

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
October 2, 2014**

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 Marshall, Council Member Whiting, Council Member Anderson,
Council Member Mallory, Vice Mayor Nye, and Mayor Skoog.

Absent: Council Member Grossman.

3. Discussion regarding Personnel Policy revisions

HR Director Karen Smith thanked the Personnel Board who reviewed 12-15 different policies for potential updating. Board Members include John Duke, Mike Flannery, Darlene Packard, Ron Culver, Ryan Judy and alternate Richard Parker, Judy Stanley and alternate Jan Bear. Drafts were sent to legal services for review.

Policies 2-04 Compensation and 2-37 Cell Phone Usage are the policies for consideration of adoption at next week's Council meeting. The Cell Phone Usage policy Section 6.3 change removes 'encouraged' from the policy bringing it into compliance with the Loss Control Manual making cell phone usage prohibited while operating town motor vehicles except for emergency situations. The Safety Committee has selected Distracted Driving Stickers that will be posted on the driver's side window of each town vehicle to remind staff to focus on driving. In addition, posters will be displayed on each exit door to also remind them to focus on driving.

Compensation Policy 2-04 was updated with the intention of having a competitive compensation plan to make sure we have internal equity for our employees and were we are financially able to pay our employees a competitive rate. Many changes are cosmetic or clarifications. Section 5.0 replaced the outdated matrix with a 5 point rating scale. Additional skill sets for additional pay such as bilingual skills, out of class interim roles, transfers and demotions are addressed in this policy. Sections 8.4 on page 4 added external competitiveness with other police departments for all regular full-time and part-time employees (not exempt employees) pertaining to shift differentials between the hours of 9 p.m. to 6 a.m. for all departments. The differential would provide an average additional fifty cents per hour compensation which could have an additional \$15,000 for 30,000 hours per year.

Council members agreed that the shift differential is overdue. Section 9.0 provides additional compensation for public safety grant pay (time and a half). Premium pay will be paid for grant duties as long as the employee had a 40-hour work week paid to them. This will alleviate conflict between compensation time and grant time. Because these are grant funds there is no financial impact to the Town.

No action was taken.

4. Discussion regarding the award of Hot Melt Crack Seal application contract

Public Works Operations Manager Alex Romero said they apply crack seal to maintain our roads in different areas every year. October 20th would begin the sealing process if council approves awarding the application contract to Graham Contracting. The Town has had good experience with them in the past. This year they will be crack sealing 13 different areas this year.

No action was taken.

5. Discussion regarding the CH2M Hill contract

Utilities Director Neil Wadsworth provided a history of the outsourcing of water/wastewater maintenance and operations from back in 1993. The town has gone out for proposals and qualifications a couple of different times since then. The current 5-year contract with CH2M Hill is due to expire the end of this fiscal year. Our options are to rebid the job, extend their existing contract on a year to year basis or negotiate another 5-year term contract with them. As it is now, even though the Town signs a 5-year contract with them, the scope and fees for the service and compensation are reviewed annually. The average compensation since 2008-09 has been a 5.9 percent increase due to the additional scope of services added for North Plains Recharge facility and a 2-year sewer cleaning cycle with the new Vac Truck. His intent is to present a negotiated contract with CH2M Hill for an additional 5 years unless Council wants them to take a different direction.

Utility Operations Manager Mark Kieren said we have a long relationship with them. The Town has added several additional tasks to the original scope of services over the years. They perform to his satisfaction and he doesn't see any reason from a cost containment or performance perspective to change. It would be tough to quantify a Request for Proposal or Qualifications not to say other companies out there couldn't do an equally good job. Between the 31 employees, they have 150 years of service experience with us and have done outstanding job for us.

Town Manager Larry Tarkowski stated that said 5 years ago when we went out to bid again, one other company bid; the other major companies elected not to bid upon learning we were happy with the cooperation and customer service that CH2M Hill provided. He suggested that we renew rather than go out to bid adding that Council could cancel the contract anytime within the 5 years if they so choose. Vice Mayor Nye added that she doesn't want to start at day one with another company to learn the system. They also worked with us during the down turned economy. Council members agreed that extending the contract another 5 years would be best.

No action was taken.

6. Discussion regarding a letter of support for the CYMPO Regional Transit Study

Public Works Director Norm Davis updated Council about the renewed effort for a regional bus system coming to Prescott Valley - what it would look like and how it would be funded. Council funds the \$50,000 voucher system in the community through NACOG every year. The other resource we have tuned up every year or so through CYMPO is the Coordinated Public Transportation Plan of 2004.

If there is a renewed effort to look at a regional transit service we will need a new sustainable funding source as it is not a system that will pay for itself. It is a community value. CYMPO receives about \$1.1 million a year to fund a transit system. We could capture that but it is only attainable with a 50 percent match and must meet federal reporting requirements for reimbursement up to that amount every year. Basically you would draw a boundary for a property taxing district as a sustainable funding source. Statistically the system would have start off small and expand routes as needed. Council may recall that back in August the NAIPA group in Flagstaff was willing to help us get the system started. Since that time the CYMPO executive board has directed staff to hire a consultant and find out from the public what they would like that system to be with the anticipation that it would then be taken to election in 2016. A letter of support is drafted to the CYMPO board letting them know the Town would be interested in this effort to hire a qualified transit professional to help shape this public study to define the system. FTA planning dollars are available with a nominal match requirement of \$100,000.

Town Manager Larry Tarkowski applauded Norm for his leadership on this issue. He commented that transit advocates have come before council asking for a transit system. Here is an opportunity to gather the details about a top notch transit system within the town of Prescott Valley with the ability to link to Prescott if they election to go forward and also form a district line. Then let's take it to the voters and let them decide. Over the last 17 Citizens Academies there are always about the Town needing to have a transit system. Let's use the democratic process and take it to the voters and let them decide if that is something they are willing to fund. If the voters agree then through Norm's department we will design a top notch system.

Council member Mallory expressed appreciation to Norm for taking the leadership role and doing the research on this. Vice Mayor Nye said there is no denying a need. But a lot of questions need to answered as we don't have any facts. Diverting the voucher system money is not a good idea as it is the only funding for many of our citizens.

Norm said there are separate funding sources. FTA (5303 money) study funding is available through CYMPO so there would be no diversion of existing vouchers. Federal funding does require a local match, but given his time put into the effort there would not be a cash match other than perhaps a few hundred dollars. The \$1.1 million (5307 dollars) are federal funding operational dollars. The \$100,000 earmarked for this would hire professional consultants which are needed for this specialized work. Vice Mayor Nye has been contacted by a couple of citizens who are very concerned that the voucher dollars are going away. Council needs to let them know that this is a study and the dollars will not be coming from voucher funding.

Tarkowski said we may be able to advertise the public meetings associated with the study that will be had and also use utility mailers to assure people that this is a long process. When the public meetings are held then any enhancements to the voucher program that Council may wish to add could also be announced at that time. The federal requirements to have door-to-door service on each side of a fixed route system are very extensive. You would only see an increase in the level of service if the citizens elect to fund this system.

Council member Anderson said he understands the need and about the voucher program. One thing that bothers him is that Council would even consider a property tax which may be the only way we can fund this. He agrees that it would take a vote of the community to do that, but he is not in favor of a property tax and never will be. Once we have a property tax in place then the school district, hospitals and everyone will want money. Then the very same people who need the rides to their doctor appointments and jobs and to shop are the people who are going to pay the price with their property tax which he is not in favor of.

Council member Whiting supports the study which will answer the questions they have as well as enhance the voucher program. Something that has the facts laid out is what he has been waiting for.

Norm said we need another study because these professional consultants are experts at it and that is what is needed to take to the voter and must match what they voted for.

Council member Marshall agreed with Rick that a property tax is a horrible idea and he is not in favor of it. The Flagstaff system is based on sales tax, but Norm pointed out that sales tax is not consistent. Our prior study looked at both sales tax and property tax which the new study could consider too.

Tarkowski clarified that it needs to be made abundantly clear that this is a single purpose property tax district or authority which would be like CYFD or HUSD tax but that can only be used for transit, not a town wide way to accumulate dollars. Others could not come in and request money from this source. One reason to be cautious about consider the approach Flagstaff took - sales tax, is the cyclical collection of sales tax, over time we are going to have funding needs for the municipality and we don't want to see our sales tax inhibit the commercial growth we are seeing today. Some communities are at 3 percent or higher which sales tax, but Council has said they are not interested in seeing that.

Council member Anderson made it clear that we should have this study for current information. His opinion only counts as one vote and certainly other people may have a different opinion which they can express. Everyone needs to have that good information.

Vice Mayor Nye said we have to have a plan B in place as a property tax vote isn't going to pass. Council member Mallory was hoping for a different funding source, but Larry clarified that. The study needs to be done. A property tax would be questionable.

Norm introduced Mr. Romley and Ms. Kenney. Mr. Ron Romley, Yavapai Regional Transit, said under the current system they have, 50 percent of the 5307 will be paid for by the Federal

Government. One of the things they were hoping for was a \$5.00 property tax a year as it would sustain them for many years. What they need from this tax is the match money. Nobody likes a property tax, but usually when you have to go to a property tax you are looking at millions of dollars as the project is that big. They are not looking for that. They are looking at a sustainable amount of money that they know they will have to run the system and expand the system. Their first budget was \$150,000. The budget they started on yesterday was \$685,000. Yavapai Regional Transit System (YRT) is growing even though they are a small firm. As soon as they get the bus from ADOT then they will be in Prescott Valley. If this goes out for a tax, CYMPO told them they have to go out for bid and YRT may not get the bid. He is okay with that as his goal for the past 5 years is to get a transit system in the tri-city area. All they want to do is provide the service in Prescott Valley. One of the reasons he started this system was because it cost \$100 for the people who could least afford it to travel from Chino Valley to Prescott for a doctor's appointment. They are not looking for a lot of money. Over the last 4 years they have spent between \$1 and \$2 million in the community. When he was CYMPO Chairman, the worst thing they could do was give those million dollars away. That money can be spend right here in this community. We need it.

Gail Kenney, Yavapai Regional Transit Board member, commented that she works as a nonprofit executive with people who cannot get where they need to go. At least 12 agencies in Prescott work with people who can't get to where they need to be and vice versa. This community will be stronger with a transit system. It will only bring in businesses into this community when they see we have services that we need. A robust transit system will get people to the places they need to go.

Council member Mallory reiterated that this is just the study stage. While Plan B would be nice there may be only one way to do this.

Tarkowski said we would like transit. There was an attempt in the early 1990s to though a few dollars at transit and then the operators the next year said we need a lot more money. The following year they needed more money at which time the Council said, "No Thank You". We need a new funding source, not money taken from the Town's General Fund. Rather than hurt existing services by cutting the pie more thinly is develop a new source of funds if the community wants it. This is a great exercise in democracy. If the vote is not successful, the community will have spoken. Plan B is the system we are funding now. We have to be careful that they system doesn't direct funds that are needed to day for other services the town provides.

Council member Whiting said the resources and funding options will come out of the study. The option is State is using to keep up with our highway needs may also be an option. We may be looking at financial support that we never thought about 5 years ago.

Norm reminded Council that the Voucher program was funded at the 25 percent level with LTAF2 funds which were swept a few years back yet the town continued to fund the voucher system each year at the \$50,000 level from the General Fund which has been a great benefit to the dependent community. It a good service that gets to people to the places they needs for their basic services.

No action was taken.

7. Adjournment

Mayor Skoog adjourned the meeting at 6:49 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, October 2, 2014.

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

Dated this October 6th, 2014

Diane Russell, Town Clerk