same insurer. Because the ACIP Memorandum of Coverage covers many of the current Coconino County employees, the ACIP will work with Coconino County to discuss which ones the ACIP will exclude from the purchased policy. The ACIP may or may not receive a reduction in cost (depending on minimum premium needs of your current carrier). In any event, Coconino County will at least have your existing coverage.

- Retroactive Dates: At a minimum, the ACIP would consider a three-year retroactive date for $1M coverage limits for those employees transitioning from the current policy to the ACIP’s Memorandum of Coverage.
**Coverage: Property**

<table>
<thead>
<tr>
<th>COVERAGE</th>
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<th>ACIP Program</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>LIMITS OCC/AGG</td>
<td>DEDUCTIBLE</td>
</tr>
<tr>
<td>Total Insured Values (TIV) - $105,000,000</td>
<td>$105M/$105M</td>
<td>$10K</td>
</tr>
<tr>
<td>Equipment Breakdown-Included</td>
<td>Included</td>
<td>$10K</td>
</tr>
<tr>
<td>Business Income</td>
<td>$11M/$11M</td>
<td>24 hours</td>
</tr>
<tr>
<td>Earthquake (1)</td>
<td>$25M/$25M</td>
<td>$50K</td>
</tr>
<tr>
<td>Flood Zone A (2)</td>
<td>Excluded</td>
<td>Excluded</td>
</tr>
<tr>
<td>Flood Zones B and X</td>
<td>$25M/$25M</td>
<td>$50K</td>
</tr>
<tr>
<td>Flood-All other zones</td>
<td>$25M/$25M</td>
<td>$10K</td>
</tr>
<tr>
<td>Electronic Data Processing</td>
<td>Included</td>
<td>$25K</td>
</tr>
<tr>
<td>Contractors Equipment-$12,351,761 (3)</td>
<td>$12,351,761 TIV</td>
<td>$10K</td>
</tr>
<tr>
<td>Fine Arts-In Transit</td>
<td>$50K</td>
<td>$50K</td>
</tr>
<tr>
<td>Fine Arts-$21,473</td>
<td>$21,473 TIV</td>
<td>$1K</td>
</tr>
</tbody>
</table>

(1) Coconino County currently has $25 million in earthquake coverage. The ACIP currently maintains $10 million limit for earthquake. Based upon review with Coconino County, we can increase limits and have a verbal commitment from Travelers to increase the Pool limits to $25 million at no additional cost.

(2) The ACIP has a separate Flood Policy for all properties in Flood Zone A, which is considered a 'high probability of flood' zone per FEMA. While we do have coverage under our normal policy with Travelers, the Pool's SIR ($500K) is such that it made more sense to procure a separate policy to cover this exposure. All Members with properties located in this flood zone are included on this policy and share costs on a pro-rated basis.

(3) Currently, Coconino County carries $227,000 worth of Watercraft coverage. The ACIP will provide the same coverage.
### Coverage: Government Crime

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>Coconino Program</th>
<th>ACIP Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LIMITS OCC/AGG</td>
<td>DEDUCTIBLE</td>
</tr>
<tr>
<td>Each Coverage-$1,000,000 per occurrence</td>
<td>$1M/$1M</td>
<td>$25K</td>
</tr>
<tr>
<td>Employee Theft Per Loss with Faithful Performance Forgery or Alteration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inside Premises, Outside Premises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Fraud, Funds Transfer Fraud</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The coverage of the two programs is nearly identical. The ACIP Government Crime deductible follows the property deductible for the individual Members. Coconino County would benefit by $15,000 reduction to the deductible.
### Coverage: Drones

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>LIMITS OCC/AGG</th>
<th>OPTION ONE DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bodily Injury and Property Damage Liability</td>
<td>$1M</td>
<td>None</td>
</tr>
<tr>
<td>Non-Owned Liability</td>
<td>$1M</td>
<td>None</td>
</tr>
<tr>
<td>Passenger War Liability</td>
<td>Included</td>
<td>None</td>
</tr>
<tr>
<td>Third Party War Limit</td>
<td>$1M</td>
<td>None</td>
</tr>
<tr>
<td>Personal Injury Limit</td>
<td>$1M</td>
<td>None</td>
</tr>
<tr>
<td>Medical Limit</td>
<td>$5K</td>
<td>None</td>
</tr>
<tr>
<td>Aviation Personal and Advertising Injury Liability</td>
<td>$1M</td>
<td>None</td>
</tr>
<tr>
<td>Fire Legal Liability</td>
<td>$100K</td>
<td>None</td>
</tr>
<tr>
<td>Hull Physical Damage-Optional</td>
<td>ACV</td>
<td>None</td>
</tr>
</tbody>
</table>

This current policy period, 2018-19, was the inaugural year the ACIP carried Drone coverage for the Pool Members. The ACIP Board of Trustees made the decision to acquire the coverage with no cost to participating Members. The ACIP procured a policy that covers up to 20 drones; we currently only have 15 covered. The ACIP would expand the number when necessary. In addition, hull coverage is available, but the premium will be borne by the individual county. It is the ACIP’s Board of Trustees decision to continue that funding mechanism for $1 million liability coverage including civil rights.
### Coverage: Cyber Liability

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Coconino Program</th>
<th>ACIP Program</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage</strong></td>
<td>Limits OCC/AGG</td>
<td>Deductible</td>
</tr>
<tr>
<td>Policy Aggregate</td>
<td>$5M</td>
<td>$50K</td>
</tr>
<tr>
<td><strong>Third Party Liability Coverages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security &amp; Privacy Liability Limit</td>
<td>$5M</td>
<td>$50K</td>
</tr>
<tr>
<td>Regulatory Action Sublimit</td>
<td>$5M</td>
<td>$50K</td>
</tr>
<tr>
<td>PCI-DSS Assessment Coverage</td>
<td>$1M</td>
<td>$25K</td>
</tr>
<tr>
<td>Media</td>
<td></td>
<td>$2M</td>
</tr>
<tr>
<td><strong>First Party Coverages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event Management</td>
<td>$5M</td>
<td>$50K</td>
</tr>
<tr>
<td>- Per Event Sublimit</td>
<td>$1M</td>
<td>$50K</td>
</tr>
<tr>
<td>Event Response Sublimit</td>
<td>$2.5M</td>
<td>$50K</td>
</tr>
<tr>
<td>Electronic Data</td>
<td>$5M</td>
<td>$50K</td>
</tr>
<tr>
<td>Cyber Extortion Limit</td>
<td>$5M</td>
<td>$50K</td>
</tr>
<tr>
<td>Network Interruption Coverage</td>
<td>Included</td>
<td>$50K</td>
</tr>
<tr>
<td>Event Response-Affected Person Endorsement</td>
<td>Unlimited up to 1M affected persons if at least 100 persons affected</td>
<td>100 Affected Persons</td>
</tr>
<tr>
<td>Social Engineering Financial Fraud Coverage</td>
<td>$5M</td>
<td>$500K</td>
</tr>
</tbody>
</table>

The ACIP analysis of our current cyber program limits is that a $2 million limit is sufficient to cover our Member Counties cyber exposures. In the event Coconino County wishes to maintain a $5 million limit, please refer to page 21, Voluntary Options, for the premium.

Retroactive dates: Coconino County currently has split retro dates of 7/1/2011 for first $1M, 7/1/15 for $1M above first $1M, and 7/1/2017 for $3M above first $2M. The ACIP has received confirmation from our carrier, XL, that they will match Coconino’s current retro dates as stated.
### Coverage: Premises Environmental Liability

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>Coconino Program</th>
<th>ACIP Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Aggregate-$1,000,000</td>
<td>$1M</td>
<td>$1M</td>
</tr>
<tr>
<td>Pollution Legal Liability- $1,000,000</td>
<td>$1M $50K</td>
<td>$1M $50K</td>
</tr>
<tr>
<td>On-Site &amp; Off-Site Clean-Up Costs-</td>
<td>$1M $50K</td>
<td>$1M $50K</td>
</tr>
<tr>
<td>Contracting Services Pollution Liability-</td>
<td>$1M $50K</td>
<td>$1M $50K</td>
</tr>
<tr>
<td>Non-Owned Disposal site- $1,000,000</td>
<td>$1M $25K</td>
<td>$1M $25K</td>
</tr>
<tr>
<td>In-Bound and Out-Bound Contingent</td>
<td>$1M $25K</td>
<td>$1M $25K</td>
</tr>
<tr>
<td>Transportation Coverage- $1,000,000</td>
<td>$1M $25K</td>
<td>$1M $25K</td>
</tr>
</tbody>
</table>

The ACIP does not offer Premises Environmental Liability as a Pool-wide coverage; however, we do market and place coverage on a County-specific basis.

We would never recommend canceling a three-year pollution policy midterm because of the "known condition exclusion" wording in an Environmental Liability Policy. The "known conditions" exclusion—a type of known loss exclusion—has been defined by an insurance company in one PLL policy to exclude coverage for loss "arising from pollution conditions existing prior to the inception of this policy, and reported to any officer, director, partner or other employee responsible for environmental affairs of the named insured, unless all of the material facts relating to the pollution conditions were disclosed to the company in materials prior to the inception of this policy." This wording varies from carrier to carrier and cancelling midterm could create a gap even with a retro date to inception of the earlier policy.

Our broker, Gallagher, is one of the leading brokers for environmental liability in the Western US, placing coverage for more than sixty Counties—including Yuma County. They have considerable business and leverage with all six of the leading markets that specialize in the sector. Gallagher would provide a complete marketing for Coconino County taking into consideration the current coverage and retro dates. Frankly, it might be time to look at a program for all Member Counties in the ACIP.
## Premium Summary

<table>
<thead>
<tr>
<th>LINE OF COVERAGE</th>
<th>LIMITS OCC/DED</th>
<th>PREMIUM</th>
<th>OPTION ONE LIMITS/DED</th>
<th>OPTION ONE PREMIUM</th>
<th>OPTION TWO LIMITS/DED</th>
<th>OPTION TWO PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Entity Liability</td>
<td>$11M/$125K</td>
<td>$389,000</td>
<td>$15M/$125K</td>
<td>Incl.</td>
<td>$15M/$50K</td>
<td>Incl.</td>
</tr>
<tr>
<td>Property</td>
<td>$110M/$10K</td>
<td>$135,000</td>
<td>$300M/$10K</td>
<td>Incl.</td>
<td>$300M/$10K</td>
<td>Incl.</td>
</tr>
<tr>
<td>Government Crime</td>
<td>$1M/$25K</td>
<td>$6,800</td>
<td>$1M/$10K</td>
<td>Incl.</td>
<td>$1M/$10K</td>
<td>Incl.</td>
</tr>
<tr>
<td>Cyber</td>
<td>$5M/$50K</td>
<td>$66,000</td>
<td>$2M/$10K</td>
<td>Incl.</td>
<td>$2M/$10K</td>
<td>Incl.</td>
</tr>
<tr>
<td>Drones</td>
<td></td>
<td></td>
<td>$1M/None</td>
<td>Incl.</td>
<td>$1M/None</td>
<td>Incl.</td>
</tr>
<tr>
<td>Broker Fees</td>
<td>$42,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**COVERAGE SUBTOTAL**

| Coconino Program         | $638,800 | $586,000 | $731,000 |

| ACIP Proposed Program    |         |         |          |

| Healthcare Professional Liability | $5M/$100K | $97,000 | $5M/$100K | $97,000 | $5M/$100K | $97,000 |
| Premises Environmental Liability | $1M/$50K | $19,000 | $1M/$50K | $19,000 | $1M/$50K | $19,000 |

**TOTAL PROPOSED PACKAGE**

| Coconino Program         | $754,800 | $702,000 | $847,000 |

- The ACIP normally would not offer Option One for a proposed Member. However, due to Coconino’s loss history, we are willing to extend the Option.

- The Total Proposed Package Cost is for three years. In its enabling Pooling statute, the Arizona Legislature requires an assessment clause in any Pooling Agreement. While this clause may be practical in a Pool’s beginning years, it becomes superfluous for a mature Pool. The ACIP is funded at a 90% confidence factor. In addition, the ACIP has a fund balance to contribution of approximately 1:1. We are reviewed annually and fully audited every five years by the Department of Insurance for solvency. We do not look...
Arizona Counties Insurance Pool

...at an adverse year separately, but rather in the totality of our complete financial position.

- Any increases in Healthcare Professional Liability and Premises Environmental Liability for years two and three will be borne by the County.
## Voluntary Options

<table>
<thead>
<tr>
<th>LINE OF COVERAGE</th>
<th>Coconino Program</th>
<th>ACIP Proposed Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LIMITS</td>
<td>PREMIUM</td>
</tr>
<tr>
<td></td>
<td>EXCESS/PRIMARY</td>
<td></td>
</tr>
<tr>
<td>Public Excess Liability</td>
<td>$20M/$11M</td>
<td>$106,877</td>
</tr>
<tr>
<td>Additional $3M Cyber Liability Limits</td>
<td>$3M</td>
<td>$32,000</td>
</tr>
</tbody>
</table>
Purpose of Presentation

- Work Session to share insurance information with the Board of Supervisors

- Seeking Board of Supervisors direction regarding property/casualty and workers compensation insurance options
Current Insurance

- Our current insurance broker had internal changes leaving us with a broker located in Nevada, and with no loss control consultant for a period of time.
- Our insurance broker is not located within the same office as service staff.
- Coconino County reviews insurance placement annually and each year considers Arizona Counties Insurance Pool (ACIP).
Arizona Counties Insurance Pool (ACIP)

- ACIP is a non-profit
- ACIP partners with the County Supervisor’s Association (CSA)
- ACIP membership includes 12 of 15 Arizona counties
- ACIP is headquartered in Phoenix, and is very attuned to AZ issues. We already partner with them on many legislative issues
- A pool provides a consistent home for coverage and avoids market pricing shocks or coverage contractions
- ACIP offers lower deductibles at lower pricing with a rate guarantee for three years (with exception of medical malpractice and pollution liability)
- ACIP offers lower coverage limits than our existing coverage package, but claims activity has not shown activity at the upper end of limits for over 10 years, and this would be an opportunity to reset our coverages, consistent with other Arizona counties
- ACIP is member owned which means the opportunity to build member equity and the potential for dividends if the group performs well
Presented By:

William H. Hardy, Executive Director- Arizona Counties Insurance Pool

John Chino, Area Senior Vice President- Arthur J. Gallagher & Co.
When the Pool was formed in 1988, there were exactly two insurance companies in Arizona that underwrote Counties: Planet/Reliance and Hartford/Penco. Now in 2019, there are still exactly two: One Beacon and Travelers.

The Insurance Industry has not changed in the past 40 years but Insurance pools have grown and prospered. There is no reason to believe the Industry will ever consider Counties as a preferred class – they didn’t in 1988 and they still do not in 2019.

“An Estimated 80% of cities, towns, schools, counties and special districts in the United States address some or all of their risk management and risk financing needs through member-owned, member-governed, non-profit pools.” – Association of Governmental Risk Pools
ACIP PROVIDES STABILITY

Insurance vs. Pooling Arrangements

- An individual county is subject to insurance market volatility
- Risk-sharing pools have surpassed commercial insurance for public entities because they demonstrate effective government collaboration
- There is a culture of collaboration, rather than competition, which has allowed ACIP and our Member Counties to learn from one other and share resources.
- No Member County has ever left the Pool
ACIP PROVIDES STABILITY

An important benefit to pooling is the “critical mass” to stabilize shifting markets as well as abate loss experience challenges.

Yuma County has an exceptional loss history but was unable to prevent their carrier from increasing their deductibles from $400,000 for general liability and $500,000 for employment practices liability to $1 million.

Even in good economies, insurance companies increase premiums irrespective of loss experience.

Currently, the insurance industry surplus is at a record high at nearly $1 trillion.

Premium Growth Continues to Follow Economic Growth and Inflation Trends.

Since our formation in 1988, the ACIP has returned nearly $7 million ($6.98M) to its Member Counties in the form of dividends. There is currently in excess of $10 million of additional County equity ownership.

Coconino County also has the potential to build equity in this pooling arrangement.

As a non-profit government entity:

- ACIP has lower administrative expenses than an insurance company by 40 to 50%
- ACIP pays lower commission fees than an insurance company pays to agents & brokers
- ACIP pays lower taxes than an insurance company
- ACIP does not make a “profit” like an insurance company; underwriting income is returned to members (Equity)
# Strategic Coverage With Same or Lower Deductible

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Coconino Current Limits/Deductible</th>
<th>ACIP Option One Limits/Deductible</th>
<th>ACIP Option Two Limits/Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Entity Liability</td>
<td>$11M/$125K</td>
<td>$15M/$125K</td>
<td>$15M/$50K</td>
</tr>
<tr>
<td>Property</td>
<td>$110M/$10K</td>
<td>$300M/$10K</td>
<td>$300M/$10K</td>
</tr>
<tr>
<td>Government Crime</td>
<td>$1M/$25K</td>
<td>$1M/$10K</td>
<td>$1M/$10K</td>
</tr>
<tr>
<td>Cyber*</td>
<td>$5M/$50K</td>
<td>$2M/$10K</td>
<td>$2M/$10K</td>
</tr>
<tr>
<td>Drones</td>
<td></td>
<td>$1M/None</td>
<td>$1M/None</td>
</tr>
<tr>
<td>Broker Fees</td>
<td>$42,000</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

*The ACIP analysis of our current cyber program indicates a $2 million limit is sufficient to cover Member exposures.
The ACIP Difference

• The ACIP was created by statute in 1988- ALL we do is represent Arizona county government.

• The ACIP provides the stability counties need in managing the total cost of risk by leveraging our expertise in areas unique to government issues: namely detention centers and roads.

• Insurance rates/limits are strategically designed on the needs of our Members- not the whims of the insurance industry.

• The ACIP has over 30 years experience in claims and litigation management. Our legal proficiency has been garnered from years of litigating issues specific to county government- road design, law enforcement, public policy, etc.

• The ACIP managers routinely attend meetings of the Arizona Sheriff’s Association coordinated through the Arizona Association of Counties, the Arizona Jail Association and the Arizona Self-Insurers’ Association. The ACIP also has a close partnership with the County Supervisors Association and is frequently involved in liability and workers’ compensation legislation.
The ACIP Difference

• **ACIP Highway Safety Program** - In 2003, ACIP determined 2% of liability claims were due to road and signage issues, representing 35% of total claim costs ($6 million). ACIP initiated a program to drive all Member County roads and identify road and signage issues:
  - Hired Traffic Engineer and 2 support staff
  - 3 vehicles purchased
  - 250,000 miles driven = 16,000 man hours
  - 4,000 critical issues were identified
  - 30,000 non-critical issues were identified
  - Follow-up audit was done in 2008

• **Property Review Program** - During 2014-2017, ACIP Loss Control staff traveled and inspected all known buildings and structures owned by Member Counties:
  - Over 1,600 buildings and structures valued at $1.2 billion were inspected over 12 Counties
  - Recommendations were made to assess property insurance valuations
  - Safety hazards and liability risks were identified and reports submitted to each county
The ACIP Difference

- **Personnel Policy Review** - In 2014, ACIP collected and reviewed all Member County personnel policies:
  - Outside legal review and recommendations were obtained
  - Best practices were shared with all Member Counties
  - Recommended draft policies were developed and are available on ACIP’s web portal

- **Online Safety Training** - In 2016, ACIP implemented the “SafePersonnel® Staff Training System”:
  - Library of 100+ online safety classes covering topics such as transportation, emergency management, human resources, information technology, et al.
  - Unlimited access to all Member County employees 24/7
Questions?
## Coverage Line Limits

<table>
<thead>
<tr>
<th>Coverage Line</th>
<th>Limits</th>
<th>ACIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Entity Liability</td>
<td>11M</td>
<td>15M</td>
</tr>
<tr>
<td>Excess Public Entity Liability</td>
<td>20M</td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>110 M</td>
<td>300M</td>
</tr>
<tr>
<td>Crime</td>
<td>1M</td>
<td>1M</td>
</tr>
<tr>
<td>Cyber</td>
<td>5M</td>
<td>2M</td>
</tr>
<tr>
<td>Drones</td>
<td>31M</td>
<td>1M</td>
</tr>
<tr>
<td>Medical Malpractice</td>
<td>5M</td>
<td>5M</td>
</tr>
<tr>
<td>Pollution Liability</td>
<td>1M</td>
<td>1M</td>
</tr>
</tbody>
</table>
## Coverage Form Comparisons

<table>
<thead>
<tr>
<th>Coverage Line</th>
<th>Coverage Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Entity Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>General Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>Public Officials Errors and Omissions</td>
<td>occurrence</td>
</tr>
<tr>
<td>Employee Benefits Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>Law Enforcement Legal Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>Excess Public Entity Liability</td>
<td>occurrence</td>
</tr>
<tr>
<td>Property</td>
<td>all risk</td>
</tr>
<tr>
<td>Crime</td>
<td>occurrence</td>
</tr>
<tr>
<td>Cyber</td>
<td>claims made</td>
</tr>
<tr>
<td>Drones</td>
<td>occurrence</td>
</tr>
<tr>
<td>Medical Malpractice</td>
<td>claims made</td>
</tr>
<tr>
<td>Pollution Liability</td>
<td>claims made</td>
</tr>
</tbody>
</table>
## Coverage Line Cost Comparisons

<table>
<thead>
<tr>
<th>Coverage Line</th>
<th>Current Program</th>
<th>ACIP Option 1</th>
<th>ACIP Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Entity Liability</td>
<td>389,124.00</td>
<td>at 125k SIR*</td>
<td>at 50k SIR**</td>
</tr>
<tr>
<td>Property</td>
<td>134,665.00</td>
<td>incl</td>
<td>incl</td>
</tr>
<tr>
<td>Crime</td>
<td>6,712.00</td>
<td>incl</td>
<td>incl</td>
</tr>
<tr>
<td>Cyber</td>
<td>65,764.00</td>
<td>incl</td>
<td>incl</td>
</tr>
<tr>
<td>Drones</td>
<td>Incl</td>
<td>incl</td>
<td>incl</td>
</tr>
<tr>
<td>Broker Fee</td>
<td>42,000.00</td>
<td>incl</td>
<td>incl</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>638,265.00</td>
<td>586,000</td>
<td>731,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Malpractice</td>
<td>96,728.00</td>
<td>97,000</td>
<td>97,000</td>
</tr>
<tr>
<td>Pollution Liability</td>
<td>18,963.00</td>
<td>19,000</td>
<td>19,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>753,956.00</td>
<td>702,000</td>
<td>847,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Liability*</td>
<td>106,877.00</td>
<td>104,000</td>
<td>104,000</td>
</tr>
<tr>
<td>Cyber Liability Addiitional 3M</td>
<td>incl</td>
<td>32,000</td>
<td>32,000</td>
</tr>
<tr>
<td><strong>Total with Additional Excess and Cyber</strong></td>
<td>860,833.00</td>
<td>838,000</td>
<td>983,000</td>
</tr>
</tbody>
</table>
# Current Insurance Premiums FY19

<table>
<thead>
<tr>
<th>Coverage Line</th>
<th>FY19 Premium</th>
<th>Carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Entity Liability</td>
<td>$389,124</td>
<td>One Beacon</td>
</tr>
<tr>
<td>Property</td>
<td>$134,665</td>
<td>Travelers</td>
</tr>
<tr>
<td>Crime</td>
<td>$6,712</td>
<td>National Union Fire</td>
</tr>
<tr>
<td>Cyber</td>
<td>$65,764</td>
<td>AIG</td>
</tr>
<tr>
<td>Drones</td>
<td>incl</td>
<td>One Beacon</td>
</tr>
<tr>
<td>Broker Fee</td>
<td>$42,000</td>
<td>Willis Towers Watson</td>
</tr>
<tr>
<td>Medical Malpractice</td>
<td>$96,728</td>
<td>Lexington</td>
</tr>
<tr>
<td>Pollution Liability*</td>
<td>Prepaid</td>
<td>Great American</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>$507,037</td>
<td>CopperPoint</td>
</tr>
<tr>
<td>Excess Liability*</td>
<td>$106,877</td>
<td>Travelers</td>
</tr>
<tr>
<td>Total</td>
<td>$1,348,907</td>
<td>Various</td>
</tr>
</tbody>
</table>
# Workers Compensation Premiums

<table>
<thead>
<tr>
<th>Policy Yr</th>
<th>Estimated Premium</th>
<th>Audited Premium</th>
<th>Experience Mod (EMOD)</th>
<th>Carrier Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>tbd</td>
<td>tbd</td>
<td>tbd</td>
<td>30%</td>
</tr>
<tr>
<td>FY19</td>
<td>$507,037</td>
<td>$0</td>
<td>0.92</td>
<td>28.50%</td>
</tr>
<tr>
<td>FY18</td>
<td>$480,282</td>
<td>$458,416</td>
<td>0.76</td>
<td>27.50%</td>
</tr>
<tr>
<td>FY17</td>
<td>$598,660</td>
<td>$540,291</td>
<td>0.84</td>
<td>25%</td>
</tr>
<tr>
<td>FY16</td>
<td>$853,208</td>
<td>$755,796</td>
<td>1.26</td>
<td>25%</td>
</tr>
<tr>
<td>FY15</td>
<td>$1,056,390</td>
<td>$889,813</td>
<td>1.24</td>
<td>13%</td>
</tr>
<tr>
<td>FY14</td>
<td>$1,068,919</td>
<td>$1,020,958</td>
<td>1.07</td>
<td>0%</td>
</tr>
</tbody>
</table>
The Board may consider several options, which may include:

- Moving property/casualty and workers’ compensation coverage to ACIP in FY20
- Moving property/casualty coverage to ACIP in FY20 and leaving our workers’ compensation coverage with CopperPoint Mutual
- Consider moving the workers’ compensation coverage to ACIP at a later date if so desired
- Other recommendations
Insurance Options Talking Points

Coconino County reviews insurance placement annually and each year considers Arizona Counties Insurance Pool (ACIP).

- Insurance availability and pricing with insurance companies is subject to outside forces.
- A pool provides a consistent home for coverage and avoids market pricing shocks or coverage contractions.
- Our County Manager would sit on the ACIP Board of Directors.
- ACIP is headquartered in Phoenix, and is very attuned to AZ issues. We already partner with them on many legislative issues.
- Our current insurance broker had internal changes leaving us with a broker located in Nevada, and with no loss control consultant for a period of time.
- Our insurance broker is not located within the same office as service staff.
- ACIP offers lower deductibles at lower pricing with a rate guarantee for three years (with exception of medical malpractice and pollution liability).
- ACIP offers lower coverage limits than our existing coverage package, but claims activity has not shown activity at the upper end of limits for over 10 years, and this would be an opportunity to reset our coverages, consistent with other Arizona counties.
- ACIP is member owned which means the opportunity to build member equity and the potential for dividends if the group performs well.
- The ACIP Pool has the option to assess additional amounts of members at year end if losses exceed accumulated funds and stop loss insurance.
- Stop loss insurance for the ACIP pool is purchased through their insurance broker.
- Coconino County’s current insurance is written on a guaranteed cost basis.
- ACIP’s proposal for FY20 moves elected officials errors and omissions liability, and employment benefits liability to a claims made policy basis.
- A claims made policy only covers losses which occur after a stated retroactive date, usually the start of the first claims made policy with that insurer, until the end of the policy year.
- Moving our existing claims made coverages may result in the need to purchase an extended reporting period on current policies for medical malpractice, cyber liability, and pollution liability.
- ACIP management fees are embedded in their pricing.
- ACIP has professional insurance staff for management of funds, claims handling, and loss control consulting.
- Safety trainings online are available to ACIP member entities, and augmented by loss control services and member meetings.
- Our favorable loss history is desirable and would benefit the ACIP group.

ACIP has provided a proposal for moving property/casualty coverage to them in FY20. If we were to switch to ACIP, we would consider leaving our workers’ compensation with CopperPoint Mutual. The Workers’ compensation is anticipated to renew at a deeply discounted price, and we could move the workers' compensation to ACIP at a later date if so desired.
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Cynthia Nemeth-Briehn, Parks and Recreation Director

SUBJECT: Discussion, consultation with attorneys, and possible direction regarding renegotiation or termination of the County's License Agreement with Recapturing Americana, LLC. dba The North Pole Experience. Pursuant to ARS 38-431.03(A)(4) the Board may enter executive session for discussion.

RECOMMENDED MOTION:

Enter executive session.

BACKGROUND:

Background will be provided to the Board during executive session. Pursuant to A.R.S. 38-431.03(A)(3) the Board may vote to enter executive session for this item.
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Cynthia Nemeth-Briehn, Parks and Recreation Director

SUBJECT: Presentation and discussion regarding an update from Marilyn Hammarstrom, Executive Director of the Fort Tuthill Military Museum, on the museum's operations and upcoming programs.

BACKGROUND:

The Fort Tuthill Military Museum Association has been a partner of Coconino County Parks and Recreation since 1999 when association volunteers developed the museum honoring the park's military history. The initial displays were housed in an historic building west of the County Fairgrounds. In 2016, an expanded museum was relocated to Buildings 1 and 2 of the fairgrounds and reopened in May 2017. Museum exhibits trace the regimental history of the 158th Regiment from 1865 to today. The 158th Infantry Regiment Arizona National Guard trained at what is today Fort Tuthill County Park from 1929 to 1937, and again in 1939 and 1948.

Museum Executive Director, Marilyn Hammarstrom, will provide an update on the museum's operations and programs.

PURPOSE OF THE PRESENTATION:

To provide an update on the Fort Tuthill Military Museum.

ALTERNATIVES:

The Board of Supervisors could postpone the presentation to another time.

FISCAL IMPACT:

None.
ATTACHMENTS:

1 - Staff Report
2 - FORT TUTHILL MILITARY MUSEUM PRESENTATION
BOARD OF SUPERVISORS UPDATE JANUARY 2019
Summary of build out expenses, construction, and re-opening

Architectural Proposal:
• $149,000 for two buildings presented to BOS 2013

Fundraising:
• Donated labor and materials, cash donations >>> $70,000+
Marketing

Google – 4.7 rating
• #20 of 71 “Things to Do in Flagstaff”

Trip Advisor – 4.5 rating
• Earned Award of Excellence for 2018
Events

1) AZ National Guard Exhibit during Overland Expo

2) AZ National Guard Band performance

3) Citizens Cemetery Tour
   • “What Lies Beneath” - Tour of soldiers’ graves and historical stories of those who trained at Ft. Tuthill, featuring Col. Pulliam; inclusion in historical booklet

4) Exhibit at Arizona/New Mexico History Convention

5) Exhibit at Thunder Over Flagstaff Air Show

6) AHS and NAU Applied Indigenous Studies Program, introduction programs
6) Portraits of Courage Exhibit
   - Sponsored by AZ Heritage Foundation and Sandra Day O’Connor Foundation

7) Local & Phoenix area school field trips
   - 200+ students

8) Senior citizen field trips, 5

Upcoming Event in 2019
   - Smithsonian Institute traveling exhibit, “Patriot Nations: Native Americans in Our Nation’s Armed Forces” (6/28 through 7/24)
Guest Book: 474 entries

- Flagstaff – 95
- AZ – 143
- US – 52
- International – 21

Financial:

- $4,320
  - Fixed Expenses
- $3,007
  - Admissions Revenue 2018
Challenges

- Volunteers
- Hours of operation
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Marie Peoples, Deputy County Manager

SUBJECT: Presentation and discussion regarding LAUNCH Flagstaff’s pilot solution for Expanding High Quality Preschool in Flagstaff.

BACKGROUND:

Too few children in Flagstaff have access to high-quality preschool. This condition is unsatisfactory and an obstacle for advancing world-class education for every child in Flagstaff.

Expanded high-quality preschool in Flagstaff, will almost certainly produce benefits that exceed its costs, with measurable benefits of increased school readiness, higher academic achievement in primary, secondary and post-secondary grades for our children. This will translate into a higher educated workforce with greater potential for individual and community prosperity.

We seek your participation in piloting a collectively-funded project that will:

• Provide high-quality, full-day, year-round preschool as defined by Quality First Rating System
• Sites would be expected to be rated at four- or five-stars on the Quality Improvement Rating System
• Each classroom would need at least:
  • One certified lead teacher, or one working toward certification
  • One assistant teacher
  • A maximum of 18 students – allowing for a ratio under 10:1
• Student progress monitoring using Teaching Strategies-GOLD
• Initially be available to all four-year-old children in the FUSD boundary area who live in households with income between 100% and 200% of the federal poverty level (FPL)
• Begin serving students in January, 2020
• Measure improvements in student achievement over time using a continuous improvement model
• Provide family engagement and supports that build positive parenting skills

PURPOSE OF THE PRESENTATION:

LAUNCH Flagstaff would like to present information on their pilot solution - Expanding High
Quality Preschool in Flagstaff.

**ALTERNATIVES:**

The Board may choose not to hear the presentation or continue it to another meeting date.

**FISCAL IMPACT:**

There is no fiscal impact as this is a discussion item only.

**ATTACHMENTS:**

1 - Staff Report
2 - Feasibility Report
3 - Powerpoint
Expanding High Quality Preschool in Flagstaff

A REQUEST TO SUPPORT A PILOT SOLUTION

LAUNCH FLAGSTAFF
ADVANCING WORLD-CLASS EDUCATION
Participating Organizations in this Report

- AZ Community Foundation of Flagstaff
- City of Flagstaff
- Coconino Community College
- Coconino County
- Coconino County Supt. of Schools
- Expect More Arizona
- First Things First
- Flagstaff Unified School District
- Greater Flagstaff Chamber of Commerce
- Northern Arizona University
- The NARBHA Institute
- The Wharton Foundation
- United Way of Northern Arizona

Report Contributors

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Sylvia A. Johnson, M.Ed.
Daniel Kain, Ph.D.
Rene RedDay, M.Ed.
Paul Kulpinski

January, 2019. Flagstaff Arizona

Funding for LAUNCH Flagstaff from:
EXECUTIVE SUMMARY

Too few children in Flagstaff have access to high-quality preschool. This condition is unsatisfactory and an obstacle for advancing world-class education for every child in Flagstaff.

Expanded high-quality preschool in Flagstaff, will almost certainly produce benefits that exceed its costs, with measurable benefits of increased school readiness, higher academic achievement in primary, secondary and post-secondary grades for our children. This will translate into a higher educated workforce with greater potential for individual and community prosperity.

We seek your participation in piloting a collectively-funded project that will:

- Provide high-quality, full-day, year-round preschool as defined by Quality First
  - Sites would be expected to be rated at four- or five-stars on the Quality Improvement Rating System
    - Each classroom would need at least:
      - One certified lead teacher, or one working toward certification
      - One assistant teacher
      - A maximum of 18 students – allowing for a ratio under 10:1
      - Student progress monitoring using Teaching Strategies-GOLD
  - Initially be available to all four-year-old children in the FUSD boundary area who live in households with income between 100% and 200% of the federal poverty level (FPL)
  - Begin serving students in January, 2020
  - Measure improvements in student achievement over time using a continuous improvement model
  - Provide family engagement and supports that build positive parenting skills

Potential partners could include:

INVESTMENT

Expanding free, full-day, high-quality preschool to serve four-year-old children from families between 100 and 200 percent of the federal poverty level with coordinated multi-generational family supports, utilizing the wide range of services provided by Quality First, and incorporating rigorous data collection would cost approximately $750,000 per year and serve a population of children who are often left behind. Participation is a three-year commitment starting July 1, 2019 (FY20) with planning and coordination, followed by seating the first classes of students in January, 2020.

Joining with the committed educators and citizens of LAUNCH, the City of Flagstaff and Coconino County can take a significant step toward building a system that ensures a world-class education for every child in the greater Flagstaff area, from cradle through career.
High Quality Preschool Programs can:

- School readiness
- Educational attainment
- Labor force earnings
- Health

- Poverty
- Crime
- Welfare costs

Figure 1: (DiDomenico, 2017.)
BACKGROUND

Flagstaff has many exceptional programs and organizations across our city and its surrounding communities. However, we often work in silos in a way that produces mixed results. Data show this lack of infrastructure creates opportunity gaps and disparities that prevent some of our kids from reaching their full potential.

This is why the partners of LAUNCH Flagstaff have gathered since 2013 to find proven strategies that can raise the bar and create a culture of world-class education for every child, from cradle through career.

The cradle through career continuum spans from a child's birth through their retirement later in life. Along the continuum, certain milestones are recognized as important building blocks necessary for a child to grow into a civically engaged contributing member of our community. Experiences from cradle through career are a mix of formal academic education with extra-curricular opportunities a child experiences through their family and community. In fact, for a child in the K-12 system, at least 52 percent of their waking time is spent outside of a classroom during the school year. This is why the partners of LAUNCH Flagstaff recognize that the education of our children is not the sole responsibility of our teachers. We accept our responsibility to provide community-based programs and supports that are strategically aligned with the preschool through college (P-20) institutions in Flagstaff.

One of the earliest benchmarks in the cradle through career continuum is school readiness. In the greater Flagstaff area, the time from birth to age five is void of any coordinated infrastructure that can reliably support children and their families during this most important phase of child development. If we are to achieve our goal of establishing Flagstaff as a place where every child experiences a world-class education, a primary focus on early childhood education and development is foundational to our collective effort.

This understanding prompted several members of the LAUNCH Flagstaff partnership to begin an initial discussion on the feasibility and benefits of investing in an expansion of high-quality preschool options available to four-year old children of low-income families. Our initial findings and recommendations are presented in this report.

Although there have been no cost-benefit analyses on high-quality preschool in Flagstaff or elsewhere in Arizona, in this report we utilize key findings of cost-benefit analyses of similar programs to illustrate likely benefits of expanding access to high-quality preschool in Flagstaff. This information includes analysis by the Washington State Institute for Public Policy (WSIPP), as well as a publication on the economics of early childhood investments from the Executive Office of the President of the United States, and a feasibility study for expanding preschool in Tempe, Arizona.
Children who participate in high-quality preschool programs experience enhanced health, social-emotional, and cognitive outcomes compared to those who do not (U.S. Department of Education, 2015).

These children also score higher on standardized tests and display fewer behavior problems. These improvements in children's development have the potential to decrease the need for special education placements and remedial education, which in turn serves to decrease public school costs and expenditures (Executive Office of the President, 2014).

Children who attend high-quality preschool programs are more likely to graduate from high school, attend college, and experience success in their careers than those who have not attended high-quality preschool programs (U.S. Department of Education, 2015).

This growth is especially powerful for children from low-income families and those at risk for academic failure. The need for children to be in stimulating learning environments from a very early age is evidenced by data that show early exposure to quality communication are highly important to future educational success.

Arizona’s rank out of 50 in the number of 4-year old children enrolled in publicly-funded preschool

Figure 4: (Friedman-Krauss, et. al., 2018.)

Figure 3: Number of months children of low-income families enter kindergarten behind their peers in pre-literacy skills

Figure 5: Percentage of children enrolled in publicly funded preschool by age. (Friedman-Krauss, et. al., 2018.)
Flagstaff, Arizona is located at the intersection of I-17 and I-40, and with an estimated population of 71,975 (2017) it is the largest city in Northern Arizona. The city is also the regional center and county seat for Coconino County, the second largest county by area in the 48 contiguous states.

The Greater Flagstaff Area community contains the City of Flagstaff and the Census Designated Places (CDPs) of Fort Valley, Doney Park, Mountainaire, Kachina Village, Winona and Bellemont. (See Figure 6).

For the purposes of this report, we use the boundary area of the Flagstaff Unified School District (FUSD), which in addition to those communities already mentioned, also contains the communities of Munds Park, Leupp, Gray Mountain, Tolani Lake, Happy Jack, and Mormon Lake, among others. (See Figure 7).

Roughly 5,281 children under five-years old live within the FUSD boundary (ACS 2012-2016 5-yr). Of this number, 1,743 or 33 percent are three- and four-year-olds who are living in the boundary area.

The Flagstaff Unified School District is the single largest public-school system serving the majority of school-aged children in the Greater Flagstaff area. 42.6 percent of children in the FUSD qualify for free or reduced-price school lunch.* Of the enrolled Kindergarten students for school year 2018-19, 372 are on free/reduced lunch, which is 54.8 percent of the enrolled student population.

**READING READINESS**

Currently, about half of all five-year old children in Flagstaff are not reaching reading benchmarks compared to national norms (FUSD, 2018). The initial assessment of kindergarten students on their Letter Naming Fluency (LNF), and Letter Sound Fluency (LSF) demonstrates that half of our five-year old children are not as prepared to read as their peers. (See Figure 8).

Of these students, those who did not attend preschool were more likely to score below the LNF and LSF target benchmarks on the LNF versus students who did attend preschool. (See Figure 9).

*Free/Reduced priced lunch qualifications: annual earnings less than $32,630/$46,435 for a family of four (FUSD, 2018).
Reading readiness matters because a child's ability to read is fundamental to success in school and life. However, "a child's brain is not pre-wired for reading" (Read On Arizona, 2018).

Developing foundational reading skills requires families, parents and caregivers to engage in quality communication and singing especially between the ages of birth through five when a child's brain is developing most rapidly. According to the National Campaign for Grade Level Reading, many children of low-income families do not develop the basic language skills that support reading success because of variations child rearing skills associated with social, economic and educational backgrounds (The 30 Million Word Gap).

Two of LAUNCH Flagstaff’s benchmarks of progress are school readiness and reading proficiency in the third-grade. Reading readiness is fundamental for school readiness. Reading is foundational for the type of learning required for becoming an engaged citizen. Research shows that third-grade reading proficiency is a predictor of success in high school, graduation from high school, and attendance in post-secondary training and education. Yet, our local data show that we continually fail to fully support all children in preparing them for success in life.
THE ACHIEVEMENT GAP STARTS AT BIRTH

Cumulative Vocabulary of a 3-Year-Old Child

- 1,100 words
- 500 words

Child from Professional Family

Disadvantaged Child

Figure 10: (Heckman, J. 2017.)

42

Percent of 3rd grade students in Flagstaff who are proficient in reading at grade level

Figure 11: (Arizona Education Progress Meter, 2018.)
EXPANDING HIGH-QUALITY PRESCHOOL IN FLAGSTAFF

In 2006, Arizona voters passed a citizens’ initiative that funds high-quality early childhood development and health. This created a new state board known as First Things First (FTF). Quality First is one of FTF’s signature programs and was established in response to the effort to improve quality and promote school readiness (First Things First, 2011). Quality First is a voluntary Quality Improvement and Rating System (QIRS) for providers of center-based or home-based early care and education. The Quality First Rating Scale, which measure quality on a five-star scale, incorporates evidence-based predictors that lead to positive child outcomes.

Preschool in Flagstaff is provided through the public-school system, private centers (nonprofit and for-profit), and some family child-care homes. The pre-Kindergarten landscape in Flagstaff and Arizona lacks any systemic coordination that might help families understand the fundamentals of child development and recognize learning opportunities for their preschooler. This disproportionally impacts low-income families that lack the supports available to families of means.

![Percent of Flagstaff 3- and 4-year old children enrolled in early childhood programming](Figure 12: (First Things First, 2018.))

In 2012, a collaborative effort between FUSD and the Northern Arizona Council of Governments (NACOG) along with several other stakeholders produced a Kindergarten Transition Plan. NACOG is the primary service provider of the federal Head Start preschool program. The intention was to provide a resource for coordinating the transition from a preschool or child care setting into Kindergarten, as well as engage families earlier in preparing their child for school. The Kindergarten Transition Plan was not widely adopted, but still remains a viable resource in the community.

Students with special needs are typically eligible to attend district-based preschools free-of-charge. Adding this special education and Head Start programs to the percentage in Figure 5 (4%), we estimate 20 percent of four-year-olds are enrolled in a subsidized preschool across Arizona. (Friedman-Krauss, et. al., 2018.)

In Flagstaff, there are few opportunities for publicly funded early childhood programs in the area. As evidenced by the state and local data, Flagstaff’s children are underserved. In fact, when considering all of the capacity of both preschools and child care providers, First Things First reports that in the Flagstaff area there are two point six children for each space of existing capacity.

The partners of LAUNCH Flagstaff believe that our children deserve better.
For the purposes of this report and our recommendations, we consider the following conditions.

Quality First provides a limited number of scholarships to tuition-funded centers reaching a four- or five-star rating on the QIRS. In the Coconino Region, Quality First also awards scholarships to centers with three stars. There are a total of 12 centers that have earned a three-, four-, or five-star rating in the FUSD boundary area. A total of 78 scholarships have been distributed to these centers as of December 2018. According to First Things First, there is currently a waiting list of providers desiring to enroll in Quality First, but a lack of state resources restricts the program’s ability to expand (First Things First, 2018).

In Flagstaff Unified School District for the school year 2018-19, there are 10 schools with preschool classes, with 218 three- or four-year-old students. Of these, 40 percent (88) are in special education, with costs fully subsidized by state or federal funds. An additional 60 students are on partial or full scholarship through federal grants or Quality First scholarships. The remaining 70 students are covered by family tuition fees.

NACOG Head Start, a half-day federally funded preschool program, supports 256 children (ages three-five) in the Greater Flagstaff area from five sites:

- Clark Homes
- Cogdill
- Federated
- Ponderosa
- Siler

Early Head Start serves children from birth - three-years of age. Qualification for Head Start programs requires income below 100 percent of the federal poverty level (FPL) (First Things First, 2018).

These funding sources together cannot completely serve the number of students in need of financial support.

For the purpose of this report and our recommendation, we focus on four-year old children in families below 200 percent of the FPL and above 100 percent of the FPL.
Our Rationale for Taking This Focus:

- The high cost of living in the Flagstaff area prevents many families above the FPL from affording high-quality preschool.
- The increasing minimum wage in Flagstaff and Arizona are pushing some families above the FPL eligibility requirement for Head Start.
- While many three-year-old children will benefit from full-day preschool, our initial focus on four-year-old children allows for a more manageable pilot as a starting point.

We determined the number of eligible four-year-old children between 100-200 percent of the FPL and subtracted the number of financially sponsored seats currently available to determine the number of four-year-old children not being served in a publicly funded preschool. Since not every family wishes to enroll their child in preschool, we estimated a “take-up rate” based on estimates from other communities doing similar research. For example, Tempe, Arizona in estimating the initial enrollment in their Tempe PRE program used a 60 percent take-up rate. Their actual results nearly matched that estimate. We feel comfortable using the same 60 percent rate for our estimate here.

<table>
<thead>
<tr>
<th>Eligible 4-year-olds</th>
<th>Financially sponsored seats currently available</th>
<th>Children not served</th>
<th>New sponsored seats needed - 60% uptake</th>
<th>Classrooms needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>151</td>
<td>41</td>
<td>110</td>
<td>66</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 1: Analysis of Census ACS 2012-2016 5-year - FUSD Boundary Area, Retrieved: December 7, 2018. See Appendix B for data table and calculations

From this calculation, the Flagstaff community would need to subsidize preschool for about 66 additional four-year-old children. At a class size of 18 students, this would require four additional classrooms dedicated to this preschool expansion project. We assume an operational partnership with the Flagstaff Unified School District and utilization of existing classroom space within targeted school buildings.

FAMILY ENGAGEMENT AND SUPPORTS

Families are a child’s first and most influential teacher. Therefore, engaging every family in the educational life of his or her child is a necessity for the success of any Flagstaff preschool expansion project.

Fundamental to the family supports needed are information related to appropriate child development, discipline and family literacy. Support for accessing child and family enrichment opportunities would also be appropriate. Those opportunities might include:

- Adult education
- Child recreation
- Science, Technology, Engineering and Mathematics (STEM) exploration
- Arts and Cultural exploration

Leveraging collaborative relationships with cross-sector of community partners will also be necessary to support the success of families, their children and the preschool expansion project. Families may need help connecting to resources for meeting basic needs, such as financial stability, physical health, mental health, and special education.
We know that by providing expanded access to preschool, adult family members of eligible children will have greater availability and flexibility for working during the day. We propose that the expanded preschool day align with the current FUSD elementary school day, which does not amount to a full eight-hour workday. In order to maximize this work opportunity for families, the Flagstaff preschool expansion project would also need to support childcare outside of preschool.

### ESTIMATED INVESTMENT AND PROPOSED OPERATION SCHEDULE

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Description</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>Remodel, outfit two classrooms Jul-Dec 2019;</td>
<td>$133,559</td>
</tr>
<tr>
<td>FY20</td>
<td>Open &amp; operate two preschool classes Jan - Jun 2020; Remodel, outfit two additional classrooms Jan-Jun 2020</td>
<td>$280,410</td>
</tr>
<tr>
<td>FY21</td>
<td>Operate four preschool classes Jul 2020 - May 2021</td>
<td>$714,231</td>
</tr>
<tr>
<td>FY22</td>
<td>Operate four preschool classes Jul 2021 - May 2022</td>
<td>$730,268</td>
</tr>
</tbody>
</table>

Table 2: Estimated Flagstaff preschool expansion project budget summary. See Appendix C for budget detail and notes.

### RETURN ON INVESTMENT

Without a Flagstaff-specific economic impact report available, it is difficult to quantify a specific Return on Investment (ROI); however, we believe the range of $8.60-$16.00 per dollar invested is an appropriate estimate (Executive Office of the President, 2014).

Approximately half of the ROI comes from increased earnings for children later on in adulthood (US Department of Education, 2015).

Additionally, expanding free preschool would produce benefits to the local Flagstaff economy that are not included in these cost-benefit analyses. For example, long term net economic growth in Flagstaff can be expected through a more educated workforce with a higher income potential, and the creation of additional teaching positions, administrative positions and construction jobs necessary for updating classrooms.
EXAMPLE: TEMPE, AZ

The City of Tempe provides a relevant example of what might be done in a partnership between educators and local governments. This section contains selected excerpts from the Tempe PRE Year One Implementation Report (Harder + Company, 2018).

After a study found that nearly two-thirds of the City of Tempe’s children were performing below the widely held expectations for reading and language in kindergarten, the City of Tempe Human Service department proposed a plan to improve the kindergarten readiness of children in the city by expanding access to high quality preschool for children in low income households. To this end, the Tempe City Council invested a total of approximately $6 million ($3 million per year) into the implementation of a high-quality preschool program, Tempe PRE (Preschool Resource Expansion).

Tempe PRE is a two-year pilot program launched in 2017 to increase access to high quality preschool at no cost for 3- and 4-year old children living in Tempe, Arizona who are at or below 200% of the Federal Poverty Level. Estimated year one cost estimates for implementation of Tempe PRE were a little over $3 million. The City of Tempe leveraged the City Council’s two year financial support into an additional $2.1 million in philanthropic and community support. (Tempe PRE Recap, 2018)

Tempe PRE was offered at schools in the Tempe Elementary and Kyrene school districts during year one of the pilot. Within these two districts, Tempe PRE was implemented in 15 classrooms to a total of 259 children beginning in August 2017. An additional five Tempe PRE classrooms were opened in January 2018, for a total of 20 classrooms. All classrooms were rated in the Quality First QIRS with all sites meeting or exceeding the Quality First Baseline Scale Score.

Tempe PRE also included a family engagement component that used a Positive Parenting Program in addition to other family outreach efforts. Childcare was also coordinated for parts of the day outside of the Tempe PRE class time to better enable parents to work a full day.

The evaluation team examined changes in the degree to which students met widely held developmental expectations in each domain across year one of participation in Tempe PRE by determining the direction in which each child’s developmental level changed from the beginning to the end of program year one.

As anticipated, at preschool entry, Tempe PRE students are typically below or meeting their expected developmental level in all domains. The developmental domains in which the most children fell below widely held expectations at preschool entry are the social-emotional (76%), literacy (70%), and cognitive (64%) domains. At the end of program year one, most children shifted from performing below their expected developmental level to meeting or exceeding developmental expectations in all domains. Most prominently, the percentage of children meeting or exceeding social-emotional and literacy developmental expectations increased between baseline and the end of year 1, suggesting that social-emotional and literacy skills may be particularly sensitive to time spent in preschool.

Figure 15: (City of Tempe, 2018.)

Exploration of the child and familial factors related to children’s development in each of the six developmental domains showed that children’s age and familial income were most often related to changes in children’s developmental levels across the first year of the Tempe PRE program.
Younger children (age 3) improved their expected developmental level in the social-emotional domain more often than older children.

Younger children (age 3) also improved their expected developmental level in the language domain more often than older children.

Familial income is related to significant improvements in children’s expected developmental levels in the mathematics domain.

Teachers in the Tempe PRE program participated in trainings, received one-on-one coaching, and engaged in professional development (PD). On average, teachers attended a total of nine training sessions during the first year of Tempe PRE. Trainings offered included the foundational High Scope Curriculum training; specialized High Scope trainings focused on interaction strategies, problem solving, and becoming an intentional teacher; TSG training; social emotional development-focused Arizona Early Learning Standards training; and language and literature-focused Arizona Early Learning Standards training.

Teachers reported that their primary areas of concern during their first year of Tempe PRE were the qualifications of their instructional assistants and communication between the institutions participating in Tempe PRE. Specifically, teachers cited a need for more coordination and clear lines of communication between teachers, Tempe PRE staff, and school districts.

Sites will continue to collect data during subsequent years of this pilot program, and the evaluation team will continue to investigate whether the goals of the program are met. With additional data, the evaluation team will be able to conduct more in-depth analyses focused on examining student and teacher progress, growth, and development across time.
CONCLUSION

Expanded high-quality preschool in Flagstaff, will almost certainly produce benefits that exceed its costs, with measurable benefits of increased school readiness, higher academic achievement in primary, secondary and post-secondary grades for our children. This will translate into a higher educated workforce with greater potential for individual and community prosperity.

In Flagstaff, there are few opportunities for publicly funded early childhood programs in the area. In fact, data show that there are nearly three children for every seat of existing capacity in all early childhood programing in the Flagstaff area.

The partners of LAUNCH Flagstaff believe that our children deserve better.

We recommend that the Flagstaff community pilot a collectively-funded project that will:

- Provide high-quality, full-day, year-round preschool as defined by Quality First
  - Sites would be expected to be rated at four- or five-stars on the QIRS
    - Each classroom would need at least:
      - One certified lead teacher, or one working toward certification
      - One assistant teacher
      - A maximum of 18 students – allowing for a ratio under 10:1
      - Student progress monitoring using Teaching Strategies-GOLD
  - Initially be available to all four-year-old children in the FUSD boundary area who live in households with income between 100% and 200% of the federal poverty level (FPL)
  - Begin serving students in January 2020
  - Measure improvements in student achievement over time using a continuous improvement model
  - Provide family engagement and supports that build positive parenting skills

After initial start-up, we calculate an annul program cost of around $750,000 in support of an estimated 70 four-year-old children in qualifying households.

Based on estimates from existing data and experiences in similar communities, we calculate the potential return on this investment to be up to $16 for each community dollar invested. This means that for each annual investment in the Flagstaff preschool expansion project, approximately $12 million dollars would be returned to our community.

Expanding free preschool would also produce benefits to the local Flagstaff economy that are not included in this figure, not to mention the synergistic aspect of this investment with other community efforts to enhance child and family wellbeing.

Joining with the committed educators and citizens of LAUNCH, the City of Flagstaff and Coconino County can take a significant step toward building a system that ensures a world-class education for every child in the greater Flagstaff area, from cradle through career.
City of Tempe (2018). Tempe PRE Year 1 Recap. Power Point Presentation. Tempe, AZ.


### Table 1: Analysis of AIMSWeb Literacy Benchmark Data and Kindergarten Registration Data of Kindergarten Students in Fall 2017 (FUSD, 2018).

<table>
<thead>
<tr>
<th>2017-18 AIMSWeb Test Data</th>
<th>Letter Naming Fluency</th>
<th>Letter Sound Fluency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>%</td>
</tr>
<tr>
<td>Students measured: All</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>Students below target</td>
<td>408</td>
<td>54%</td>
</tr>
<tr>
<td>Students measured: with preschool history information</td>
<td>452</td>
<td></td>
</tr>
<tr>
<td>Students below target: Did not attend preschool</td>
<td>61</td>
<td>68%</td>
</tr>
<tr>
<td>Students below target: Attended preschool</td>
<td>160</td>
<td>44%</td>
</tr>
<tr>
<td>Students above target: Did not attend preschool</td>
<td>29</td>
<td>32%</td>
</tr>
<tr>
<td>Students above target: Attended preschool</td>
<td>202</td>
<td>56%</td>
</tr>
</tbody>
</table>
## APPENDIX B

### DATA FOR CALCULATIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Under 5</td>
<td>5,281</td>
</tr>
<tr>
<td>Population 3-5-Years-Old</td>
<td>2,641</td>
</tr>
<tr>
<td>Population 4-Years-Old</td>
<td>1,056</td>
</tr>
<tr>
<td>% of Families below 200% Federal Poverty Level</td>
<td>25.4%</td>
</tr>
<tr>
<td>Population Under 5 below 200% Federal Poverty Level</td>
<td>1,341</td>
</tr>
<tr>
<td>Population 3-5 Years-Old below 200% Federal Poverty Level</td>
<td>671</td>
</tr>
<tr>
<td>Population 4-Years-Old below 200% Federal Poverty Level</td>
<td>268</td>
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<tr>
<td>% of Families between 200% and Federal Poverty Level</td>
<td>14.0%</td>
</tr>
<tr>
<td>Population 4-Years-Old between 200% and Federal Poverty Level</td>
<td>151</td>
</tr>
<tr>
<td>% of Families below Federal Poverty Level</td>
<td>11.1%</td>
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<tr>
<td>Population Under 5 below Federal Poverty Level</td>
<td>586</td>
</tr>
<tr>
<td>Population 3-5 Years-Old below Federal Poverty Level</td>
<td>293</td>
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<tr>
<td>Quality First Scholarships</td>
<td>78</td>
</tr>
<tr>
<td>Head Start 3-5 Year-Old Capacity</td>
<td>256</td>
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<tr>
<td>Head Start 1-3 Year-Old Capacity</td>
<td>106</td>
</tr>
<tr>
<td>FUSD Special Education Financial Sponsorship</td>
<td>88</td>
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</table>

### CALCULATIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start 3-5 Year-Old Capacity</td>
<td>256</td>
</tr>
<tr>
<td>(subtract) Population 3-5 Years-Old below Federal Poverty Level</td>
<td>- 293</td>
</tr>
<tr>
<td>Net Head Start Capacity</td>
<td>- 37</td>
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<tr>
<td>(add) Quality First Scholarships</td>
<td>78</td>
</tr>
<tr>
<td>Net Publicly Funded Preschool Capacity</td>
<td>41</td>
</tr>
<tr>
<td>Population 4-Years-Old between 200% and Federal Poverty Level</td>
<td>151</td>
</tr>
<tr>
<td>(subtract) Net Publicly Funded Preschool Capacity</td>
<td>- 41</td>
</tr>
<tr>
<td>Net Total Target Population of Children Not Served</td>
<td>110</td>
</tr>
<tr>
<td>(multiply) Estimated Uptake Percentage (60%)</td>
<td>x 0.6</td>
</tr>
<tr>
<td>Net New Publicly Funded Preschool Seats Needed</td>
<td>66</td>
</tr>
</tbody>
</table>

Table 1: Data and Calculations Used to Determine Number of New Publicly Funded Preschool Seats for Flagstaff. (U.S. Census; First Things First; FUSD).
NOTES
• All costs reflected are for one class with a maximum of 18 students.
• Remodel and playground costs may be reduced if multiple classrooms are set up at a site.

Operational Costs
• Preschool Teacher, ECE Certified: Based on average FUSD school year teacher contract = $44,000 school year contract + ERE & Benefits $15,847 = $59,847.
• Preschool Paraprofessional: Based on estimated parapro hourly rate of $15/hour x 7.5 hours/day x 185 days (school year + 5 training days) = $20,812 + ERE & Benefits $11,205 = $32,017
• Instructional Materials: Start up year would include purchase of books, age-appropriate toys and activities.
• Furniture & Equipment: Start up year would include purchase of preschool tables, chairs, shelving, etc.
• Technology: Start up year would include purchase of teacher computer, printer and iPads for teacher and parapro.

Start Up Costs
• Classroom, Bathroom & Playground Remodel: Start up year would include any required classroom updates, bathroom installation or remodel to meet lower height requirements, and playground update or installation to ensure a dedicated, fenced outdoor space for use only by preschool or kindergarten ages. Cost estimates range from $25,000 to $40,000. Followup years include annual replacement of softfall (rubber mulch).

Professional Development & Assessment
• Teacher/Parapro Trainings: Early childhood trainings through ADE, First Things First, etc. includes registration fees and travel.
• Teaching Strategies Gold: Annual per pupil cost is $10.95; two-day training for all staff is $5,030.
• Licensing Fees: Quality First fees estimated. DHS licensing fees may be reduced dependent upon the location.

Administrative Support
• .5 FTE Program Coordinator: Based on 1/2 time, 11 month Community Education Coordinator hourly rate of $24.71 x 4 hours x 241 contract days = $23,820 + ERE $4909 = $28,729 (No Benefits). This individual would oversee room remodels and setup to meet Quality First requirements, materials purchases and setup, etc. for all classrooms.
• 1.0 FTE Program Coordinator: If full-time coordinator is needed in future years, costs would be as follows: 11 month Community Education Coordinator hourly rate of $24.71 x 8 hours x 241 contract days = $47,640 + ERE & Benefits $16,577 = $64,217

Family Engagement and Supports
• Outside of Preschool Subsidy: Based on 3 hours per day at $5 per hour x 18 students = $48,600 per class x 180 school days.
• Parent and Family Engagement: Based on $15/hour x 5 hours /day x 185 days = $13,875 (No benefits)
Expanding High Quality Preschool in Flagstaff

A Request to Support a Pilot Solution

Coconino County Board of Supervisors
January 29, 2019
We believe that

- Every child in Flagstaff deserves equitable access to world-class educational experiences from cradle through career

- World-class education is student focused and student led

- We have the resources, talent, and will in our community to improve outcomes for our children.
Cradle through Career Continuum

Kindergarten Readiness / 3rd Grade Reading / 8th Grade Math / High School Graduation / Post-Secondary Enrollment / Post-Secondary Attainment

Early Childhood / K - 12

- Healthy pregnancy
- Engaged communication
- Stable, involved caregiver
- High-quality preschool
- Appropriate social/emotional skills
- Language & numeracy familiarity
- Appropriate physical development

Post-Secondary / Professional

- Time & stress management skills
- Financial literacy
- Career planning & goal setting
- Participates in extra-curricular activity
- Social/emotional competence
- Strong, non-parental adult role model
- Understands post-secondary pathways
High Quality Preschool Programs can:

- School readiness
- Educational attainment
- Labor force earnings
- Health

- Poverty
- Crime
- Welfare costs
14

Number of months children of low-income families enter kindergarten behind their peers in pre-literacy skills

THE ACHIEVEMENT GAP STARTS AT BIRTH

1,100 words

Cumulative Vocabulary of a 3-Year-Old Child

Child from Professional Family

Disadvantaged Child

500 words

LEARN MORE AT HECKMANEQUATION.ORG

Letter Sound Fluency

47% Below Target

Letter Naming Fluency

54% Below Target

42

Percent of 3rd grade students in Flagstaff who are proficient in reading at grade level

Arizona Education Progress Meter, 2018.
Finding Common Strategies

High-Quality Preschool

EDUCATION

COURTS

HEALTH

HOUSING
Percent of Flagstaff 3- and 4-year old children enrolled in early childhood programming

First Things First, 2018.
We Recommend that the Flagstaff Community

• Pilot a Collectively-Funded Preschool Expansion Project
  • Provides High-Quality, Full-Day Preschool
  • Available to All 4-Year-Olds in FUSD Boundary Area
    • Family Income between 100 – 200% FPL
  • Begin Serving Students in January, 2020
  • Measure Improvement in Student Achievement
  • Provide Family Engagement and Supports
4-Year-Old Children Between 100 – 200% FPL

- Eligible 4-year-olds: 151
- Children Not Served: 110
- New Seats Needed: 66

Less Current Financial Sponsorships

New Sponsored Seats Needed
Potential Partners
Family Engagement and Support
Similar to recommendation for Flagstaff

- 15 classrooms in 2017; expanded to 20 in 2018
  - Saw improvements in student expected developmental level across all domains
  - Family income is related to the most significant gains in mathematics development
- Includes Family Engagement and Childcare components
- Leveraged city investment into an additional $2.1 million in philanthropic and community support
$16

Potential return to Flagstaff per dollar invested in high-quality preschool

*Executive Office of the President, 2015.*
Steps to Success

- **FY20**: 
  - Remodel, outfit 2 classrooms; planning & coordination: $134,000
  - Operate full program with 2 Classrooms; remodel, outfit 2 more classrooms: $280,000

- **FY21**: 
  - Operate full program with 4 preschool classrooms: $715,000

- **FY22**: 
  - Operate full program with 4 preschool classrooms: $730,000
Discussion
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Lucinda Andreani, Deputy County Manager/Public Works Director

SUBJECT: Executive Session to receive legal advice and provide instruction to the District's attorney with regards to Coconino County Flood Control District v. Town of Tusayan CV2018-00616, pursuant to A.R.S. 38-431.03 (A)(3) and (4).

RECOMMENDED MOTION:

Enter into executive session for legal advice on this matter.

BACKGROUND:

This is in regard to Coconino County Flood Control District v. Town of Tusayan CV2018-00616.
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Lucinda Andreani, Deputy County Manager/Public Works Director

SUBJECT: Consideration, discussion and potential adoption of a stipulation for entry of preliminary injunction in Coconino County Flood Control District v. Town of Tusayan, CV2018-00616.

RECOMMENDED MOTION:

Adopt a stipulation for entry of preliminary injunction in Coconino County Flood Control District v. Town of Tusayan, CV2018-00616.

BACKGROUND:

This stipulation for entry of preliminary injunction is regarding Coconino County Flood Control District v. Town of Tusayan, CV2018-00616.

ALTERNATIVES:

The Board may decide not to adopt a stipulation for entry of preliminary injunction in Coconino County Flood Control District v. Town of Tusayan.

FISCAL IMPACT:

There is not fiscal impact at this time.

ATTACHMENTS:

1 - Staff Report
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Eric Peterson, Public Affairs Director

SUBJECT: Roundtable: To be discussed. Pursuant to A.R.S. 38-431.02(H), these matters will not be acted upon.

• Reports from Supervisors; updates on new projects, district budgets, requests for services and initiatives, updated from county staff:
  - District 4- Supervisor Jim Parks
  - District 2- Supervisor Elizabeth Archuleta
  - District 3- Supervisor Matt Ryan
  - District 5- Supervisor Lena Fowler
  - District 1- Supervisor Art Babbott

• County Manager's Report
• Board Planning Calendar
• Events Calendar

• Chair's Report

• Update, discussion, and possible direction to staff regarding the 2020 Census and Management Oversite Committee

• Update, discussion, and possible direction to staff regarding Local, State and Federal Issues

• Update, discussion, and possible direction to staff regarding the federal government shutdown and impact to the local community.
DATE: January 23, 2019

TO: Honorable Chair and Members of the Board

FROM: Norma Gallegos, Interim Community Services Director

SUBJECT: Public hearing for the purpose of receiving public input on the proposed use of State Community Block Grant (CDBG) Funds and consideration and possible adoption of Resolution 2019-04, authorizing the submission of an application for FY20 CDBG Regional Account Funds and use of the funds as recommended by the Community Services Department.

RECOMMENDED MOTION:

Public hearing for the purpose of receiving public input on the proposed use of State Community Block Grant (CDBG) Funds and consideration and possible adoption of Resolution 2019-04, authorizing the submission of an application for FY20 CDBG Regional Account Funds and use of the funds as recommended by the Community Services Department.

BACKGROUND:

The first Public Hearing for the use of State CDBG funds was held on Friday, January 4, 2019 at the Health and Community Services Building from 6:00 p.m. – 7:00 p.m. Both notices for Public Hearing #1 and #2 were placed in The Arizona Daily Sun and posted at the Flagstaff Health and Community Services building, Williams Senior Center, Page Health Department Building, and Flagstaff’s Montoya Adult Center.

CDBG funds can fund a variety of projects such as:

1. Public Infrastructure (e.g. water, wastewater, drainage improvements);
2. Community Facilities (e.g. halfway houses, senior centers, food banks);
3. Housing (e.g. owner occupied housing rehabilitation, utility connections on private property, rental housing rehabilitation);
4. Public services (e.g. emergency assistance, purchasing a van to transport persons with disabilities, services for homeless persons);
5. Economic development (e.g. a loan to a business for job creation, micro-enterprise development, acquisition of land for an existing business expansion, and Individual Development Account local match.)
ALTERNATIVES:

The Board could elect not to approve an application for State CDBG funds. That would result in no CDBG funding for our FY20 Re-Entry transitional housing, supportive services, and case management projects.

FISCAL IMPACT:

Coconino County is eligible to apply for up to $307,000 in CDBG RA funds in this grant cycle. Cost to the County could include match funding from the County Strategic Initiatives for Substance Abuse and Mental Health delivery infrastructure up to $200,000.

SUMMARY:

Nothing.

ATTACHMENTS:

1 - Staff Report
2 - RESOLUTION 2019-04
3 - Public Service Request
4 - Re-Entry and Transitional Housing Program Project
RESOLUTION 2019-04

AUTHORIZATION TO SUBMIT APPLICATIONS AND IMPLEMENT CDBG PROJECTS

A RESOLUTION OF THE BOARD OF SUPERVISORS OF COCONINO COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FY19 STATE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, CERTIFYING THAT SAID APPLICATION MEETS THE COMMUNITY'S PREVIOUSLY IDENTIFIED HOUSING AND COMMUNITY DEVELOPMENT NEEDS AND THE REQUIREMENTS OF THE STATE CDBG PROGRAM, AND AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATION.

WHEREAS, Coconino County is desirous of undertaking community development activities; and

WHEREAS, the State of Arizona is administering the Community Development Block Grant Program; and

WHEREAS, the State CDBG Program requires that CDBG funds requested address one of the three Congressional mandated National Objectives; and

WHEREAS, the activities within these application(s) address the community's identified housing and community development needs, including the needs of low and moderate income persons; and

WHEREAS, an Applicant of State CDBG funds is required to comply with the program guidelines and Federal Statutes and regulations:

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Supervisors of Coconino County authorizes application to be made to the State of Arizona, Department of Housing for FY19 CDBG funds, and authorizes the Chair of the Board of Supervisors to sign application and contract or grant documents for receipt and use of these funds for Re-Entry Transitional Housing, Case Management, and Supportive Services, and authorizes the Chair of the Board of Supervisors to take all actions necessary to implement and complete the activities submitted in said application(s); and

THAT this application for State CDBG funds meets the requirements of low- and moderate-income benefit for activities justified as benefiting low- and moderate-income persons, aids in the prevention or elimination of slum and blight or addresses an urgent need which poses a threat to health; and

THAT, Coconino County will comply with all State CDBG Program guidelines, Federal Statutes and regulations applicable to the State CDBG Program and the certifications contained in the(these) application(s).

Passed and adopted by the Board of Supervisors of Coconino County this 29th day of January, 2019.
AYES:  
NOS:  
ABSENT:  

COCONINO COUNTY BOARD OF SUPERVISORS

____________________________________  
Art Babbott, Chairman  
(SEAL)

ATTEST:  
APPROVED AS TO FORM:

_____________________________  ____________________________  
Lindsay Daley, Clerk of the Board  Rose Winkeler
REQUEST FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING

Name: Dr. Marie Peoples, Deputy County Manager  Date: 1/4/2019
Representing: Coconino County  Phone: (928) 679-7170

The project is: Case Management & Support Services (PUBLIC SERVICE REQUEST)

How will the CDBG funds be used?

Funds will be utilized to provide services to individuals in the criminal justice system that have documented mental health and/or substance abuse issues. These services will include an eligibility screening, an initial needs assessment, and referrals for services. Funding will be used to provide program support for a Case Worker and professional behavioral health services for eligible participants.

Location and mailing address for the project:

Coconino County Jail
951 E. Sawmill Road
Flagstaff, AZ

The County is in the process of identifying a building to lease for shelter and services would be provided at this location.

What is the problem that will be solved with the project?

By facilitating engagement in treatment and other supportive services, this would reduce recidivism and impact to health and other services. This project will focus on wrap around services to include counseling, primary care, employment skills (interviewing, resume building, partnering with local community organizations (Goodwill) so participants have access to a wardrobe for interviewing.

Describe the persons who will benefit.

Homeless, or at risk of being homeless, exiting the criminal justice system in Coconino County who are also low to moderate income individuals. The daily census of the Coconino Jail is approximately 50% Native Americans and up to 10% Hispanic males. While this funding would be used to support any male transitioning from jail, due to the population demographics, the primary population benefitting would be overrepresented minority males transitioning from jail back to the community with a focus on building sustainable job skills.

Many of these individuals are experiencing mental health and/or substance abuse issues and there is a lack of treatment providers and beds available across our county. Our community has a need for connective and wrap-around services.

At least 51% of the persons who benefit must be low-to-moderate income. What is the proof that they are low to moderate income? (There must be solid statistical proof from the U.S. Census, a pre-approved survey, or other firm documentation.)

All participants will be screened individually for program eligibility to ensure they are at or below the current Low to Moderate Income Limits for Coconino County.

Total number of persons who will benefit: 75
Number of low-moderate income persons who will benefit: 75

Estimated cost is at least $100,000.00 and $100,000.00 in CDBG funds is needed.

How were the cost estimates derived?
Estimated cost of a .5 FTE Case Worker to include salaries/benefits/operating expenses/travel: $36,000/per year.

Estimated cost of one Full Time Behavioral Health Clinician $56,000/per year.

Administration/Overhead to include billing, subrecipient monitoring, and reporting: $8,000.
If other funds are needed for the project, what is their source?

Coconino County General Funds, Jail District Funds, and Community Partner Funds

Coconino County Board of Supervisors has approved up to $200,000 to be used as a sustainable investment in enhancing the mental health/substance service delivery infrastructure.

Are the other funds needed legally committed to the project? If they are not legally committed by December 31, 2018, the project is not eligible. (You will need proof for the application.)

Funds will be committed by Resolution if this project is selected to move forward.

Contact Person for this project: **Norma Gallegos – Interim Director**

| Address: 2625 N. King Street | Phone: 938.679.7430 |
| Community: Flagstaff, AZ | Zip: 86004 |
| E-mail (if available): ngallegos@coconino.az.gov | Fax: (928) 679-7461 |

I/we understand that the Council / Board of Supervisors may not prioritize my project at the top of the list for CDBG funding and I/we may not receive a CDBG allocation.

I/we have submitted, as appropriate (please check each that applies),

- [X] Agency Operations Budget
- [X] Project Budget
- [ ] Firm Commitment of Financing
- [ ] Donation/Volunteer Pledge

I/we will submit all required back-up information at the request of the community. I/we understand that if the requested items are not received by the stated deadline, our request for funds will move to the bottom of the priority list and may not be funded.

If allocated CDBG funds, I/we certify that I/we will not engage in partisan politics or conduct religious proselytizing in the CDBG funded program or facility. If allocated CDBG funds, I/we certify that I/we will continue the program for which CDBG funds are allocated for at least five years after grant close-out, which may be as long as eight years from now.

Authorized Signature

*THIS FORM MUST BE COMPLETE UNsigned requests will not be considered by the council / board*
REQUEST FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING

<table>
<thead>
<tr>
<th>Name: Dr. Marie Peoples, Deputy County Manager</th>
<th>Date: 1/4/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representing: Coconino County</td>
<td>Phone: 928.679.7170</td>
</tr>
<tr>
<td>The project is: Coconino County Re-entry and Transitional Housing Program</td>
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</table>

How will the CDBG funds be used?

Funds will be used to lease a building for transitional housing and supportive services to stabilize individuals exiting the criminal justice system in Coconino County.

Location and mailing address for the project:

Coconino County is in the process of identifying a building to lease for temporary shelter.

What is the problem that will be solved with the project?

To increase safe, supportive, stable housing opportunities for criminal justice involved individuals who are homeless, or at-risk of being homeless that have substance abuse and/or mental health problems. This will allow easier access to wrap-around supportive services.

Describe the persons who will benefit.

The daily census of the Coconino Jail is approximately 50% Native Americans and up to 10% Hispanic males. While this funding would be used to support any male transitioning from jail, due to the population demographics, the primary population benefitting would be overrepresented minority males transitioning from jail back to the community with a focus on building sustainable job skills.

At least 51% of the persons who benefit must be low-to-moderate income. What is the proof that they are low to moderate income? (There must be solid statistical proof from the U.S. Census, a pre-approved survey, or other firm documentation.)

Participants will be screened individually for program eligibility to ensure they are at or below the current Low to Moderate Income Limits for Coconino County.

<table>
<thead>
<tr>
<th>Total number of persons who will benefit: 75</th>
<th>Number of low-moderate income persons who will benefit: 75</th>
</tr>
</thead>
</table>

Estimated cost is at least $207,000 and $207,000 in CDBG funds is needed.

How were the cost estimates derived?

Once the County identifies a building to lease, cost estimates derived will be provided.
If other funds are needed for the project, what is their source?

**Coconino County General Funds, Jail District Funds, and Community Partner Funds,**

Coconino County Board of Supervisors has approved up to $200,000 to be used as a sustainable investment in enhancing the mental health/substance service delivery infrastructure.

Are the other funds needed legally committed to the project? If they are not legally committed by December 31, 2017, the project is not eligible. (You will need proof for the application.)

**Funds will be committed by Resolution if this project is selected to move forward.**

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**Contact Person for this project:** Norma Gallegos, Interim Director

| Address: 2625 N. King Street, 2nd Floor | Community: Flagstaff | Zip: 86004 |
| Phone: (928) 679-7430 |
| E-mail (if available): ngallegos@coconino.az.gov |
| Fax: 928.679.7461 |

I/we understand that the Council / Board of Supervisors may not prioritize my project at the top of the list for CDBG funding and I/we may not receive a CDBG allocation.

I/we have submitted, as appropriate (please check each that applies),

- [X] Agency Operations Budget
- [X] Project Budget
- [ ] Firm Commitment of Financing
- [ ] Donation/Volunteer Pledge

I/we will submit all required back-up information at the request of the community. I/we understand that if the requested items are not received by the stated deadline, our request for funds will move to the bottom of the priority list and may not be funded.

If allocated CDBG funds, I/we certify that I/we will not engage in partisan politics or conduct religious proselytizing in the CDBG funded program or facility.

If allocated CDBG funds, I/we certify that I/we will continue the program for which CDBG funds are allocated for at least five years after grant close-out, which may be as long as eight years from now.

_______________________________________________
Authorized Signature

**THIS FORM MUST BE COMPLETE**

**UNSIGNED REQUESTS WILL NOT BE CONSIDERED BY THE COUNCIL / BOARD**