



OFFICE OF THE COCONINO COUNTY BOARD OF SUPERVISORS

WORK SESSION AND SPECIAL SESSION MINUTES

June 11, 2019

10:00 a.m. – Work Session

Approximately 12:15 p.m. – Executive Session

Work Session immediately following

Executive Session continues

Fort Tuthill County Park located at 2446 Fort Tuthill Loop, Flagstaff, AZ, 86005

Present: Chairman Art Babbott, Supervisor Elizabeth C. Archuleta, Supervisor Matt Ryan, Supervisor Jim Parks.

Absent/Excused: Vice Chair Lena Fowler.

Also Present: County Manager James Jayne, Deputy County Manager Marie Peoples, Deputy County Manager/Public Works Director Lucinda Andreani, Deputy County Manager Mike Townsend, Deputy County Attorney Rose Winkeler, Parks and Recreation Director Cynthia Nemeth, KVID Director Sam Mossman, Clerk of the Board of Supervisors Lindsay Daley, Eslier Musta, Arlene Butler.

1. Tour of Fort Tuthill County Park. Parks and Recreation

At 9:00 a.m. the Board went on a tour of TGEN and then at approximately 10:25 a.m. they went on a tour of Ft. Tuthill County Park. At Ft. Tuthill County Park they visited four alternative sites for a potential permanent cell tower, the new disc golf course, the latest phase of the bike park, the Flagstaff Snow Park area, the donated Lowell Observatory tank used for rainwater collection, a forest thinning project area from 2017 and potential sites for a second Flagstaff City well.

Chairman Babbott called the meeting to order at 11:15 a.m. and led the pledge of allegiance.

Call to the Public:

There were no comments from the public.

Work Session:

2. Presentation and discussion on the Kachina Village Improvement District and Coconino County Parks and Recreation Land Exchange at Harrenburg Wash in Kachina Village. **Parks and Recreation**

Parks and Recreation Director Cynthia Nemeth introduced this item. She went over the map provided in the Board's agenda packet and explained that the County and Kachina Village Improvement District (KVID) own adjoining properties off of Ancient Trail in Kachina Village. Kachina Village Improvement District's property bifurcates two parcels owned by Coconino County. She explained that the proposed, mutually beneficial land exchange would create a contiguous County-owned parcel and expand KVID's existing property.

Supervisor Ryan commented that it makes sense to do this. Supervisor Archuleta asked where the trailhead is and where people can park. County Surveyor Arlene Butler explained where the parking area is. She explained that they are working on an easement to allow for parking.

KVID Director Sam Mossman explained that this would finalize what was initiated a while back. The parking access is being finalized. Director Mossman answered questions from the Supervisors.

The Board's direction was to continue moving forward with the effort.

3. Presentation and discussion regarding an update on Coconino County Parks and Recreation Special Event and Frontiere Rules and Procedures. **Parks and Recreation**

At 11:27 a.m. Parks and Recreation Director Cynthia Nemeth introduced the item and introduced Assistant Parks and Recreation Director Brian Grube for this presentation. Assistant Director Grube provided a background on the issue. He went over the general updates, which included: adding language for Force Majeure Clause, use of drones must be approved by Coconino County Parks and Recreation (CCPR) before rental period for all parks. He also went over the specific rules for Frontiere, which included: a weather policy to provide 12- hour notice in order to move the event inside, no refunds given due to inclement weather, a decorating plan must be submitted and approved by CCPR.

Assistant Director Grube introduced Tim Schultz, Special Events Coordinator. Mr. Schultz explained that the 12 hours is not set in stone it is to give advanced notice, and they will help as they can.

Assistant Director Grube explained that for Frontiere, they would require a \$1500 refundable cleaning and security deposit, the venue must be professionally cleaned, it will be assessed after the event and cleaning or damage charges (if any) will be determined at that time. Mr. Grube answered questions regarding the price for cleaning. Supervisor Archuleta asked why they didn't consider just adding the cost to the cost of the rental. Brian explained it was to provide the renter the choice as to who is used to do the cleaning.

Assistant Director Grube went over the rules regarding camping at Frontiere: RVs restricted to RV sites only, the number of campers must be provided to CCPR and is only permitted in approved locations, tent and/or vehicle camping is only permitted in designated locations. He also went over fire restrictions. This included fires only allowed in designated fire pit, deposit will be lost if there is an unauthorized fire, renters must bring their own firewood, and renter must abide by fire restrictions. Mr. Grube answered questions regarding this.

Supervisor Archuleta made a suggestion to change item 6 in the rules to make it clear that certain items are never allowed, such as fireworks.

Assistant Director Grube states that they will require a lighting plan that must be approved and commercial light towers are not permitted. He also went over rules regarding parking and shuttles, and restrooms. Plans for these need to be submitted to CCPR. He went over rules regarding animals and trash. He also talked about the rule regrading a 10:00 p.m. quiet time. He answered questions regarding the proposed rules.

The Board took a break for lunch at 12:00 p.m.

At 12:24 p.m. the Board came back from break. Attorney Rose Winkeler recommended the Board go into executive session for item #4.

Motion: Enter executive session, **Action:** approve, **Moved by:** Supervisor Jim Parks, **Seconded by:** Supervisor Elizabeth Archuleta. The motion passed unanimously.

Executive Session:

4. Discussion of purchase, sale or lease of real property and contract negotiations. The Board of Supervisors may convene in executive session pursuant to Ariz. Rev. Stat. 38-431.03(A)(7) and (A)(4) to discuss or consult with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property and to instruct its attorneys regarding the Board's position. **Parks and Recreation**

Present: Chairman Art Babbott, Supervisor Matt Ryan, Supervisor Jim Parks, Supervisor Elizabeth Archuleta

Absent: Vice Chair Lena Fowler

Also Present: County Manager Jimmy Jayne, Deputy County Managers Mike Townsend, Marie Peoples and Lucinda Andreani, Deputy County Attorney Rose Winkler, Public Works Project Manager Jeff Stein, Parks and Recreation Director Cynthia Nemeth, Assistant Parks and Recreation Director Brian Grube, Public Affairs Director Eric Peterson, Clerk of the Board Lindsay Daley

Chairman Babbott convened the executive session at 12:24 p.m.

Chairman Babbott stepped out of the Executive Session at 12:56 p.m.

Supervisor Parks adjourned the executive session at 1:39 p.m. and reconvened open session.

Work Session Continued:

5. Presentation and discussion regarding Service and Space Reimagined, Capital Facility Financing. **Finance**

Present: Supervisor Elizabeth Archuleta, Supervisor Jim Parks, Supervisor Matt Ryan, Chairman Art Babbott joined the work session at 2:16 p.m.

Absent: Vice Chair Lena Fowler

Also Present: County Manager Jimmy Jayne, Deputy County Managers Lucinda Andreani, Mike Townsend and Marie Peoples, Facilities Director Sue Brown, Human Resources Director Erika Philpot, Deputy County Attorney Rose Winkler, Finance Director Megan Cunningham, Budget Analyst Megan Coons, Purchaser Scott Richardson, Assistant Finance Director Esliir Musta, Assistant Community Development Director Jess McNeely, Mr. Kinney from Kinney Construction

Supervisor Parks reconvened the work session at 1:43 p.m. and Deputy County Manager Mike Townsend introduced Kurt Freund the County's financial consultant and explained that he will be talking about options to finance construction of facilities.

Mr. Freund passed out a packet of information to the Board which he referred to throughout his presentation. He explained that there are four things Counties can do to borrow money for constructing a facility. The purchaser of the debt or the lender can be many investors. He also talked about the financing vehicle, directly and indirectly.

Mr. Freund went over the County's financing options allowed by law. This included:

- General obligation bonds- full faith and credit bonds and are the highest quality. The only financing approach that creates new revenues. The legal limitations for these are that they are subject to voter authorization and there is a limitation to how much debt there can be.

- Revenue bonds- secured by and payable by the revenues of the enterprise. They have to be two times greater than the bond.
- Lease purchase financing- take a piece of land the county owns lease to bank trustee and bank leases it back to the County and County makes a lease payment. County makes the lease payments from general fund money. If a lease payment is not made the County loses the building. This is the weakest credit structure and doesn't require voter authorization.
- Pledge Revenue Obligations- similar to lease purchase, debt gets issued to a bank trustee and that debt is evidenced by a lease purchase. The stronger the security the lower the credit rating. A lien is not needed on a facility and the County can do any project, doesn't require voter authorization and is limited by the cash flow.

Mr. Freund stated his recommendation is the pledge revenue obligations. It is the cheapest form of borrowing and the 2nd highest rating, second lowest interest rate and don't have to put the property up as collateral. He stated he believes they can avoid having a reserve fund. Whatever financing chosen, the County will get the lowest possible interest rate available on the market. The County's financing term is longer (20-25 years). He stated it will be a low interest rate.

Mr. Freund explained that it is about 4 months to get financing. He went over the steps involved with that. He explained what Bond Council does and all the participants in the process. He went over the funding sources. This included 1. private equity fund, Northern Arizona University does privatized student housing (example), borrowing money by incurring debt. 2. Bank Lender -- banks are an investor.

Chairman Art Babbott re-entered the meeting at 2:16 p.m.

Deputy County Manager Lucinda Andreani asked if employees or others who want to invest in the County can. Mr. Freund stated yes, they could through a brokerage firm.

Mr. Freund went over Public Private Partnerships (P3). He explained what a P3 is and how it works. They require something that generates revenue. He went over five elements with P3s: design, build, finance, operate and maintenance. It requires risk transfer to do a P3. If it is outside the procurement process it is less costly. He stated it is important to think about the kind of building desired (institutional or commercial), because that determines the life of the building. Financing is higher for P3s. Mr. Freund went over P3s in further detail and provided examples where he has looked at the idea of building beyond need to try to gain revenue with extra space through commercial space or housing. They discussed the pros and cons of P3s in relation to building a facility.

Mr. Freund went over possible next steps. This included determining the scope of the project, use of facility, non-governmental uses, and timing of the facility, whether to proceed with P3 and why and if so, with what elements. He stated that he doesn't hear a compelling P3 argument.

Mr. Freund answered questions from the Supervisors and those present at the work session.

Chairman Babbott stated that the next steps include: defining uses of the facility and getting an understanding of where the public and private entities qualify in the governmental services. He stated that self- financing is the way to go.

Attorney Rose Winkeler recommended the Board go into executive session for item #6.

Motion: Enter executive session, **Action:** approve, **Moved by:** Supervisor Archuleta, **Seconded by:** Supervisor Parks. The motion passed unanimously.

Executive Session:

6. Discussion of County Manager performance evaluation. Pursuant to A.R.S. 38-431.03 (A) (1), the Board of Supervisors may vote to enter executive session.

Board of Supervisors

Present: Chairman Art Babbott, Supervisor Matt Ryan, Supervisor Jim Parks, Supervisor Elizabeth Archuleta

Absent: Vice Chair Lena Fowler

Also Present: County Manager Jimmy Jayne and Human Resources Director Erika Philpot, County Manager Jimmy Jayne joined the executive session at 3:43 p.m.

Chairman Babbott convened the executive session at 3:29 p.m.

County Manager Jimmy Jayne joined the executive session at 3:43 p.m.

Chairman Babbott adjourned the executive session and meeting at 4:56 p.m.

COCONINO COUNTY BOARD OF SUPERVISORS



Art Babbott, Chair

ATTEST:



Lindsay Daley, Clerk of the Board of Supervisors



(SEAL)