

**TOWN OF PRESCOTT VALLEY
LEGISLATIVE WORK/STUDY MEETING
MINUTES
December 11, 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 Grossman, Council Member Marshall, Council Member Whiting, Council Member Anderson, Mayor Skoog, Vice Mayor Nye, and Council Member Mallory.

Mayor Skoog welcomed Arizona Legislative Representatives Karen Fann and Noel Campbell to the meeting.

3. [Presentation of, and discussion regarding, the Comprehensive Annual Financial Report \(CAFR\) for the Town of Prescott Valley for FY 2013-2014](#)

Finance Manager Katie Pehl introduced Jill Shaw from the external audit firm of Henfeld, Meech & Company to present the Comprehensive Annual Financial Report and their auditor findings.

Jill Shaw thanked Katie and Bill Kauppi of the Town's Finance Department for their help with the audit. As a result of the audit of the town's financial statements they have issued an unmodified "clean" opinion. They also audited the seven Community Facilities Districts (CFDs) and issued a clean report as well on all seven. The CDBG and Family Violence Grants were audited at the Police Dept. with no exceptions either.

Overall the financial statements were consistent with other years and the general fund was under budget. There were no audit adjustments.

Town Manager Larry Tarkowski complimented Bill and Katie and their staff on the fine job they do in the finance department. Shaw commented that the staff was well prepared for the audit. Vice Mayor Nye added that they are very happy with the audit and the CAFR. Mayor Skoog added his compliments as well.

No action was taken.

4. [Discussion with Representatives Karen Fann and Noel Campbell](#)

a) [Legislative Priorities - Opportunity for legislators to discuss their priorities for the next session](#)

Representative Karen Fann thanked the Council for the invitation and dinner this evening. Fann spoke about money. The State is still very much “in the hole”. Money will be the issue for the next three or four years. The economy is slowly recovering.

On the good side we have a wonderful new governor elect Doug Ducey who understands rural Arizona. She is looking forward to working with him.

TPT sales tax for contracting continues to be an issue with the point of sale retail sales tax versus prime contracting. ADOR is interpreting the TPT differently than it was the proposed. She is meeting with the governor on Tuesday to talk about it.

She is bringing back her bill about texting and driving for teenage drivers. Fann serves on four committees, Insurance (as Chairperson), Transportation, Land & Water, and on the new committee of Government & Municipal affairs.

Representative Noel Campbell is from Arizona and is happy to have the opportunity to serve this area and all of rural Arizona. He has a lot to learn about the legislative process and how to best help the citizens. Education and schools are his top priority. Through the Arizona Cattlemen’s Association he would very much like to see a Veterinary school for large animals in Arizona.

His other big issue is the drug rehabilitation program. He is here to listen and will give his best efforts. Campbell serves on the Public Safety, on the Transportation and on the Federalism and State Rights Committees. He speaks Spanish and plans to reach out to the Hispanic communities as a Republican.

b) [League of Arizona Cities & Towns Legislative Priorities - Mayor Harvey Skoog](#)

Mayor Skoog spoke about the importance of municipalities. We need to keep making our own decisions and commitments. He is very concerned about the TPT construction sales tax revenues. Basically Mayor Skoog wishes to see the cities and towns run without interference from the state.

c) [State Shared Revenue Discussion - Larry Tarkowski](#)

Town Manager Larry Tarkowski stated that Karen Fann often calls him and she is an outstanding friend of Prescott Valley. He looks forward to having the same rapport with Noel Campbell. Prescott Valley and other rural areas depend on the State Shared Revenues as we do not have huge revenue streams like Phoenix. Tarkowski added that he and the council will be happy to serve on any committees that can speak for rural Arizona.

Vice Mayor Nye and Council member Anderson added that we cannot continue to lose the state shared revenues. It affects the overall health of the entire state and the school systems show it.

d) [HURF Discussion - Norm Davis](#)

Public Works Director Norm Davis stated that it is way past time to modernize HURF. The diversions to the Department of Public Safety cannot continue to happen. We could do a lot of good here locally if the promised funds became available. Many states have passed additional gas taxes as a way to improve their roads.

Fann commented that she has been fighting really hard for HURF funds with little success. The average state gas sales tax is 28 cents per gallon and in Arizona it is 18 cents. She'd like to ease in a tax increase.

Council member Mallory added that it is time for a reality check; we cannot live on what we made in 1990.

Campbell understands the situation and is sympathetic but no one wants to hear about tax increases.

Mayor Skoog asked about electric cars, using the roads but not paying gas taxes. Fann suggested that perhaps an additional fee on motor vehicle registration could be made on electric vehicles.

Council member Mallory added that better roads help bring more jobs and businesses to our towns. Fann commented that there is a 7 to 1 return on investments in construction that comes back to communities.

e) [Local & Statewide Water Issues - John Munderloh](#)

Water Resources Manager John Munderloh said that his new acronym is TGWNC is Thank God We Are Not in California! This is an object lesson in that Arizona has done a much better job in managing our water issues. Planning horizons are specifically for this area for future water supplies are always his main focus as he deals with water rights.

In answer to Campbell's query about new water supplies, Munderloh said one possibility could be desalination of water from Mexico.

Mayor Skoog thanked Fann and Campbell for coming this evening and wished them well in the upcoming legislative session.

5. [Council Committee Reports: Council members Grossman & Whiting](#)

Council member Grossman reported that he serves on two committees. He is the meeting designee with Humboldt Unified School District (HUSD) and he is in contact with Dr. Paul Stanton about meetings. He is also liaison for Yavapai County Emergency Management System. Grossman also serves as a backup for Council member Mallory on the Historical Society when

she is unable to attend meetings. He added that council members attend any number of events that are not on the “official list” as part of the community.

Council member Whiting reported that he serves on four committees. He is a liaison to the Arizona Board of Regents, the Central Yavapai Fire District, on the Balloon Festival Committee as part of the Prescott Valley Rotary and also on the Chamber of Commerce Tourism Committee. Whiting added that the Board of Regents is very involved with the NAU-Yavapai campus expansion. The Balloon Festival is planned again for September 2015. CYFD has two new board members with Darlene Packard and Vicki Lee Jacobs. Whiting listed the major events that the Chamber sponsors each year.

Council member Mallory added that she enjoys the idea of sharing the jobs that the council members do throughout the community and she appreciates that a Council member attends for her when she is not available.

No action was taken.

6. *Discussion regarding the Enterprise Parkway Improvement Project - CIP# E364*

Public Works Director Norm Davis discussed the Enterprise Parkway Project. They got very good competitive bids with Asphalt Paving & Supply as the low bidder. Davis displayed a map of the street to be built and the traffic signal installation. There will be a ground breaking ceremony after the first of the year and he has invited all the partners for this project. Construction will begin in mid-January with plans to be completed by mid-May. Tarkowski added his compliments to all for bringing this project together at lightning speed.

Plans are to bring the item back next week for approval.

No action was taken.

7. *Adjournment*

Mayor Skoog adjourned the meeting at 7:09 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, 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, December 11, 2014.

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

Dated December 22, 2014

June Catanzarite, Deputy Town Clerk