

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
December 6, 2012**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. Call to Order

Mayor Skoog called the meeting to order at 5:30 p.m.

2. Roll Call

Present: Council Member Whiting, Mayor Skoog, Council Member Lasker, Council Member Mallory, Council Member Nye, Council Member Anderson, and Vice Mayor Tjiema.

4. Citizens Academy Graduation

Deputy Town Manager Ryan Judy announced the graduation of the 14th Citizens Academy, a program which began in 2006. Each of the graduates was called forward to receive their Certificate of Graduation and were congratulated by the council members.

5. Recess

Mayor Skoog recessed the meeting at 5:35 p.m. for refreshments with the graduates.

6. Reconvene

Mayor Skoog reconvened the meeting at 5:51 p.m.

3. Presentation and discussion regarding the Comprehensive Annual Financial Report (CAFR) for the Town of Prescott Valley for FY 2011-2012

Management Services Director Bill Kauppi introduced Jill Shaw, auditor, who explained the different facets of the audit that they preface their unqualified opinion on. She complimented the management services staff and said what a pleasure they are to work with. Ms. Shaw discussed the financial positions of the Town and Community Facilities Districts. Council member Whiting asked for a definition of what the difference is between a capital and an operations grant. Ms. Shaw explained the differences as being exactly what you would expect it to be - capital for capital projects and operations grants for operational uses.

7. Presentation and discussion regarding the proposed new Popular Annual Financial Report

(PAFR)

Management Service Director Bill Kauppi said staff is incorporating the data from the CAFR (135 page) into the PAFR (12 pages) only simplified for the layman incorporating town accomplishments, a little about council etc. The PAFR will be on the town website as of tomorrow. Only 15 to 20 municipalities across the state are offering this document. Council member Nye said she is pleased and thinks the citizens will be too. It is perfect to give people a snapshot of the town's financial position without having to read and try to make sense out of all the numbers.

8. Discussion regarding the financial five-year trend

Finance Manager Heidi Derryberry thanked the new accountant Crystal Garcia who helped with this report. Derryberry continued with a trend analysis gives the town the ability to generate enough cash to pay the bills and the ability to provide services at a level that can be supported. She reported that declining revenues over the last few years are now reversing with a slight increase over last year. Intergovernmental Revenues show a slight increase over last year at 34.2 percent up to 35.0 percent in 2012. Elastic Revenues increased from 72.5 percent in 2011 with a projection of 76.9 percent in 2012. Revenue per capita continues to decrease while expenditures are increasing. The General Fund Balance remains neutral as it has the last 5 years. Current Liabilities are trending down, although at 15.2 percent it is well above the *rule of thumb of 5 percent* and therefore reflected as a negative trend.

Council member Lasker remarked that fast growing communities such as Prescott Valley are still building their infrastructure - that costs a lot of money and therefore we will have higher debt. Council member Lasker noted that she didn't think it was fair to use the 5 percent benchmark given that we are still building our community.

Net Direct Debt per Capita has reduced from \$1,585 million in 2008 down to \$1,221 million in 2012. Debt Service is at 16.2 percent. The Pension Benefit - Arizona Public Personnel Retirement System is negative given increased costs to the employer. Compensated Absences have increased from 5.2 percent in 2008 up to 8.5 percent in 2012 given the furlough program etc. The Condition of Capital Plant: Capital Outlay indicates that the costs incurred for operating equipment has been declining as the equipment is not being replaced in a timely manner which brings forth its own problems.

9. Discussion regarding the Long Look Dr. Pavement Replacement Project - CIP# S351

Public Works Director Norm Davis said this project includes a 260 foot section of Long Look between Glassford Hill Road and Lone Cactus Drive. All of the pavement will be taken up and replaced with new pavement with a good sub grade. If approved by council, the construction plans will be done now in preparation of the work to be done next spring requiring an amendment to Dava and Associates Agreement for the planning of the project.

Council members Tjiema and Lasker said this would be a perfect time to put a sidewalk on the north side for the students to use going to and from school. Davis stated that an asphalt

pathway/sidewalk will be put in until that side of the road is developed. Council member Anderson commented this is good use of the money available.

10. Presentation and discussion regarding police vehicle graphics

Cmdr. James Edelstein commented that the decals on the police vehicles are deteriorating and they cannot maintain consistency in the graphics when they change vendors. A local vendor is offering a 9-year shelf life product with an over laminate to stabilize the graphics by acting as a sunscreen and protecting it from nicks and graphics. These graphics will cost a little more, \$800 versus \$500, but will last the life-cycle of the car. Edelstein showed a vehicle with the proposed new logo on it simply stating POLICE, Town of Prescott Valley, with To Protect and Serve on the hood and the PVPD logo on the rear panel using 3M paper with the high level of reflectivity.

11. Discussion regarding police shooting range gift deed

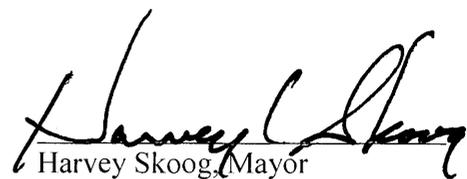
Cmdr. James Edelstein gave an overview of the current Paul Buck Memorial Firearms Range which has been there since about 1993. There are over 30 agencies that use and benefit from the PVPD range. Many different training courses are taught out there. The facility has power and water, a lecture and break area, a 50-yard and temporary 100-yard range, turning and moving targets and a shooting house. They need to expand the site to include a permanent 100-yard range for specific types of rifle training. Fain's have agreed to donate enough land to develop a 200-yard rifle range. This would allow more diverse training within the training area at the same time. Development of the site will occur through a partnership with a reserve military unit. Tarkowski said a field trip could be arranged for the site after the new year. Thanks to the Fains was expressed for this generous gift. Tarkowski stated that this would go away if it created an obstacle for grazing out there or IF the wastewater treatment plant needs to expand, decades down the road. Then a portion of the shooting range will have to go away. Edelstein said we do not charge other agencies for use of the facility, but we do receive donations of materials or money for the site.

12. Adjournment

ATTEST:


Diane Russell, Town Clerk

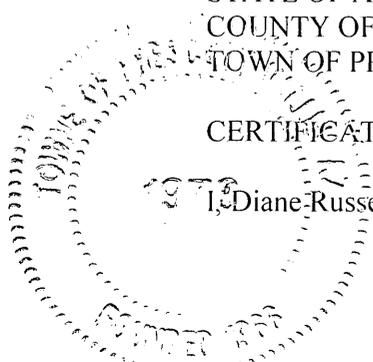
APPROVED:


Harvey Skoog, Mayor

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

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, 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 Work Study Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, December 6, 2012.

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

Dated this December 7, 2012

A handwritten signature in cursive script that reads "Diane Russell". The signature is written in black ink and is positioned above a horizontal line.

Diane Russell, Town Clerk