

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
September 27, 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. INVOCATION

Vice Mayor/Pastor Don Tjiema gave the invocation.

3. PLEDGE OF ALLEGIANCE

Vice Mayor Don Tjiema led in the recitation of the Pledge of Allegiance.

4. ROLL CALL

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

Absent: Council Member Nye.

5. SCHEDULED ANNOUNCEMENTS & PRESENTATIONS

a. Prescott Valley Police Foundation

Sandra Arquette and Ginny Reeves announced the third annual Mystery Dinner Theater “Deadly Incentive” on October 13, 2012 at 6:00 p.m. with dinner being served at 7:00 p.m. The masquerade event will be held at the StoneRidge Golf Club. Tickets are \$40 each with proceeds benefiting the Prescott Valley Police Foundation. For more information call 928 772-9532.

b. Prescott Valley Student of the Month, Blake Krochik

Council member Whiting introduced Court Miner principal of Bradshaw Mountain High School who commended their September Student of the Month Blake Krochik for his athletic, academic and extracurricular activities at the school. Council member Whiting commented about Blake's educational and citizenship interests and presented him with a certificate and paper weight on behalf of the Prescott Valley Rotary Club and Bradshaw Mountain High School.

Blake expressed his appreciation and gratitude for this privilege and thanked his family, girlfriend and the people who helped him get this honor for their support.

Council member Lasker thanked the Rotary Club for picking up this program again this year honoring and encouraging students for working so hard and thanks to the students for being such an inspiration to the community. Council member Mallory thanked Blake for his dedication to his work at Albertson's.

c. Building Permit Trends, Richard Parker

Community Development Director Richard Parker gave an overview of the increase in building permits via a five-year trend comparison of single family permits and commercial permits beginning with FY 2007/08. The market has changed showing a slow recovery from the recession. The projected 130 permits for FY 2012/13 were based on past trends. Today's 27 permits per month bring us considerably beyond the projected number. With Walmart coming in those permit numbers will change again. Sixty-six permits have been issued already this fiscal year with the buildings under construction. If this trend continues it shows that things are turning around in the building segment. Builders state that their hurdle was that they could not employ enough of the building trades who have since left the area or gone out of business. Now the builders have to build other companies to try to support building in northern Arizona.

Warner Owen, a member of the Planning and Zoning Commission and a real estate professional, stated a real estate cycle lasts 3 to 6 years while the average economic cycle is 8 to 12 years. In a normal economic cycle we can experience 3 bumps in the road in real estate. The primary cause of that is a builder who will purchase all the land he can and build as fast as he can resulting in an overbuilt community. That is the beginning of another real estate cycle that goes down. Recently on the national level prices of real estate went up 3.2 percent and over 12 percent in PV. Another strong indicator of coming out of the recession is that in 2007, there were over 3,000 units were for sale. Today there are only 765 for sale, not including those for sale by owners. Foreclosures are way down now. There are more short sales coming up on the market though as people feel the market has come back enough that they might be able to sell their home without having to go through foreclosure. The bumps in the real estate industry are caused by over building and the economy. This will be a slow growth period and labor is going to be a huge problem as the subcontractors in our community have left leaving very few laborers to build new buildings. A great number of our laborers were illegals. We don't have the trained labor to take on the job of framing houses and building roads and putting in windows. We are going to have to bring them in. There are only two listings of commercial property for sale while there are 55 for lease or rent. Commercial properties are not moving very fast. Land is moving even slower.

Mr. Owen responded to Council member Lasker said that the banks were holding back on foreclosures because they didn't know which way the government was going to go. They have released most of those homes now and have gotten smart knowing that the faster they get it on the market the sooner they will get rid of it. Because of their procedures, it has taken up to two years to have them released to the market in the past. This has taken care of itself now.

Parker will be back in a few months with a few developers who can update council about what they see in the way of inertia in the market.

6. CERTIFICATES

a. Certificate of Appreciation to Robert Todd for 15 years of service

Town Clerk Diane Russell read the accolades submitted about Bob Todd. member Lasker encouraged folks to stop by Bob's office and see his décor. Council members continued with expressions of appreciation for his dedication, time, patience and expertise given to the town. Richer Parker expressed how much he respects Bob for his professionalism in enforcing the laws. Mayor Skoog presented Bob with a Certificate of Appreciation, a 15 year lapel pin and \$125 gift notification.

Bob thanked staff for their support and hard work and noted how blessed he is to in such a great community. He looks forward to the next 15 or 20 years.

b. Certificate of Appreciation to Ruth Mayday for 5 years of service

Town Clerk Diane Russell read the accolades submitted by the Community Development Department. Richard Parker read Public Works Boyd Robertson's comments poking jabs at Ruth and concluded with a few of his own. He continued that Ruth is fearless and will try anything, even if it is a bad idea and he appreciates that.

Council members recognized her as an asset to the community for her contributions, easily understood presentations and the achievements she makes with grants. She is compassionate with the people she helps and a joy to be around. Community Development Administrative Specialist Vikie Anderson said she admires Ruth very much and has enjoyed working with her for the last five years. Capital Projects Coordinator Kim Moon commented that Ruth is an inspiration and leader especially on the solar project.

Mayor Skoog presented Ruth with a Certificate of Appreciation and 5-year pin.

Ruth said she is grateful for the opportunity to come to Prescott Valley given to her five years ago. It has been a great experience and she enjoys working with the people she works with and commented that she could not do the things that she does without the support she has from a department head that lets her do what she needs to do, the administrative staff support and the building department staff. Everyone has been a lot of fun to work with.

c. Certificate of Appreciation to Crystal Luna for 5 years of service

Chief Fessler complimented Crystal for a job well done and allowing them to shuffle her around without complaint. Brandon Bonney commented that he works with Crystal on a daily basis. She has been an asset to the department. They look forward to developing her with her amazing skills and ability to do great things for the PD and Town. Lt. John Woods commented that Crystal worked for his for more than two and a half years and she is a dedicated, thorough employee.

Cmdr. James Edelstein said Crystal fulfills a lot of different roles at the PD which she should be commended for. She is very adaptable and gets the job done.

Council members said sometimes the officers get the bulk of the recognition. He is grateful for this opportunity to recognize the staff whole do a wonderful job. They expressed their appreciation for what she has given our community and her dedication. Mayor Skoog presented her with a Certificate of Appreciation for five years of service and pin.

Crystal thanked her family and work family for their support and for being allowed to have this opportunity.

d. *Certificate of Appreciation to Keven O'Hagan for 5 years of service*

Chief Fessler said that he worked with Keven's father a long time, nothing less than professional and is glad Keven carried that legacy of professionalism to the department. He appreciates the job he does every day. Lt. Wood said Keven has done a wonderful job for the PD and will be a leader in this department in the very near future. Cmdr. Edelstein said he fills a lot of responsible rolls. He has a great sense of humor, keeps things light but gets the job done and done well.

Council thanked Keven for his service to the community and his family for allowing him to provide service to the town.

Keven's wife Johanna commented that she is very proud of him as a great husband and great leader. Mayor Skoog presented with a Certificate of Appreciation and lapel pin for five years of service.

Keven commented that he appreciated being given the opportunities of leadership within the department and will try to take advantage of the opportunities and do the best he can for this town. He expressed his gratitude to the command staff that have given him those opportunities and continue to show him the way.

7. *COMMENTS/COMMUNICATIONS*

Council member Lasker commented that she took her bicycle on the Highway 69 multi-use path and noted that it is a fantastic trail. She encouraged folks to get out there and have some fun on all the town trails.

Council member Anderson announced Dana Kirkpatrick's car will be on display at Ponderosa Tire in Prescott during their customer appreciation day tomorrow. The all-corvette show will be held at the Prescott Courthouse Square on Saturday, October 29 with 250 corvettes on display dating from 1953 to 2013.

Council member Mallory stated that the County Fair is starting tonight at Tim's Toyota Center.

8. *CONSENT AGENDA*

- a. *Approval of Minutes of September 13, 2012 Regular*
- b. *Authorizing the Mayor to sign the agreement with Century Link in the amount of \$34,199.72 for the purchase of the Unified Computing System*
- c. *Authorizing the Mayor to sign the agreement with Netsian Technologies in the amount of \$27,220.16 for the purchase of the video surveillance system*
- d. *Authorizing the Mayor to sign Resolution No. 1812 adopting the updated housing rehabilitation guidelines and authorizing the submission of an application(s) for State Housing Funds*
- e. *Accepting the Financial Report*
- f. *Accepting the Investment Report*

Council Member Anderson made the MOTION, seconded by Council Member Whiting, to approve all items listed on the Consent Agenda., by electronic vote. MOTION carried with 6 ayes and 0 nays.

9. *NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR POSSIBLE ACTION)*

- a. *Consideration of approving an Amendment to the Professional Services Agreement with WestLand Resources, Inc. for construction period services in the amount of \$112,131 AND approving the award of a construction contract Capital Improvements, LLC, in an amount of \$873,787.50 for the North Plains Recharge Basins Project, Phase One - CIP # E226a as outlined in the Fiscal Analysis*

Kim Moon showed slides of the exiting recharge facility permitted in 2004 which is located in the Agua Fria Channel below the advanced treatment facility built in 1993. Only about 60 percent of the in channel recharge is credited to the town's account with the other 40 percent going to waste. The new site is projected on the North plains area east of Fain Road to include 5 basins on 20 acres in Phase 1. Future phases will add 13 additional basins. A one-mile access road and range fencing were listed as additional bid items. Upon review and staff confirmation of the lowest bid received, it is recommended that award of the Construction Contract for both the Base Bid A, Alternate Bid B and Alternate Bid C go to Capital Improvements, LLC. Construction-period services from Westland involving construction administration, construction surveying, construction observation, and project close-out are also required as noted per Exhibit A. WestLand is located in Tucson and will be assisted by CivilTec Engineering, Inc. CivilTec, has experience with design/construction of recharge facilities and will be able to provide a local presence for administration, observation and other services. The cost of these services is \$112,131.00. This project was budgeted in the current fiscal year in the amount of \$2,310,000. The anticipated date for completion of the project is scheduled for January, 2013. There is another separate bid for this project, for monitoring wells and piezometers, which is not included in this action.

Water Resources Manager John Munderloh said this is one project they hope to see recharge 2,200 to 2,400 acre feet of water a year into the ground. Currently the burms in the Agua Fria channel get washed out and it takes time to get those back in place again. We need this project to get additional capacity into the ground and give room for growth. Utilities Director Neil Wadsworth responded to council that he does not anticipate any odor issues from the treated wastewater/reclaimed water from the treatment facility. Munderloh stated that state of the art recharge basins such as this will not likely grow mosquitoes in this type of water – they prefer stagnant water. These basins will be open with the edges cleared of weeds. mosquito won't have much opportunity to grow in these ponds nor are they located near population centers. This will be paid for by from proceeds of the effluent sales. This is a continuation of the water resources portfolio putting more water back into the ground and giving us more credit for doing that. The person who bought the effluent credits has the option of purchasing the future credits as well.

Management Services Director Bill Kauppi is keeping a close eye on the cost of this approved project.

Utility Director Neil Wadsworth stated that the one mile dirt access road will start at the wastewater treatment plant, run north on the old railroad right of way up to the site where we lease state land. Munderloh said this is a large part of our reach for safe yield. This phase gives us capacity to recharge to reach safe yield. We are a ways away from safe yield today. As the community grows producing more effluent this facility and potentially others like it will get us to the safe yield zone. We have another 12 years to achieve safe yield. Moon responded to council that did diversity (\$500,000 between low and high bids) may be due to local bidders versus out of the area bidders.

Town Manager Larry Tarkowski said the spread is typical and reflective of the costs associated with a particular business and their level of activity. The bid did come in under the estimate. Moon continued with the supplemental work was broken out separately to eliminate a general contractors mark up on each specialty portion of the contract. Moon commented that this project requires a significant amount of dirt/earth work.

Tarkowski said this is a large amount of money but we have to spend money to make money. This will unlock the \$90 million dollars that will be received by the town because of the effluent auction. His second point was he complimented and thanked the team for their time, patience and work with the agencies getting the variety of permits and meeting regulatory requirements.

Munderloh responded to council members that the largest basins are in the flat bottom area of the flood plain for Phase 1 with smaller basins in Phase 2 as the land slopes upwards and will fit the topography a little easier.

Vice Mayor Tjiema made the MOTION, seconded by Council Member Lasker, to approve an Amendment to the Professional Services Agreement with WestLand Resources, Inc. for construction period services in the amount of \$112,131.00 AND approve award of a construction contract to the lowest responsive bidder, Capital Improvements, LLC, in an amount of \$873,787.50 for the North Plains Recharge Basins Project, Phase One - CIP # E226a as outlined

in the Fiscal Analysis AND advance funds from the Wastewater Fund, by electronic vote. MOTION carried with 6 ayes and 0 nays.

b. Consideration of awarding the purchase of Hot Melt Crack Seal Materials for the Fiscal Year 2012/2013 to Crafc0 Inc., in the total purchase amount of up to \$22,246.47

Public Works Director Norm Davis and Operations Manager Ken Stanton talked about the town road maintenance plan for the year. Patching and crack sealing is completed prior to the chip seal application to prevent water intrusion. Stanton gave a detailed explanation of the process.

Council Member Whiting made the MOTION, seconded by Council Member Mallory, to approve MOTION to award the purchase of Hot Melt Crack Seal Materials for the Fiscal Year 2012/2013 to Crafc0 Inc., in the total purchase amount of up to \$22,246.47, by electronic vote. MOTION carried with 6 ayes and 0 nays.

10. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

11. MOTION TO CONVENE INTO EXECUTIVE SESSION (PER A.R.S. 38-431.03(A)(1) & (2) in order to discuss or consult with the attorneys or other designated representatives of the public body regarding, or to otherwise discuss or consider, the following: * Town Attorney's Annual Evaluation * Council Chamber Security

Tarkowski asked that Council consider not convening into executive session this evening stating that Town Attorney Ivan Legler had another engagement to attend. Tarkowski asked that the executive session be tabled until the next regular council meeting combining it along with the Magistrate Judge's annual review.

Vice Mayor Tjiema made the MOTION, seconded by Council Member Anderson, to table the executive session until a further date, by electronic vote. MOTION carried with 6 ayes and 0 nays.

12. ADJOURNMENT

Council Member Whiting made the MOTION, seconded by Council Member Lasker, to adjourn the meeting, by electronic vote. MOTION carried with 6 ayes and 0 nays. Mayor Skoog adjourned the meeting at 7:06 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

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 Regular Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, September 27, 2012.

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

Dated this September 28, 2012

Diane Russell, Town Clerk