

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
October 22, 2015**

Library Auditorium/Council Chambers
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

Pastor Eldrep of the First Southern Baptist Church gave the invocation.

3. PLEDGE OF ALLEGIANCE

Hannah Madler led in the recitation of the Pledge of Allegiance said in unison.

4. ROLL CALL

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

5. SCHEDULED ANNOUNCEMENTS & PRESENTATIONS

a. Student of the Month

Council member Whiting commented that Hannah Madler is being recognized tonight as the October Student of the Month. She exemplifies students in our community who excel in community involvement, activities, academics and exhibits leadership skills. These students show and exemplify not only the values of the Rotary Club, but also Bradshaw Mountain High School and the Town of Prescott Valley. She has engaged in the community as well as school. Hannah focuses on sports, school clubs and academics at school. She is President of Mu Alpha Theta math club, a member of Honor Society, VP of Soroptomist and several organizations including HOSA – a future health professional national honor society and Rotary INTERACT Club. She has played competitive soccer since age 10 and now coaches a girls' team and is captain of the Prescott Black Hawk Soccer Team and Bradshaw Mountain Varsity Soccer Team. She constantly challenges herself by maintaining straight A's and has completed 7 precollege advancement placement courses. She credits her family for her need to excel.

BMHS Principal Kort Miner said Hannah was nominated by staff faculty at BMHS for her excellence. She carries a 4.6 GPA and plays varsity soccer. She is a positive and caring person with an infectious smile making everyone around her better.

Hannah thanked the Rotary, Council and her parents for the honor. Hannah introduced her parents and brother and thanked them for their support. Council member Whiting presented Hannah with a Certificate of Recognition as Student of the Month by the Rotary Club and Town of Prescott Valley as well as a paperweight as a memento of her achievements.

b. Service Award-Daniel Oen, 15 years

Deputy Chief James Edelstein presented an overview of Detective Danny Oen's law enforcement career and the community involvement programs he has participated in. Danny thanked the Town for providing him with a great place to work and the PD for all the great years he has had there.

Vice Mayor Anderson commented that they are always glad to recognize all the employees for their longevity. It is especially an honor to award one of our officers for his 15 years. Council members thanked him for his commitment and service to our community. Every officer is very professional. He is an exemplary officer and all around good fun guy with a good attitude. Mayor Skoog presented him with a plaque, pin and a \$125 gift. Danny said it has been a great 15 years and thanked everyone for the support. It has been a great time.

c. Service Award-Jason Lohman, 15 years

Deputy Chief Edelstein briefed everyone about Jason Lohman's law enforcement background, community involvement and awards he has earned. Vice Mayor Anderson and Council members thanked him for his service over the 15 years, honored him for his role as an officer but also for being a father and husband because managing that all so well on top of all his responsibilities is so important and commendable. He does both jobs in an exemplary manner. They congratulated him for his commitment and service of 15 years to the town.

Jason's girlfriend Amanda said Jason is an incredible human being and she is grateful to have him in her life.

Mayor Skoog presented Jason with a plaque, pin and \$125 check. Jason said it has been exciting to watch the town grow since year 2000. He expressed his appreciation for the support of council. He tries to have a positive attitude when he comes into work and do a professional job and at the same time get a few laughs. More importantly he thanked his family – son Riley, daughter Adele and girlfriend Amanda.

Mayor Skoog commented that over the past year the department has really outshined.

6. PROCLAMATIONS

a. Arizona Cities & Towns Week

Town Clerk Diane Russell read the proclamation. Mayor Skoog commented that 80 percent of the state's population lives in one of the 91 cities and towns. Ninety percent of the income tax and sales tax revenue is generated by the cities and towns. Thankfully most cities and towns are doing very well including Prescott Valley. Vice Mayor Anderson mentioned that this is not something done in a vacuum. It is done as a result of the support that we receive from the citizens of Prescott Valley. From time to time no one agrees with something they do, but they try to recognize all the desires of all of our citizens. It is only when we come together and work together that we can be truly successful.

b. No-Shave November

Town Clerk Diane Russell read the proclamation which was accepted by Richard Parker. Vice Anderson said he hopes everyone pays attention to it and every man considers having tests done for themselves during the month of November if they are not already doing it on an annual basis. He encouraged the spouses to encourage husbands or other half to get themselves checked for prostate cancer.

c. Charitable Tax Giving Month

Town Clerk Diane Russell read the proclamation which was accepted by Dan Streeter who was representing both the Board of Big Brothers and Big Sisters and as the Superintendent of HUSD. Streeter encouraged people to look at the charitable organizations listed at azcredits.org. You can also give a tax credit for organizations and to the school of your choice and to a program of your choice within those schools. It is a nice opportunity to make sure that your tax dollars are being directed to the specific areas you want them directed to. Mayor Skoog said it is a \$200 credit, dollar for dollar on your state return, and a deduction on your federal return.

7. COMMENTS/COMMUNICATIONS

No comments were forthcoming.

8. CONSENT AGENDA

- a. Approving the October 8, 2015 Council meeting minutes*
- b. Approving a Series 12 Restaurant Liquor License for the Backburner Family Restaurant located on 8400 E. Long Mesa Drive, Suite B, Nicholas Gene Calia, applicant*
- c. Approving a Series 10 Wine & Beer Liquor License for Carniceria PV located on 8147 E. Spouse Drive, Mildreth Lucia Melgar, applicant*
- d. Approving an application for Acquisition of Control for Series 6 Bar Liquor License for the Events Center located on 3201 N. Main Street, Sean Bradlee Fain, director*

- e. *Approving the purchase with Freightliner of Arizona LLC under State of Arizona Contract ADSPO15-093361 in the amount of \$139,017.00*
- f. *Approving a budget transfer of \$1,500.00 from Channel 9 Capital Account to Channel 9 Operating Account*
- g. *Approving the authorization of payments under the Owner Occupied Housing Rehabilitation program GR310-15 up to a maximum of \$80,000.00*
- h. *Approving Monthly Department Reports*
- i. *Approving Council Financial Report*
- j. *Approving Council Investment Report*
- k. *Approving Accounts Payable*

Council Member Mallory made the MOTION, seconded by Council Member Grossman, to approve all items listed on the consent agenda, by electronic vote. MOTION carried with 7 ayes and 0 nays.

9. OLD BUSINESS (FOR ACTION)

- a. Consideration of approving the second reading and passage of Ordinance No. 811 proposing a Transaction Privilege Tax (TPT) increase from 2.33% to 2.83% to restore town services to the pre economic recession level

Town Manager Larry Tarkowski said a tax increase has been discussed for the last 7 years. During the recession the budget was cut from \$111M down to \$72M with operation budgets and services reduced. While the economy is picking back up it is not as fast as our population is growing. There are many needs that the community has without the revenue to service those needs. Over those 7 years, in the annual two budget retreats and open houses used for budget building the recurrent theme has been to fix the streets and increase public safety. All department heads presented their five-year plans to the council with needs that could never be funded with the current revenues even with the additional commercial opportunities in Town.

With those two priorities in mind a 1/2 cent increase to sales tax is being proposed. Two thirds of it will go to catch the Town up on road maintenance and maintain the roads back at a five year rotation schedule. It is a lot more expensive to build roads than it is to maintain roads. Another \$750,000 would go toward public safety to enhance the Traffic Division, dealing with injury accidents and speeding along with a number of other high priority items.

Have we looked at everything we can do to avoid increasing the sales tax? The Town of Prescott Valley is not wasteful as may be a common view of government. We provide services with 4.5 employees per 1,000 citizens, where the national average is 11-13 per employees per 1,000. We

are efficient and are proud of the services we provide for the staff and dollars we have. Police response times are rising because we haven't the means to respond to the citizen's needs.

Council member Marshall suggested a time limit on this tax of 5 or 10 years. After speaking with Management Services Director Bill Kauppi today, Kauppi said in 10 or 11 years that a lot of the agreements and bonds are expiring. He asked that if nothing else, could we table this two weeks so we can put a time limit on this [tax] then revisit it.

Council member Mallory said her research shows that the last increase was in 2002. Since then, the population has grown from 28,000 – 30,000 up to 45,000. Police Officers numbered 66 which is close to what we have today but with a higher population. The same reasons it was raised in 2002 are the same reasons we need it today – infrastructure especially with the additional wear and tear. Although the town asked the Legislature not to take our HURF funds, they continue to take our HURF funds which they use to fund DPS. Taxing is not something we like to do or accept, but Council has the responsibility to maintain our town. A half a cent is not that much for the community services provided to the residents.

Council member Nye asked that we hear from the citizens before she makes any comments. Mayor Skoog offered anyone who wants to comment 3 minutes without any repeat speakers and possibly limited to 10 people.

Public Comments:

1. Tom Punk said this requires a review of all expenses, actual and budgeted. Council members are elected to make final decisions and show fiscal responsibility. During the study programs and last reading Council was not provided the data to make good fiscal responsible judgments. He is not saying we don't need the tax, he might even be saying we need more. But they did not make a fiscal responsible judgment because they didn't have the data. Data was not provided by the manager, just generalizations. In 2013 HURF provided \$2,684,967M. In 2014 HURF provided \$2,779M. This year \$3,024,968M which is a 2.8 percent increase. You can't stop going to Congress. You can't wait two more years to go. The League of Cities and Towns needs to follow up. Do it again; that is how you get something done. We have a lot of people here and a lot of people do a lot of driving. That is where the HURF fund increased. Even with the fuel efficient cars people are buying more gas and driving. The sales tax reports indicate that the taxes collected for year 2014 was \$2.400M; in 2015 it is \$2.864M that is an 18.55 percent increase. All revenues, not just the taxes amounted to an increase of 19.43 percent, almost a 20 percent increase in revenue. He asks that we go back to the study group, look at the financial reports, not based on cities across the USA. Prescott Valley is very unique with its own climate, population, economic base. It can't be compared. Also the TPT in many other communities in Arizona have broken it down. They charge 4 percent to hotel/motels, bars and restaurants plus 2 percent on food – some don't tax food. They increase it on contracting. Our TPT could be modified to change those percents to 4 on those and 2.3 on others. The resolution does not say what goes to the highway. Someone said 2/3 of the ½ cent. It is not written in the ordinance. It isn't going to happen. It needs to be put in the ordinance. He asked that some member of council make a motion to suspend a second

reading, refer back to study where we can get the facts and find out. Is it a ½ percent is it ¾ cent is it 1/10 cent. What do we really need given the increases revenues coming in? Based on this new shopping and new housing, increased building permits, impact fees. Go out to Viewpoint and along Glassford and see the new building.

2. Jim Rodgers commented that he is not here to talk about the good job the town has been doing overall nor the scandals of the staff or police. He is here to talk about the TPT. The state politicians have swept funds from P V and every other source to give tax breaks to the corporations. Most of you, or some of you may have voted for some of those clowns in Phoenix. So here we are now – tax the residents ‘cause they are taking our money away. He would tell the council to tell those politicians that it is wrong what they are doing. But the town just said taxes, tax ‘em – that’s the easy way out. There is a rush to tax. He heard about this two weeks ago. Here is his question – how much time did management have to put this together? Two weeks? Four weeks or eight months? He and others just found out about it weeks ago. This sounds like a rush job to him. He looked on the town’s website and could not see where the next study meeting, what the next study meeting is about. There is nothing there, nor could he see on the site what happened to the last study meeting. “Keeps us ignorant.” The public may not know there are four choices for this proposal 1. To adopt, 2. To modify, 3. To decline 4. Let the people vote in March 2016. Let them vote. Not only the food, his gas tax is going up, Prescott Valley tax, APS tax, TV, telephone taxes are going up and is the best one – the city [town] water bill. And what does he get in the water bill every month, what everybody gets in the water bill – the Town News serving the citizens of Prescott Valley. It’s read about Halloween, Town finishes Phase II, Create a Tree. Do we see the city wants to raise their tax? No! The bulletin board outside does not have an agenda for this council meeting, there is no talk about taxes going up. Management and Mayor has refused or ignored to let the people know. They could have let us know back in February. They could have let us know about the needs for the police. He is willing to pay ¾ tax if you can do community service, community development for the people so when they get on the roads they can go somewhere reasonably.
3. Chuck Horton said sometimes in the paper he reads about the new businesses coming into the Town which is more sales taxes; more restaurants are coming in, the “ginormous” Walmart has helped the city. There are articles about the revenues that is coming into this city. It is higher. It is getting better. Council member Mallory talked about 2002 when she came here that the population has almost doubled. There are more sales tax right there. Now with 45,000 residents versus 20 something years ago means increased revenue for the city. The first gentlemen that spoke, spoke very well for the residents of the city. This city is making a lot of money, it is not poor. More people are coming here. More people are paying. The city is getting more and just seems to ignore that. He would like to see the city stand up and give this tax issue a fair and square deal to the residents by having the residents vote on it. That is what needs to happen. Seven people shouldn't be able to raise the taxes for 45,000 others. He lives off of Navajo recently chip sealed as well as Lakeshore. It seemed to him that doing the street improvements would actually give you a smooth street. These streets were recently done and all you have to do is drive down Navajo and every manhole cover, every valve cover and besides that it is a thump, thump,

thump, thump down the street. Lakeshore is the same way. If you are going to do the streets get someone who can do a good job! He didn't learn about this tax issue until 2 weeks ago, much like a lot of other people. He wants them to do the right thing, take this tax to a vote of the people. Seven people shouldn't be able to rule for 45,000. If you wanted to do the right thing for the people this is what you should do.

4. Nickolas Donski said he hadn't been in front of this council since we had the prison fiasco going on. He appreciates what they did at that time. The tax payers of this town, every single month over the last 8 years, have paid over \$12M on the loan that the Fain Signature Group has on the *Prescott Valley Financial Disaster Center*. He likes to call us not the Prescott Valley tax payers, but the "involuntary investors for the Fain Signature Group". When he invests his money, he gets stock certificates, does it voluntarily, gets dividends and can sell it anytime he wants. We have been paying over \$12M into that fiasco. He brings that up because he was in front of this council trying to talk council out of that catastrophe because he actually read the report, so called revenue projections, and they are laughable. Three major events a month – you've got to be kidding me. His suggestion is why doesn't council strongly suggest to the Fains that they pay back the \$12M and you don't need to raise the taxes.
5. Cindy Strick said she just had one statistic from Yavapai County. County staff projects that revenue will increase by 7 percent over the fiscal year started July 1, 2014. The current year is showing a 6 percent rise which was the prior year. State sales tax revenue raised better than the county anticipated at 6.3 percent which had been forecasted at 4 percent. They are slowly showing a recovery from the economic downturn. Bourdon said after the meeting. That was the last two years and she sees us growing and making a lot more sales tax because we have a lot more businesses in this town. She would like to give that a chance before council increases the sales tax by ½ cent to see the growth and tax it into consideration with our numbers. She kind of likes Stephen's [Marshall] idea to make it temporary like the road improvements for Robert Road.
6. Dan Elkins echoed some of the sentiments that have already been stated. That is, let's table it for at least 2 weeks. He just found out about it 2 weeks ago. The tax payers in this country are being – it's just a few cents here and a few cents there – it adds up from the local, county, state and federal levels. It sounds like you have done a lot of study on this and he thinks that is great. Give the town a chance to look this over, think about it and assess it. Maybe you need more than ½ cent. We need more time, don't rush something like this through.
7. John Lonas said he remembers the 2002 road improvement tax that expired a few years later. Possibly the town should look at a better type of road patch and repair. Back in 2002 and 2003 - watching them put the cold patch in the holes and it pops up later that afternoon. Maybe if the town would invest a few dollars more into something better like actually doing a hot patch like some of the bigger cities do they wouldn't have to spend so much money on chip sealing and re-fixing the same pothole over and over again. They tried patching in front of the Bank of America. They actually cut out part of the street in order to fix it a little better but it still didn't work. The road is still wrinkled. The roads

are a mess and need to be improved, but there needs to be something better. Let's change the way we are currently patching them. Look at something that is more lasting and will actually fix the streets. Tax money back in 2002, he didn't see any improvement in the streets. He has lived here long enough where those same potholes are on the same streets in the same place getting the same patch every year. Improve it, get something better to actually patch the streets then maybe we won't have the same pothole filling every year.

8. Jessica O'Connor said she spoke two weeks ago so will not say everything she did 2 weeks ago. She looked at the budget report and noticed that this last quarter that the town is up \$700,000 from the anticipated budget of the year and the expenses were down \$1.2M from the budgeted expenses last quarter which is a net gain of \$2M. She feels that this tax increase is premature. We can't say from one quarter report what will happen in the year for sure, but still based on those numbers the projections seem we are increasing in our revenue. She asked that council consider making it go away or table for a month minimum, hold another work study meeting and get the word out to the public and have them bring different ideas to raise revenue for the roads. We have heard several different good ideas today and we could adopt some of those. At the very minimum she asked that a sunset clause be on this. If we are giving 1 cent out of 2.33 cents to Fain every month when that expires then this should expire as well. We keep talking about legacy for our kids, but we are getting squeezed on all sides. Who's insurance didn't go up through Obamacare and then all those other taxes that were mentioned here; and we can't do it anymore. This is about living in a town that cares about what the people think. We all know Washington is beyond our reach. But here council should be within our reach. She noticed in the last 2 weeks that not a single person has come forward has said go for this, not a single person. Please listen to us.

9. Maryanne Johnson said she appreciates all the expertise of all the speakers before her. She doesn't have expertise she is a regular citizen here. Tonight she came because she is trying to represent a lot of the people she knows who couldn't be here because of the quick time line and all of the things they have going on in their lives. She knows emails have been sent so she is hoping that council will listen to their pleas. The town manager told her that council does like to hear from people so she hopes they will really listen. We don't feel represented by council right now. We want more time to look at different options. As Council member Stephen Marshall is saying, what is the big rush about this? There is also a committee going on right now about transportation in our town which has gone on at least 6 months. She doesn't know why this has to be done in 4 weeks or less. The citizens are trying to get back to prerecession levels too. She knows a lot of young families who are really struggling and just barely getting back right now and also a lot of seniors. Social security money is not going up next year so they are paying out more money for health, property taxes and everything else and this just adds onto it. There isn't more money for them to take it from. The newspaper said it would be \$52 out of \$200 for the weekly groceries; it didn't talk about gas, shoes and clothes for the kids and necessities for life. Studies show that sales tax is very unequal way of taxing people because everyone has a certain amount of money. The people that don't have as much money have to spend a larger proportion of their little bit of money for the sales tax. For those that have more [money] it is easier to do. We have a lot of people in this town who

are not quite on the level of being able to do that. The council needs to represent us and the best way to do that is to let them vote on this to get the people's buy-in. If you do get the buy-in from the people who are trying to resolve this problem together then it is not going to be [said], the council people are against us. It makes our town a much better place to be if we all work together. She asked for an explanation for economic incentives.

Town Manager Larry Tarkowski explained that the money could not be used for any economic incentives i.e. a development agreement for reimbursement to a developer of infrastructure.

Johnson asked that council follow Steven Marshall's recommendation of not rushing through this and bring it to the voters. She thanked Marshall for keeping his word to not raise taxes.

10. Boyd O'Connor spoke last time as well. We don't want to repeat history of there ever being *taxation without representation*. We deserve to have a say in this. He is surprised that only Stephen brought up the fact that only a couple of us knew this a couple of weeks ago. We said that last time, not all of you believed us. We have been able to recruit more people to come out this time around. He knows that this time around if it was tabled for a few more weeks that we would get even more people. So that is the point. He agrees with Maryanne, we don't feel represented right now. We need more time. We do not disagree that streets, police and safe are priorities in this town. We agree with that. We think that if there could be a vote on this from the people that it would be unilateral in the approval process. So he agrees it should be tabled or put to a vote of the people and that would alleviate any ill will feeling against the council.
11. David Opely found out 2 weeks ago about this tax increase proposal. He said it is stunning that they would move forward with such a significant sales tax increase in such a compressed time and without a public vote on it. If you look at the cost to purchase even a modest car of \$20,000 you are paying well over \$2,000 in sales tax depending on what community you are in. There is the local, county and state sales taxes plus lots of others regarding water and telephone and others. You have to look at the overall burden of tax on people in his opinion. The second thing he mentioned that this should be tabled, and if you want an increase on tax it should be voted on by the public at the appropriate time.
12. Peter Thompson is here about the tax thing which he thinks is horrible. The local newspaper put out rush to tax which you have seen before. He believes that this assumption is correct; this is a rush to tax. He realizes they [council] has a given authority to raise taxes on citizens but questioned the moral authority that they feel they have. You feel that it is okay for you to raise the tax this particular time at this significant amount on the public without the voice of the people being heard. That is what we are here for; you work for us. It should be our choice as to whether you raise the taxes. We are the ones who will decide that. Regardless of what you heard, the great recession is far from over. Wages and income have stagnated. Costs have risen. People have less money to spend today than they did a decade ago. What about our local business? Did you give them any

consideration about the negative effects of the tax increase of this size? We have manufacturing companies here like Superior Equipment who produce things that are sold out of the area – big items. What about the tax increase on them or businesses at all levels? The price of a new pair of boots is going to increase. It is council's responsibility to pursue any and all other revenue sources before taking it upon yourselves to simply raise taxes. As the town manager has done an in depth study, is this a way to offset all of these costs [the town] is asking for? Do the police officers really need body cameras at this time? Is our crime rate such that we are having incidents/interactions between the police and civilians that's really expense we need today? We seen the county had to do with the expense and so have the City of Prescott. Do we really need to work on this chip seal program? He is very familiar with that as it was his whole life in the paving business. Early in its history the cry went out about taxation. The cry was about *no taxation without representation* in 1873 which resulted in the Boston Tea Party. He feels that is where we are right now. You [council] is not representing us by raising our taxes without representation. Our constitution began with *we the people*. He hopes this council keeps that in mind as they go forward with not only this but any other of the city's business. This is for us to decide and he asks that they table this, take it back, study it further and take it to the people for a vote. If you can justify to him that you really do need bucks, he will vote for it. But he insists that he have the opportunity to have a voice in whether this is done or not. It is important that this come back to *we the people*. Power is given to us by the constitution and he requests that they respect that.

13. Chuck Horton said he mentioned before Tarkowski's urgency to have the streets safe and mentioned the chip sealing that was going on. He said the chip sealing done on Superstition is crumbling just weeks after laid. This is the quality of work that is happening for our street improvements. Soon as they do it, it is be crumbled on the edges and gravel is all over the place. That is not a good sign for a street improvement. He thinks we need to find someone else to do it besides who is doing it now.
14. Craig Arps commented that he didn't have much to say tonight as he said his piece two weeks ago. He mentioned that some of our problem with revenue is coming from some of the development agreements that were made. He asked if there nothing that can be done to change those agreements so that not so much of our sales tax collection is going to them and can come to the town and General Fund?

Council member Grossman said some people are saying how, what a tremendous tax this is. On a \$200 purchase it would be a \$1 increase in sales tax.

Council member Nye said how much she respects and honors each of those who came out here tonight to share their thoughts. That is tremendously important. She really respects their coming out and expressing their concerns. There is another side of this equation. She keeps hearing the figure 45,000 residents. She wants them to know that she has had an overwhelming number of people contact her who want council to go forward with this. That is very hard for you to hear. She did say to them, why aren't you there to represent and they said, I voted for you, you are my representative. You need to realize that there is a large amount of citizens here that feel differently than you do. Why does she bring this up to you? Because it won't matter what council

does tonight, they are going to upset a lot of people. It won't even matter what we do and she would like them to realize that. The expression that a coin has 2 sides; this issue has the people who feel the way you do, and the people who do not feel the way you do. Mayor Skoog gavelled down several shouting commenters in the audience.

Vice Mayor Anderson said he is not going to try to justify or argue with any of the things said tonight because they all obviously have their right to their opinion and he won't disagree with their opinions. Anderson said there was discussion about the fact that we are collecting more in sales tax now than we projected and there will be a plus in sales tax this year. When this process began back in 2007 when we started losing money we had a rainy day fund of \$22M. Because of that rainy day fund we did not have to fire any employees, we were able to put hiring freezes into place and to keep everybody working so that their families could stay fed. To date we have taken that rainy day fund down to \$8M. We expect before we can build that rainy day fund back to \$22M which was a safe amount to keep the employees working, that there will be another recession and we want to be prepared for that next recession. So all this money that we have coming in is not excess money. It is money that is going back into the rainy day fund now to prepare us for the next time it comes around. This isn't money sitting in a bucket waiting for us to find some way to spend. It is much like a savings account that anybody would like to be able to have. And that is what we are using it for so that we don't have to fire people, so that our employees can be able to keep a job. Another issue mentioned was developer deals. He explained that a developer will come to council and they will say it will cost us \$6M to put water and sewer into our property so that we can build retail stores on our property. We will pay that \$6M, but what we would like to do is get a rebate of 1 cent of their sales tax refunded back to them until they get their \$6M back. Anderson said that is the developer deal that we make. These are not dollars coming out of anybody's pocket. This is a 1 cent per dollar that we are collecting and giving back to them that they have already paid for that we don't have to lay out \$6M of your dollars to pay for this water and sewer to be put into this property. The developers are doing that. All council is doing is paying it back to them over a period of time so that we can get these retail buildings built. He would really rather see 1.33 cents go into our coffers than zero cents because all we have is dirt sitting there. That is the kind of deal they worked out. The town is not giving money out for moving to Prescott Valley and opening businesses. We don't write them checks when they come to the town and say we want to build a building, we want to bring our business to you. That doesn't happen. These are refund deals that the Town is making. People make them out to be much more than they are, but they are not. He would be glad to show anybody, anytime the paperwork involved in that. It is an open book and anyone is welcome to see what happens.

Council member Mallory commented that she had said most everything before. Again, this is the revenue source that Prescott Valley has to build this town. You have got to give this town great credit for what they have done. A lot of people put a lot into this town. She feels we are here to help maintain this town. It costs a lot of money to maintain the town. This budget is open for anyone to see. We look at this as a tax, but it is how we build and live in such a good way. We all give a little and gain a lot.

Council member Whiting thanked them for being here. Even though we may not have supporters here, these venues are considered venues for those who oppose. The last sales tax increase was in

2002, thirteen years ago. So he is not too sure that council is rushing to judgement. This is not done in a vacuum. They utilize budget planning meetings, use our 2025 General Plan for guidance. The bottom line is, do we invest now, or pay for it later? Obvious beyond roads and streets, we can nickel and dime it to death or we can do it right. We have been getting by since 2002. But since the impact of the recession we feel we can't get by any longer. This is the time to do it. We appreciate the feedback and feel we have the responsibility.

Council member Marshall said he has already said his share, but he has not gotten one email in support of the taxing as Council member Nye said she has. From what the people tonight have said is that they are not necessarily against the tax, they are against us doing it without them. All he is asking is let's bring them into it.

Council member Whiting commented that any tax increase made by the town has been done through the council. This is not something new we are trying this year. It has never been on a ballot. We feel it is a part of our responsibility in terms of how we follow through with recommendations to impact the community and look at budget and how we can accomplish this.

Council member Marshall made the MOTION to suspend the reading until a later date. The MOTION died for lack of a second.

Mayor Skoog asked Town Clerk Diane Russell to read the ordinance for the second reading. The Town Clerk read the ordinance by title only. Mayor asked "Shall the ordinance pass?" The ordinance passed with 6 ayes and 1 nay, by electronic vote. Council Member Marshall voted nay.

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

a. Consideration of authorizing the Mayor to sign Resolution No. 1935 relating to the refunding of a portion of the Certificates of Participation and issuing Pledged Revenue Refunding Obligation Bonds

Town Manager Larry Tarkowski commented this is about refinancing and refunding the Certificates of Participation on the Library which would result in a savings in excess of \$700,000.

Vice Mayor Anderson made the MOTION, seconded by Council Member Grossman, to authorize the Mayor to sign Resolution No. 1935 relating to the refunding of a portion of the Certificates of Participation and issuing Pledged Revenue Refunding Obligation Bonds, by electronic vote. MOTION carried with 7 ayes and 0 nays.

b. Consideration of re-appointing Larry Renken to the Planning and Zoning Commission to a term with a renewal date of October 31, 2018

On October 31, 2015, Larry Renken's term on the Planning and Zoning Commission will come due for renewal. He submitted the renewal application letter choosing to be reappointed. Larry Renken was first appointed to a partial term on this board on April 10, 2014 and this re-appointment will be his 2nd consecutive term.

Vice Mayor Rick Anderson and Council Members Mary Mallory and Lora Lee Nye are recommending the re-appointment of Larry Renken for a term with a renewal date of October 31, 2018.

Vice Mayor Anderson made the MOTION, seconded by Council Member Nye, to approve MOTION to re-appoint Larry Renken to the Planning and Zoning Commission to a term with a renewal date of October 31, 2018, by electronic vote. MOTION carried with 7 ayes and 0 nays.

Vice Mayor Anderson expressed their appreciation to both Renken and Zurcher for the time they serve the town on the Planning and Zoning Commission.

c. Consideration of re-appointing Matthew Zurcher to the Planning and Zoning Commission to a term with a renewal date of October 31, 2018

On October 31, 2015, Matthew Zurcher's term on the Planning and Zoning Commission will come due for renewal. He submitted the renewal application letter choosing to be reappointed. Matthew Zurcher was first appointed to a partial term on this board on February 27, 2014 and this re-appointment will be his 2nd consecutive term.

Vice Mayor Rick Anderson and Council Members Mary Mallory and Lora Lee Nye are recommending the re-appointment of Matthew Zurcher for a term with a renewal date of October 31, 2018.

Council Member Whiting made the MOTION, seconded by Council Member Mallory, to approve MOTION to re-appoint Matthew Zurcher to the Planning and Zoning Commission to a term with a renewal date of October 31, 2018, by electronic vote. MOTION carried with 7 ayes and 0 nays.

d. Consideration of authorizing the Mayor to sign Resolution No. 1936 approving Final Development Plan FDP15- 015 for Chick-fil-A

Community Development Director Richard Parker said this is a 36,000 square foot parcel in Crossroads on which is proposed a Chick-fil-A, a fast food operation. The building is 4,500 square feet. It is consistent with the zoning classification. There is a drive thru associated with it as well. Final drawings for the final application are expected in the next coming weeks. They hope to be under construction and completed within the first quarter of next year.

Council Member Grossman made the MOTION, seconded by Council Member Nye, to authorize the Mayor to sign Resolution No. 1936 approving Final Development Plan FDP15- 015 for Chick-fil-A and to sign any agreement on Proposition 207, by electronic vote. MOTION carried with 7 ayes and 0 nays.

Ryan Robinson with Chick-fil-A said they have had this area on their growth market for several years. They pounced on the opportunity when it opened at Crossroads. Chick-fil-A is excited to

be a member of the community and part of the Prescott Valley economy. He thanked Council for their approval and will move forward expeditiously.

e. Consideration of authorizing the Mayor to sign Resolution No. 1937 approving a Final Development Plan/Plat FDP15-016 for Granville Unit 7C3 & 7D1

Community Development Director Richard Parker said this is another phase for Granville. The area to the north has been completely developed and is under construction with residential housing. This will ultimately be accomplished when developed with a tie to the Prescott East Highway. Proposed is 114 residential lots on approximately 50 acres. The submittal meets or exceeds Town standards and it is congruent to the current development plan and master plan for Granville. No opposition have been received.

Council Member Whiting made the MOTION, seconded by Council Member Grossman, to authorize the Mayor to sign Resolution No. 1937 approving a Final Development Plan/Plat FDP15-016 for Granville Unit 7C3 & 7D1 and any agreement under Proposition 207, by electronic vote. MOTION carried with 7 ayes and 0 nays.

f. Consideration of awarding the contract for the installation of Hot Melt Crack Seal Materials for the FY 2015/2016 to C B J Asphalt and Concrete Contractors LLC for the contract amount of \$55,800.00

Public Works Director Norm Davis brought a sample of crack seal for *show and tell*. The sample is elastomeric engineered material, not just a tar product. Five bidders competed for the contract to install 45 tons of crack seal material. Staff recommends awarding the contract to the low bidder CBJ Asphalt and Concrete Contractors LLC. The job will start next week and last a month.

Council Member Whiting made the MOTION, seconded by Council Member Nye, to award the contract for the installation of Hot Melt Crack Seal Materials for the FY 2015/2016 to C B J Asphalt and Concrete Contractors LLC for the contract amount of \$55,800.00, by electronic vote. MOTION carried with 7 ayes and 0 nays.

g. Consideration of awarding of a construction contract to the lowest responsive bidder, Asphalt Paving & Supply Inc, in an amount of \$40,081.00 for the 7th Street Water Main Installation Project CIP #W350

Utility Director Neil Wadsworth had 5 bids come in to install a water main connecting two dead end water mains together for redundant water service in case of a water outage resulting in fewer businesses out of water while repairs are made.

Council Member Grossman made the MOTION, seconded by Vice Mayor Anderson, to award a construction contract to the lowest responsive bidder, Asphalt Paving & Supply Inc., in an amount of \$40,081.00 for the 7th Street Water Main Installation Project CIP #W350, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- h. Consideration of approving a Reimbursement Agreement per Town Code Â§14-04-070 with Granville Development Co. for upsizing wastewater line extensions in the amount of \$74,555.00

Utility Director Neil Wadsworth said Granville is upsizing wastewater lines within the Granville subdivision because we need additional capacity. We have asked them to upsize the line from an 8" to a 12" line south through Unit 7. This same process was done on Santa Fe Loop a couple of years ago.

Council Member Mallory made the MOTION, seconded by Council Member Nye, to approve a Reimbursement Agreement per Town Code Â§14-04-070 with Granville Development Co. for upsizing wastewater line extensions in the amount of \$74,555.00, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- i. Consideration of authorizing the entry into Contract #150514-01 with the AZ Department of Homeland Security to accept the grant award for CYFD Interagency Joint Mobile Command Post and approve the purchase of the equipment

Deputy Chief Edelstein thanked Council member Marshall and everybody that was involved in coordinating the First Responder Appreciation Dinner. Marshall thanked them for what they do.

Edelstein discussed the next four agenda items in one presentation as they are all grants that come from one source. All four grants were awarded to the PVPD in the amount of \$101,283 with no fiscal impact to the town. The money \$6,567 will fund equipment replacement in the mobile command center which is an interagency cooperation project.

The second grant amounting to \$63,596 is an upgrade to the existing radio towers and repeaters on Glassford Hill as well as the Prescott Country Club site and the addition of a new tower and repeater at the Granite View Tank site which will improve the consistency and quality of radio communications in town.

The third grant in the amount of \$10,040 is to replace 8 laptops in the emergency operation center.

The fourth in the amount of \$21,080 is going to be used to host training in the prevention and response to what is called a hostile takeover. We have not experienced this in the United States, but other countries are starting to experience situations where terrorist organizations and people bent on terror are taking over places like schools and creating mass hysteria through killing children. This has happened in Russia. We are leading the charge in our country in providing that kind of training locally in an effort to harden the target and be ready to respond to that type of situation if it were to occur here in Yavapai County.

Council member Mallory commented and reaffirmed that these grants are fully funded with no fiscal impact to the town.

Council Member Grossman made the MOTION, seconded by Council Member Nye, to authorize entry into Contract #150514-01 with the AZ Department of Homeland Security to accept the grant award for CYFD Interagency Joint Mobile Command Post and approve the purchase of the equipment, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- j. Consideration of authorizing the entry into Contract #150514-02 with the AZ Department of Homeland Security to accept the grant award for PVPD Enhanced Voice/Radio Communications and approve the enhancement

Council Member Whiting made the MOTION, seconded by Council Member Marshall, to authorize entry into Contract #150514-02 with the AZ Department of Homeland Security to accept the grant award for PVPD Enhanced Voice/Radio Communications and approve the enhancement, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- k. Consideration of authorizing the entry into Contract #150514-03 with the AZ Department of Homeland Security to accept the grant award for EOC Enhancement and approve the purchase of the equipment

Council Member Grossman made the MOTION, seconded by Council Member Whiting, to authorize entry into Contract #150514-03 with the AZ Department of Homeland Security to accept the grant award for EOC Enhancement and approve the purchase of the equipment, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- l. Consideration of authorizing the entry into Contract #150514-04 with the AZ Department of Homeland Security to accept the grant award for Yavapai Regional Terrorism Training Program and approve the purchase of the equipment

Council Member Nye made the MOTION, seconded by Council Member Grossman, to authorize entry into Contract #150514-04 with the AZ Department of Homeland Security to accept the grant award for Yavapai Regional Terrorism Training Program and approve the purchase of the equipment, by electronic vote. MOTION carried with 7 ayes and 0 nays.

11. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

12. MOTION TO CONVENE INTO EXECUTIVE SESSION in order to conduct the annual review and evaluation of the performance of the Magistrate Court Judge, Keith Carson. The executive session is scheduled pursuant to Arizona Revised Statutes Section 38-431.03(A)(1), which allows for discussion or consideration of employment, assignment or appointment of a public officer, appointee or employee.

Vice Mayor Anderson made the MOTION, seconded by Council Member Grossman, to approve convening into executive session in order to conduct the annual review and evaluation of the performance of the Magistrate Court Judge, Keith Carson. The executive session is scheduled

pursuant to Arizona Revised Statutes Section 38-431.03(A)(1), which allows for discussion or consideration of employment, assignment or appointment of a public officer, appointee or employee, by electronic vote. MOTION carried with 7 ayes and 0 nays.

13. RECESS INTO EXECUTIVE SESSION

Mayor Skoog recessed the regular meeting at 7:44 p.m.

14. RECONVENE INTO REGULAR SESSION

Mayor Skoog reconvened the regular meeting at 8:02 p.m.

15. ACTION (IF ANY) RELATED TO EXECUTIVE SESSION ITEMS

Vice Mayor Anderson stated Judge Carson “exceeds our expectations” and is deserving of a salary increase to the extent that the Town can give to him. He has earned it and more, but there is a limit to what council can do. Council member Nye added to that, that Carson is irreplaceable. Council members agreed unanimously that Judge Carson “exceeds expectations” and to compensate him accordingly to the extent that the Town can.

16. ADJOURNMENT

Vice Mayor Anderson made the MOTION, seconded by Council member Nye, to adjourn the meeting. MOTION carried UNANIMOUSLY. Mayor Skoog adjourned the meeting at approximately 8:05 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 22, 2015.

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

Dated this October 29, 2015

Diane Russell, Town Clerk