

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
September 18, 2014**

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

1. Call to Order

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

2. Roll Call

Present: Mayor Skoog, Vice Mayor Nye, Council member Grossman, Council member Anderson, Council member Mallory, Council member Whiting and Council member Marshall

3. Discussion regarding Citizen of the Month

Community Relations Coordinator Heidi Foster presented the proposal to begin a Citizen of the Month program. The idea was originally suggested by Council member Marshall, with Mayor Skoog and Town Manager Tarkowski suggested that we put in a place a Citizen of the Month program in which Council can honor a deserving citizen, organization or business each month.

Six local citizens were approached to be on the first selection board. They include a newspaper executive, a Town of PV volunteer, a member of the clergy, a teacher, and two executive members of charitable organizations that have a large presence in Prescott Valley. In order to honor deserving citizens, organizations and businesses for one selfless act or a series of contributions to the betterment of the community, criteria for selection are minimal. We suggest honoring the Citizen of the Month on alternate council meetings from the Rotary Student of the Month award. The award for the selected Citizen of the Month would consist of a nicely framed certificate or a plaque and a Star of Prescott Valley pin, to be decided.

This action is for the consideration of council approval to engage all local media to solicit nominations for Citizen of the Month, with the deadline for selection the 15th of the month prior to award. A logo has been designed to put on the certificate or plaque.

Council members Anderson and Marshall thanked Heidi for the effort to bring this program forward. Council members Mallory, Whiting and Grossman added that they are glad to start this program to recognize all the volunteers in the community. Vice Mayor Nye said that we will never run out of citizens who can be given this award. Mayor Skoog added that council approves and told Heidi to get it started, it does not need to come back for a vote in regular session.

No action was taken.

4. Discussion regarding the Town's Website redesign

IT Manager Casey Danner spoke to council about the redesign of the town's website. A new vendor, Civic Plus has been contracted to build a new website to replace the current website that was done by Vision Internet in 2007. Danner showed several examples of websites that have been designed by Civic Plus and highlighted the features that are different from our current design including responsive design that resizes the website to fit the device being used.

The town's website team met to view demos from the two vendors and the team agreed 100% to go with the new vendor Civic Plus. The team will be working together to help design the new site with input from each department including the council, so Danner urged them to give him their suggestions as well.

Danner explained that the new website will have many new features including fillable forms, photo galleries and social media integration, as well as being able to track the number of hits to different areas of the website. The staff will also be use the back end of the website much better than the current website to update their department pages. He is very pleased that Civic Plus is able to give us what we want and manage to stay within the amount budgeted for the new website. The contract will include the opportunity to redesign the website every four years.

The time table for the new design will be 4 to 6 months from start to finish, probably closer to the 6 months by the time it is ready and fine-tuned.

Casey showed several more features from other websites in response to council member questions about forms and search engines on the new site including the possibility of having a mobile app. Council was happy to see this presentation and agreed it was very much past time for an update.

Deputy Town manager Ryan Judy congratulated Casey on getting the vendor to come down to about half the price that was originally quoted. He commented that the iPhone came out in 2007 the same year as our website and our technology is very outdated in comparison.

No action was taken.

5. Discussion regarding the purchase of a new Tractor/Flail Mower

Public Works Operations Manager Alex Romero showed some sample pictures of a John Deere 580 Tractor/Flail Mower that will be replacing their oldest mower that is about 18 years old. The old mower will be given to Parks & Rec as it is still usable for their needs.

Stotz Equipment was the lowest responsive bidder at \$77,430.63 and they will be having the 85 horsepower John Deere mower built to our specifications. It includes a convenience package with an enclosed air conditioned and heated cab. The purchase of the Tractor/Flail Mower will enable the Streets Division of the Public Works Department to address the current year's goal of continuing to maintain a higher standard of maintenance for public infrastructure.

Council member Mallory asked why the two bid amounts for the mower were so different. Alex said that it was the same specifications but bidders used different makers. Town Manager Larry Tarkowski added that the other company was offering a vehicle by a different manufacturer/vendor and Romero agreed that it was a big difference in price of about \$20,000.

Council member Grossman asked about the replacement of the blades for the mower. Romero responded that the blades are replaced on a regular basis. Alex also responded to Council member Whiting's query that there will be three John Deere mowers with the purchase of the new one.

Vice Mayor Nye commended Romero for protecting his staff with this new equipment that will be enclosed for their safety and comfort.

No action was taken.

6. Discussion regarding the Tonopah Stormwater Phase 2 project

Engineering Division Manager Ron Pine introduced the second phase of the Tonopah Stormwater project. He showed slides of the first phase at various stages of the project from start to finish and he showed a map of where the next phase will extend to. Ron also showed some slides of how the drainage works when it rains and how well it works to divert storm water. The Yavapai County Flood Control District has provided the funding for this project.

The engineering consultant for the project Dava & Associates, Inc. has reviewed the bids and recommends award to the lowest responsive bidder, Asphalt Paving & Supply, Inc. in the total amount of \$247,167.50. The request also includes an amendment to the Town Engineer Agreement for \$47,440.00 and a contingency for up to the budgeted total of \$300,000.00. Construction is scheduled to begin Monday, September 29, 2014 and will last approximately two and one half months. Asphalt Paving & Supply was the contractor on Phase 1 and will be able to start Phase 2 right where they left off.

Vice Mayor Nye commented that she lives in the Tonopah area this was the first time in 15 years that there was no flooding.

Tarkowski asked Public Works Director Norm Davis to comment about floodplains. Davis gave council credit for their actions back in the 1990's by not permitting people to build in floodplains or flood prone areas in Prescott Valley. FEMA should be able to offer lower flood insurance rates to our residents due to the decreased risk of flooding here.

No action was taken.

7. Discussion regarding the Settlement Outline of the Event Center Case

Town Attorney Ivan Legler said that it was five years ago to the day that the lawsuit was filed. He summarized the history of the case timeline in his RFCA which he said is "fantastic reading". Legler gave credit to his staff who lived and breathed this case including Deputy Town Attorneys "Bulldog" Colleen Auer and Steve Zraick as well as paralegal Carol Cornell.

Based on the work of the team, in November 2013 the town was essentially out of the case. The town was the only entity that got out of case in pretrial motion, convincing the judge that we were not guilty of the accusations.

We knew that if the case went to trial it would go to appeal we would be subject to that appeal.

The other thing that was clear was that this had done nothing to help the facility after four years. It was clear that the lawsuit was going to be of very little benefit to anyone so all parties agreed to settle before the trial was to begin.

Ivan summarized the following information from his RFCA: Judge Snow granted the motion at his final Pretrial Conference on Aug 22, 2014. That morning, Treiving and Kozuback had announced their settlement of the case for \$3.9 Million. This was followed by an announcement by Stinson that it had settled for \$500,000, and then an announcement by the underwriters on Aug 29, 2014 that they had settled for \$2.75 Million. This left the Fains, Global, and Hocking. Progress in settlement discussions between those parties and Allstate/Wells Fargo (and a need to finalize the earlier settlements) led Allstate/Wells Fargo to seek a postponement of the trial to Sep 16, 2014.

Allstate/Wells Fargo continued to indicate to the Town that it would not consider settlement with the Town until it had reached settlement with the remaining defendants. This eventually resulted in the Town participating in the settlement discussions between Allstate/Wells Fargo and those defendants. In the end, Global did not agree to settle. But, on Sep 15, 2014 Judge Snow held a phone conference and approved a Settlement Outline involving provisions that affected the Fains, Hocking and the Town. He also approved Allstate/Wells Fargo's motion to dismiss Global from the case. On this basis, he vacated the trial.

Legler continued to summarize the settlement outline from his RFCA: the Town's insurer will make a payment of \$250,000 to guarantee no appeal by Allstate/Wells Fargo. The Town's deductible will be \$10,000. The Town also confirms that it will continue to make any payments under the development agreement over the remaining term of that agreement, even if for some reason the Event Center closes its doors at different points in time during that term. In return, Allstate/Wells Fargo will allow the money the Town pays each year to use the Event Center (currently approx \$116,000) to go towards the Event Center needs instead of bondholders. The Fains will pay Allstate/Wells Fargo \$750,000 and commit to make reasonable efforts to cause hockey to be back in the Event Center by 2015 and to keep the Center open and operating (with or without Global).

In conclusion the final settlement documents will take a few weeks to finalize, the Settlement Outline reflects the essence of the settlement. In order for Judge Snow to agree to vacate the trial, it was necessary for legal counsel representing each of the participants to commit to the provisions of the Outline. The Town's outside counsel (Arnold & Porter), at the direction of the Town Attorney, gave that commitment on September 15. When the final settlement documents are ready, they will be placed on the agenda.

Mayor Skoog thanked Ivan and said that he feels that Allstate takes its lessons from the government to never make it simple and inexpensive if you can screw it up and cost a lot of money. He asked council if they had any questions.

Council member Marshall asked about what would happen to the \$116,000 that the town will pay if the event center were to close. Legler responded that its two different things. The \$116,000 goes to pay for the 400 hours of time for public use of the facility and if it were to

close the payments would stop. The money that we would always pay is the contingency money to the bondholders.

Council member Anderson asked if the 400 hours the town pays the arena for was mostly ice time. Larry Tarkowski responded that about 300 of the 400 hours were used for ice time. They are looking at variety of programming including some from the Parks and Recreation department to fill those hours. He added that the town has assisted the Gem & Mineral Show for two years with renting the arena but now it has been so successful it can make it on its own from for future shows.

Vice Mayor Nye wanted to make some statements. Her name is on a plaque with others on the events center and she is very proud it and has supported it in every manner possible. If anyone reads the details it will be very clear that it was a bogus lawsuit. The Hotshot Memorial was the heart of the entire county. The building has a lot heart and we will go well there and asked everyone to continue to support it.

Deputy Town Attorney Steven Zraick was hired knowing that this lawsuit was happening. The strong depositions by Ivan, Larry, Bill (Kauppi) and Greg (Fister) definitely helped the case. There were a lot of political pressures but it was a good outcome for the town. The pieces are in place to go forward but there are commitments and he believes strongly that the town's commitment to pay helped to get Allstate's attention to do the right thing or we won't pay. Ivan added that Steven was on the phone negotiating with the judge many times to help resolve this case. Also the insurance pool was a very good defense, we appreciate all they did for us including paying for all our legal costs including the settlement to protect us to avoid an appeal.

Mayor Skoog invited Prescott Valley Events Center/Tim's Toyota Center manager Gary Spiker to speak. Spiker said he has been there 4 years now and we were a million dollars in the hole with a lawsuit hanging over us. He is very busy with the event center being used almost every day. We have the mud run, the fair, circus, a gun show and a concert coming in the next few weeks. He is busy talking to vendors and promoters who want to book events. With no hockey this season he has 13 weekends to fill and is optimistic about having lots of new events in the future. They are working hard on bringing back hockey next year. We will be in the green next year. There are talks with 3 entities about potential naming rights. AIA events will be back in November and February for the state high school tournaments. Gary added that a newcomers group of 42 people toured the building today and they were super excited to be in Prescott Valley.

Mayor Skoog thanked Spiker for the update.

No action was taken.

8. Adjournment

Mayor Skoog adjourned the meeting at 6:54p.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, June Catanzarite, 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 Work Study Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, September 18, 2014.

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

Dated September 25, 2014

June Catanzarite, Deputy Town Clerk