

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
June 26, 2008**

Magistrate Court/Council Chambers
Civic Center
7501 E. Civic Circle
Prescott Valley, Arizona 86314

1. *CALL TO ORDER*
2. *INVOCATION*
3. *PLEDGE OF ALLEGIANCE*
4. *ROLL CALL*

The meeting was called to order by Mayor Skoog at 5:30 p.m. in the Magistrate Courtroom/Council Chambers. Pastor Dennis Sullivan, Landmark Missionary Baptist Church, gave the Invocation after which a special Mayor's Recognition appreciation certificate was read and presented to Pastor Sullivan. The Pledge of Allegiance was said in unison as lead by Ben Harper. The following council members were present for roll call:

Harvey Skoog	Mayor
Harold Wise	Vice-Mayor
Fran Schumacher	Council member
Bob Edwards	Council member
Mike Flannery	Council member
Mary Baker	Council member
Lora Lee Nye	Council member

5. *ANNOUNCEMENTS & PRESENTATIONS*

No announcements and presentations were forthcoming.

6. *PROCLAMATIONS*

a. Yavapai Big Brothers Big Sisters Day June 28, 2008

Deputy Town Clerk, Candi McElhaney, read the Yavapai Big Brothers Big Sisters Day proclamation. Mayor Skoog mentioned that approximately 300 youth in Prescott Valley are being served by Yavapai Big Brothers Big Sisters. Suzy Arnold thanked the Council for their support. The new Big Brothers Big Sisters facility is located at the corner of Willow Creek and Willow Lake. There will be an open house this Sunday from 1:00 and 4:00 pm. Larry Suderman stated that this new facility is the product of donations made by the local communities. Mayor Skoog presented the proclamation.

b. Recreation and Parks Month July 2008

Deputy Town Clerk, Candi McElhaney, read the Recreation and Parks Month proclamation. Mayor Skoog presented this proclamation to Parks and Recreation Director, Brian Witty.

7. *CERTIFICATES*

- a. Certificate of appreciation to Doris Beck for service on the Library Board of Trustees*
- b. Certificate of appreciation to Sandy Pickens for service on the Library Board of Trustees*

Stuart Mattson, Library Director, introduced Doris Beck and Sandy Pickens for their service on the Library Board of Trustees and Mayor Skoog presented their certificates of appreciation.

8. *COMMENTS/COMMUNICATIONS*

Council member Nye invited everyone to attend Prescott Valley Days, which starts tonight.

Town Manager, Larry Tarkowski, reported that notice had been given to the Town that long-time Town Clerk, Linda Thorson, passed away this morning. There are no details on services at this time. Mr. Tarkowski stated that Linda was very instrumental in the early days of the Town of Prescott Valley and through to her retirement in 2002 due to health reasons. She filled the positions of Town Clerk, Finance Director, Human Resources Director and even served two short stints as Interim Town Manager. She had a great deal of passion for the Town of Prescott Valley. Linda was very instrumental in laying the foundation that has served this Town so well. All will miss her smiling face. Several council members and staff spoke about Linda Thorson and her service to the Town.

9. *CONSENT AGENDA*

- a. Approval of Minutes – June 12, 2008*
- b. Approving the routine destruction of records per state approved retention schedules*
- c. Authorizing the Mayor to sign Resolution No. 1585 approving the annual authorization to purchase Council supplies and services*
- d. Approving and accepting public utility easements to provide operations and maintenance of utility lines within the Crossroads Development*
- e. Approving the acceptance of the Arizona Automobile Theft Authority 2008/2009 Public Awareness Grant Award in the amount of \$7,808*
- f. Approving a FY 2008-2009 Community Services Agreement funding Youth Count in the amount of \$20,000 in FY 2008-09, \$15,000 in FY 2009-10 and \$7,500 in FY 2010-11*
- g. Approving a FY 2008-2009 Community Services Agreement funding Prevent Child Abuse in the amount of \$6,529*
- h. Approving a FY 2008-2009 Community Services Agreement funding the Prescott Area Coalition for Tourism in the amount of \$5,000*
- i. Approving the FY 2008-09 Community Services Agreement funding the Trauma Intervention Programs, Inc. in the amount of \$5,000*

- j. *Awarding a lease agreement to Ikon for 36 months in the amount of \$686.00 per month, plus tax, for a mail room Ricoh MP9000 copier in accordance with the terms of State Contract #EPS060122*
- k. *Awarding a lease agreement to Neopost for 60 months in the amount of \$364.60 per month for a mail room folder/insertor with maintenance fees included for year one; an additional maintenance fee of \$217.92 per month will be charged for years two through five*
- l. *Approving the Letter of Understanding with Prescott Valley Parks and Recreation Commission volunteers for the Adopt-a-Park program (Civic Center Grounds)*
- m. *Accepting multiple public utility easements throughout Section 14 from Fain Signature Group*
- n. *Consideration of accepting rights-of-way from Yavapai County through Yavapai County Board of Supervisors Resolution No. 1676 for the extension of Pronghorn Ranch Parkway west of Viewpoint Drive*
- o. *Approving the Deed of Release and Reconveyance for property located at 4641 Glenrosa Circle, Herbert E. and Martha E. Brown owners (Housing Rehabilitation Program Grant 154-02)*
- p. *Approving Departmental Monthly Statistical Reports:*
 - Community Development*
 - Library*
 - Parks and Recreation*
 - Police Department*
 - Public Works*
 - Town Clerk*
- q. *Approving the Management Services Monthly Financial Report*
- r. *Approving the Council Investment Report*
- s. *Approving Accounts Payable for June 6 – 19, 2008*
- t. *Approving Accounts Payable for the Municipal Water System May 16, 2008 through June 5, 2008*

Vice-Mayor Wise requested that Item 9f (FY 2008-2009 Community Services Agreement funding Youth Count in the amount of \$20,000 in FY 2008-09, \$15,000 in FY 2009-10 and \$7,500 in FY 2010-11) be pulled from the Consent Agenda to be considered separately.

Council member Nye made the MOTION, seconded by Council member Baker to accept the consent agenda (with the exception of Item 9f) as read, by electronic vote. MOTION carried with 7 ayes and 0 nays.

Vice-Mayor Wise felt that it was wise to discuss why the funding for Item 9f is broken down as indicated in the consent agenda. Mayor Skoog believes that this funding should be limited to two years rather than three years and review it again after two years. Council member Schumacher stated that we have done this before with other non-profit agencies. The funding is reduced over a three-year period.

Deputy Town Manager, Ryan Judy, concurred with Council member Schumacher. There have been sliding scales for other non-profits. They are put on a three year sliding scale to focus on job creation. Similarly there are agreements with PVEDF and the Chamber of Commerce. We also want to focus on those agencies where there is a direct relationship, namely TIP and West

Yavapai Guidance Clinic. These are agencies that, for instance, our police department uses. There are many organizations that would desire funding from the Town but, unfortunately, we are in an economic situation where we have to closely look at who we are funding and why. Town Manager, Larry Tarkowski, added that there was direction 4-1/2 years ago to no longer have an annual set of presentations by any variety of non-profit agencies and get back to our primary mission, rather than supporting about 20 or greater organizations. Every one of those organizations was put on a three-year phase out from Town funding. We did not want to hurt their programming but we want to direct our money back to our primary mission. Only a few programs were held harmless from this: CASA, TIP, Chamber of Commerce and PVEDF.

Council member Schumacher added that Youth Count works with several other organizations and put on Teen Maze every year, which is a huge undertaking that involves a lot of youth from the whole community, not just Prescott Valley.

Vice-Mayor Wise made the MOTION, seconded by Council member Nye to approve the FY 2008-09 Community Services Agreement funding Youth Count (Item 9f) in the amount of \$20,000 in FY 2008-2009, \$15,000 in FY 2009-10 and \$7,500 in FY 2010-11, by electronic vote. MOTION carried with 7 ayes and 0 nays.

10. UNFINISHED BUSINESS

- a. Consideration of approving the second reading, by title only, and passage of Ordinance No. 716 approving a zoning map change for the Prescott Valley Medical Plaza; Tom Shoemaker, agent (ZMC08-001)*

The council had no further comments as this was the second reading of this ordinance.

The Deputy Town Clerk, Candi McElhaney, read Ordinance No. 716 by title only. Mayor Skoog asked "Shall the Ordinance pass?" Ordinance No. 716 passed with 7 ayes and 0 nays.

11. NEW BUSINESS

- a. Consideration of reappointing Cynthia Jones and Nancy Smith to the Arts and Culture Commission for terms with a renewal date of June 30, 2011*

Council member Flannery reported that there were two positions on the Arts and Culture Commission which are coming up for renewal on June 30, 2008. The current Commission members wish to renew their terms. Two other vacancies still exist on the Arts and Culture Commission due to the resignations of Jose' Magallan and Katherine Howell.

Cynthia Jones was first appointed to the Arts and Culture Commission in August 2005 and this re-appointment will be for her second and final term. Nancy Smith was first appointed in February 2007 to fill an existing term and this re-appointment will be for her second and final term.

Council member Flannery made the MOTION, seconded by Council member Schumacher, to re-appoint Cynthia Jones and Nancy Smith to the Arts and Culture Commission with term renewal dates of June 30, 2011, by electronic vote. MOTION carried with 7 ayes and 0 nays.

b. Consideration of appointing Kenneth Fahlman and reappointing Irene Reed to the Library Board of Trustees to terms with renewal dates of June 30, 2011

Council member Flannery reported that on June 30, 2008, three terms will come up for renewal on the Library Board of Trustees. Two current Board of Adjustment members have served their limit of terms and the other Board member expressed interest in continuing to serve on this Board.

Sandy Pickens and Doris Beck have served their limit of two consecutive terms. Irene Reed wishes to be considered for re-appointment. Irene Reed was appointed on October 11, 2007 to fill an existing term and this re-appointment will be for her first full term. Kenneth Fahlman submitted an application and after being interviewed, Council Members Flannery, Schumacher and Nye are recommending the appointment of Kenneth Fahlman and the re-appointment of Irene Reed to the Library Board of Trustees for terms with renewal dates of June 30, 2011.

Council member Flannery made the MOTION, seconded by Council member Nye, to appoint Kenneth Fahlman and to re-appoint Irene Reed to the Library Board of Trustees to terms with renewal dates of June 30, 2011, by electronic vote. MOTION carried with 7 ayes and 0 nays.

c. Public Hearing

Open Public Hearing

Proposed fiscal year 2008-2009 expenditure limitation and budget

Close Public Hearing

Mayor Skoog declared the public hearing open.

Management Services Director, Bill Kauppi, briefly went through the budget presentation from the May work study session. Included in this was presentation were projected revenues, proposed expenditure budget for the Town and the General Fund. Included was an overview of the capital expenditures that are being proposed and the debt service.

Town Manager, Larry Tarkowski, also explained the budget process and pointed out special attention needs to be directed towards the department heads and staff that have done an outstanding job this year, especially with declining revenues. The budget is 17% less than last year. There is also a 10% individual budget decline, which was implemented back in October. Hard decisions have been made to bring in this budget.

Vice-Mayor Wise stated that he was proud of staff. Each department has cut back and there is a hiring freeze in place but this has not affected customer service.

Council member Flannery said that a long planning process produced a 5-year plan. This has been a great tool. The Town reacted to warning signs back in October, where other communities did not.

Council member Schumacher said that she was proud that we are a proactive and conservative community . She is pleased that there will be no loss in personnel.

Council member Nye respects the high-value staff of the Town. Our goal was to hold onto all employees and this was achieved. The reserve fund has been protected all these years. All communities are not as fortunate as the Town of Prescott Valley.

Council member Edwards said that we had the foresight to save money during the good times. Other communities are struggling.

Council member Baker reiterated how much she respects the staff and the process for the budget. We are all very proud to be able to serve in a community that is financially sound. No services will be cut. She thanks everyone for planning ahead over the years and continuing to be financially responsible.

Mayor Skoog stated that we are in strong financial shape and can say that of the Yavapai County municipalities, Prescott Valley is financially the strongest with a good reserve.

There being no further comments, Mayor Skoog closed the public hearing.

d. Consideration of authorizing the Mayor to sign Resolution No. 1584 adopting the fiscal year 2008-2009 final expenditure limitation and budget

There were no further comments.

Vice-Mayor made the MOTION, seconded by Council member Edwards, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1584, adopting the Fiscal Year 2008-09 Final Expenditure Limitation and Budget for the Town of Prescott Valley, by electronic vote. MOTION carried with 7 ayes and 0 nays.

e. Consideration of authorizing the Mayor to sign Resolution No. 1588 approving and adopting a final development plan for the Holiday Inn and Sleep Inn on the south side of Market Street, west of Great Western Drive (FDP08-010)

Planner, Joe Scott, reported that this is a request by MSA 4 Inc. for a Final Development Plan for two hotels, with maximum heights of seventy feet, comprising a proposed ninety-eight room Holiday Inn on an approximately two and one-half acre parcel, and a seventy-three room Sleep Inn on a one and one-half acre parcel, to be located on the south side of Market Street, west of Great Western Drive.

The conditions of rezoning the subject property to C2-PAD included a height limit for any structure on the site of seventy feet that could be considered in conjunction with Final Development Plan review and approval. This Final Development Plan has been reviewed by Town Staff and meets Town Standards for the C2-PAD District. Approval of the maximum height of seventy feet is allowed subject to approval of the Final Development Plan by the Town Council per Code Section 13-19-060(M). Landscaping and lighting will be installed per requirements of Town Code Articles 13-26 and 13-26a, respectively.

Council member Schumacher asked if the Holiday Inn has a restaurant. The response was that there will be a restaurant and lounge. The Sleep Inn does not. The Sleep Inn will be the first hotel to be developed. The Sleep Inn will begin construction in the next three months.

Council member Nye asked if there would be adequate meeting rooms. Planner, Joe Scott, responded that there will be some meeting space in the Holiday Inn. He will ask the engineers about this.

Planner, Joe Scott, added that the Comfort Suites, up on top, will be about thirty feet above the pad for the Holiday Inn. The Sleep Inn steps down another thirty or forty feet.

Council member Nye made the MOTION, seconded by Council member Schumacher to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1588, adopting Final Development Plan FDP08-010, by electronic vote. MOTION carried with 7 ayes and 0 nays.

f. Consideration of authorizing the Mayor to sign Resolution No. 1590 amending Resolution No. 1461 by extending the suspension of Commercial Development Impact Fees for an additional two years until August 6, 2010

Town Manager, Larry Tarkowski, reported that there was a development impact fee study done by consultants. The recommendation was to adopt development impact fees, both residentially and commercially. Because of council's concern and big interest in expanding our job portfolio, and also commercial options in the Town of Prescott Valley, it was chosen to have a moratorium of collection of commercial impact fees.

A number of the same issues raised in prior years about the need to encourage commercial development still apply in 2008. Because the Town has no property tax, it is largely dependent on state-shared revenue and local transaction privilege taxes for operations. A number of large retailers are under construction, including Sam's Club and Home Depot, which will somewhat insulate the Town from a recent and potential further drop in sales tax collections. However, a number of other large retailers have expressed interest in Prescott Valley, including Wal-Mart, Sportsman's Warehouse, and other mid-major retailers, but have not yet pulled construction permits. Therefore, it is suggested that the earlier suspension be extended two more years (until August 6, 2010 or later) so as not to deter these large retailers from constructing their stores in Prescott Valley.

Council member Nye said that a good decision was made. The moratoriums have worked for the Town and the bonus for that is, not just the jobs it creates, but also the tax dollars that are generated. She supports going forward with this moratorium.

Town Attorney, Ivan Legler, added that it should be noted that the Council is being asked to make this decision while a lawsuit by the Home Builders Association of Central Arizona is pending against the Town, claiming alleged discriminatory application of impact fees between residential and commercial development. The lawsuit is currently scheduled to go to trial in December, 2008. Continuing the waiver of the commercial DIFs will essentially allow this suit to continue to play out.

Council member Nye asked for comments on a call she received from a citizen regarding the possible impact of increased fees for residential building. Town Attorney, Ivan Legler, responded that residential is not being asked to pay more simply because we chose not to collect from the commercial side. Obviously some arguments have been made by the homebuilders that some of the improvements have been put off that we would have been able

to build if we were collecting more development impact fees. That would be true but we are taking money from our General Fund and using it to build those improvements that would have been built with development impact fees and that's because we are collecting more Transaction Privilege Taxes from commercial. On top of everything else, it is bringing in the businesses to the community.

Prescott Valley Chamber of Commerce Executive Director, Marnie Uhl, stated that she supports allowing businesses to come in and allowing them to develop, increasing the sales taxes. She suggests supporting local businesses.

Council member Edwards added that people need to realize that when the housing economy started to slump in Prescott Valley, there had to be something to pick up the slack. We were fortunate that we had the ability to offer commercial opportunities to retailers.

Vice-Mayor Wise made the MOTION, seconded by Council member Nye, to authorize the Mayor (or, in his absence, the Vice-Mayor) to sign Resolution No. 1590 amending Resolution No. 1461 and extending the current suspension of development impact fees on certain non-residential development to August 6, 2010, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- g. Consideration of approving an Agreement with Clark Riedy, Sculptor for an art piece (CIP #F20.1) to complete the Police Operations Building expansion, in an amount of \$72,000.00*

Parks and Recreation Director, Brian Witty, reported that this sculpture is to be located between the Police Department and Lakeshore Drive, on the concrete pad that has already been built.

Three Statement of Qualifications with a total of four design concepts were received on June 5, 2008, for this art piece, in accordance with state statutes. SoQs were submitted by ArcStone Casting & Design, Clark Riedy, Sculptor, and K + K Studios. An 'appropriately qualified' Selection Committee comprised of Commander P.J. Janik (Police Dept.), Officer James Tobin (Police Dept.), Mr. Todd Anderson (Arts & Culture Committee and Artist), Mrs. Nancy Smith (Arts & Culture Committee), and Mr. Bill Brown (Police Volunteer) reviewed, evaluated and ranked the Statements of Qualifications. Based on the quality of his Statement of Qualifications, the Selection Committee determined Clark Riedy, Sculptor to be the most qualified for this art project.

Town staff has negotiated an agreement with Clark Riedy for the art sculpture as specified and to be further guided by input from the project committee. Acquisition of a rock base for the sculpture is not included in this agreement. If a rock base is determined to be part of the art piece as it develops, the Town will provide it to the sculptor, or an amendment will be made to the agreement for the artist to acquire a rock base which will not increase the cost of the project beyond the budgeted amount of \$72,000 (\$12,000 07/08 and \$60,000 08/09). Town staff recommends approval of this agreement.

Upon favorable consideration by the Council, materials for the sculpture will be acquired in June. Preliminary models will be ready in September 2008. Full scale modeling will proceed through January 2009, with mold making in February 2009. Waxwork and foundry processes

will proceed through April/May 2009. Installation and dedication of the Police Sculpture is scheduled for May 13, 2009.

Council member Baker asked that the total amount be placed in the council action. This was discussed at the work study.

Council member Flannery understood the bronze sculpture to be \$48,000.00 and there was discussion regarding a base. There was prior concern that the base was not included. The response was that \$48,000.00 would be in FY 2008-09 to combine for the negotiated price (without base) of \$60,000.00. The total price of the project (with base) is \$72,000.00 for two years.

Council member Baker made the MOTION, seconded by Council member Nye, to approve an Agreement with Clark Riedy, Sculptor for an Art Piece (CIP # F20.1) to complete the Police Operations Building Expansion, in an amount of \$72,000.00 (\$12,000 2007/08 and \$60,000 2008/09), by electronic vote. MOTION carried with 6 ayes and 1 nay (Flannery).

h. Consideration of approving a Community Services Agreement for FY 2008-09 funding the Prescott Valley Chamber of Commerce in the amount of \$135,000

Deputy Town Manager, Ryan Judy, stated that the Prescott Valley Chamber of Commerce serves as one of the three legs of the “three-legged stool” in the Town’s strategy for the economic prosperity of Prescott Valley. While PVEDF is focused on industrial recruitment and creating jobs and Greg Fister, the Economic Development Manager, focuses on retail recruitment, the Chamber has been tasked with supporting existing businesses through retention and expansion.

The Town and the Chamber have been partners for many years in the promotion of Prescott Valley. In the most recent agreement dated June 23rd, 2005, the Town and the Chamber entered into a three-year agreement for annual funding. Initial funding was set at \$125,000 for year 1 of the agreement (FY 2005-06). The agreement was modified on June 29, 2006 to set funding of \$130,000 for FY 2006-07 and \$135,000 for FY 2007-08.

After negotiations with the Chamber, staff is now recommending that this agreement be renewed for another three years and that funding levels be frozen at \$135,000 annually for the duration of the three-year agreement. In this economy, staff feels it is more important than ever to support local businesses and to enable the Chamber to effectively promote Prescott Valley as a destination spot. However, our “belt tightening” does not allow for an increase in funding beyond the current \$135,000 annually.

The Chamber will use the funding under this Agreement to provide the following business retention and expansion services: (a) maintaining a record of business visits (including name, address, retention and expansion issues identified, proposed course of action, and action taken); (b) maintaining a record of individuals requesting information from the Chamber about starting or expanding a business; (c) maintaining a website to provide ready access to businesses or potential businesses; (d) coordinating business retention and expansion efforts with the Town and the Prescott Valley Economic Development Foundation to attract new commercial and industrial businesses; and (e) providing networking opportunities for local businesses.

The Chamber will also use the funding to provide the following tourism/community promotion services: (1) developing, publishing, updating, and distributing tourism materials; (2) maintaining a website to contain tourist and relocation information; (3) maintaining a record of all inquiries for tourist and relocation materials; (4) continued sponsorship of "Prescott Valley Days;" (5) continued sponsorship of the "Festival of Lights" and "Valley of Lights;" (6) continued sponsorship of the "Team Up to Clean Up" campaign; and (7) hosting a Business, Health, and Community Showcase.

The Town will require the Chamber to provide the following reports on a quarterly basis: a summary analysis of all retention visits conducted; the name and contacting information for individuals starting or expanding a business; a summary of all other economic development activities; a summary of tourism and relocation inquiries; and a financial report for the quarter.

Marnie Uhl, Executive Director of the Prescott Valley Chamber of Commerce, stated that the relationship with the Town has been phenomenal as far as chambers and communities go. She introduced board members of the Chamber who explained upcoming plans.

Council member Flannery made the MOTION, seconded by Council member Nye, to approve the Agreement with the Prescott Valley Chamber of Commerce, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- i. Consideration of approving a Community Services Agreement for FY 2008-09 funding the Central Arizona Seniors Association (CASA) in the amount of \$40,000*

Deputy Town Manager, Ryan Judy, reported that the Town of Prescott Valley has traditionally contributed funding to CASA for the operation of a Senior Center. The Town funded CASA in the amount of \$40,000 for operational and insurance needs in FY 2005-06, FY 2006-07, and FY 2007-08. Recognizing the valuable service that CASA provides to seniors in our community, it is proposed that funding to the CASA Senior Center in FY 2008-09, FY 2009-10, and FY 2010-11 continue with an annual appropriation of \$40,000, including \$4,000 for insurance and \$36,000 for operations. Unfortunately, the current economic climate does not allow for an increase of funding at this time.

Executive Director, Betty Robinson, expressed her gratitude for all the assistance that CASA has received assisting the senior citizens of our community.

Vice-Mayor Wise added that there are many programs that are available to the seniors. This is an especially difficult time during the downturn in the economy. There are a lot of seniors who are having hard times.

Council member Nye also spoke about the long list of opportunities and services that are available at CASA.

Betty announced that CASA was going to be having their big fundraiser with the Prescott Valley military monument committee on November 9, 2008 at CASA.

Council member Baker made the MOTION, seconded by Council member Schumacher, to approve this 7th Amendment to Lease Agreement with the Central Arizona Seniors Association, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- j. Consideration of approving an amendment to the Town Engineer Agreement with Dava & Associates to provide professional services to acquire a lease agreement from the*

Arizona State Land Department for a recharge site in an amount not to exceed \$30,400.00

Water Resources Manager, John Munderloh, stated that the Town has conducted geophysical investigations to locate suitable recharge sites in proximity of Town infrastructure for the past two years. Appraisal level investigations of over 20 sites have ultimately shown that the most suitable recharge location available to the Town is on State Trust Land between Unit 20 and Fain Road.

The Town and the Arizona State Land Department (ASLD) are currently negotiating an agreement which will allow the Town to lease the subject State Land property for construction and operation of recharge facilities. However, certain technical requirements must be satisfied to obtain the lease including: a property description, an archaeological survey and a conceptual configuration of the recharge basins. Dava & Associates will assist the Town in completing these requirements and will also provide cost estimates for construction and off-site infrastructure requirements. Dava will use Biozone Inc. to conduct biological and archaeological surveys of the subject property as required by ASLD, and to complete a Section 404 drainage evaluation required by US Army Corps of Engineers' regulations.

Vice-Mayor Wise made the MOTION, seconded by Council member Flannery, to approve this Amendment to the Town Engineer Agreement with Dava & Associates to provide professional services to acquire a lease agreement from the Arizona State Land Department for a recharge site at a cost not to exceed \$30,400.00, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- k. Consideration of approving Change Order #10 to the construction contract with Asphalt Paving & Supply, Inc. in an amount not to exceed \$129,150.67 for the Robert Road Improvement Project, Loos Drive to Spouse Drive (CIP#412A)*

Public Works Director, Norm Davis, stated that the Approved Budget for this Fiscal Year includes the Robert Road Improvement Project, Loos Drive to Spouse Drive. This project is for construction of sidewalks, storm drain, additional driving lanes and street lights on Robert Road (from Loos Drive to Spouse Drive) and on Spouse Drive (from Noel Drive to Sauter Drive East). The Project Engineer, Kirkham Michael, has prepared the design for this project and is providing construction administration. Asphalt Paving & Supply, Inc. is currently constructing the improvements.

This change order reflects adjustment to final as-built quantities. Adjusted quantities of items bid include, increases in saw cutting (\$4,380.00), concrete work (\$23,072.00), asphalt work (\$40,860), landscaping (\$1,700.00) and rip-rap (\$6,868.00) and are the result of additional work incurred to driveways, parking areas and private property to accommodate the lowering and widening of the roadway. Additional traffic control (\$32,032.00) associated with previous change-order work is included in this change order, as well. The total amount for Change Order 10 is \$129,150.67.

Council member Schumacher made the MOTION, seconded by Council member Baker, to approve Change Order No. 10 to the construction contract with Asphalt Paving & Supply, Inc., in an amount up to \$129,150.67 for this project, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- l. *Consideration of authorizing the Mayor to sign Change Order No. 1 with Tonto Supply in the amount of \$22,950 for additional excavating work at the StoneRidge Water Tank project (CIP#E114wd)*

Utilities Director, Neil Wadsworth, reported the Water District Board approved a contract with Tonto Supply on April 26, 2007, in the amount of \$594,250.00 to construct a road and excavate a site for the future StoneRidge water tank. Additional work will be bid out as a separate project (phase 2), and will include installing a 16-inch diameter water transmission main and a 2 million gallon storage tank. This will occur as market conditions improve.

The contracted-for work has been substantially complete for approximately 12-months now, with only a few items left to be addressed by Tonto Supply. These items include hauling away the excavated rock material and completing repairs to a damaged street light.

The current change order is sought to remedy a problem identified during the excavation process when it was discovered that the steep walls of the excavation were less stable than originally thought. The Town has requested additional excavation to reduce the slope of the walls and improve the safety of the site.

This change order represents the final cost for this project. This project continues the District's policy of improving the water system through additional storage, wells, pipelines and interconnectivity.

Council member Nye made the MOTION, seconded by Council member Flannery, to authorize the Mayor (or in his absence the Vice-Mayor) to sign Change Order Number 1 with Tonto Supply, in the amount of \$22,950.00, by electronic vote. MOTION carried with 7 ayes and 0 nays.

12. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

13. ADJOURNMENT

Council member Schumacher made the MOTION, seconded by Council member Nye to adjourn the meeting, by electronic vote. MOTION carried with 7 ayes and 0 nays. Mayor Skoog adjourned the meeting at 7:24 p.m.

ATTEST:

APPROVED:

Candice McElhaney, Deputy Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Candice McElhaney, Deputy Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Regular Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, June 26, 2008.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 2nd day of July, 2008

Candice McElhaney, Deputy Town Clerk