

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
November 10, 2016**

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. Roll Call

Present: Mayor Harvey Skoog, Vice Mayor Rick Anderson, Council members Marty Grossman, Mary Mallory, Lora Lee Nye, and Michael Whiting.

3. Discussion: Banking services proposals

Finance Manager Katie Pehl said every six years or so, the Town solicits Request for Proposals (RFPs) from various banks to provide banking services to the Town. The last RFP for banking services was issued six years ago, in compliance with past Town practice and the Town Financial Policy. This practice enables the Town to evaluate banking services being provided and make certain we are paying competitive fees for these services.

Staff sent notice of the current RFP to thirteen banks and received four proposals back (from Wells Fargo, JP Morgan Chase, BMO Harris Bank and National Bank of Arizona). Each of the responsive proposals included a pricing sheet and pricing summaries. These services and fees have been annualized for comparison. National Bank is far lower than the other three. Bank of America is also on the list as we have the option of continuing with them an additional year.

This agreement for service would start with the new fiscal year to include five (5) one (1) year renewal options. After reviewing the proposals it appears National Bank would save the Town about \$40,000 per year.

Council Member Grossman said when something looks too good to be true, it probably is. What is the catch? The National Bank numbers are much lower than the other proposals which make him suspicious. He suggested further scrutiny be done.

Town Manager Larry Tarkowski said that competition is a beautiful thing. When you have a company that really wants your business it is amazing what they can do. This is a good price.

Katie added that the prices are set for the first year and then can fluctuate. She pointed out that the Bank of America fees have increased more significantly in the last couple of years. We did

not even receive a bid from them. Staff has looked at all the annual transactions and any additional fees that would be included in those.

Council Member Grossman added that he would like to go with the National Bank because they are local. Katie said the town would save a lot of money with their lower merchant fees and investment services than the other banks.

Katie said Bank of America is working to get rid of their smaller municipal clients. Council Member Mallory said that is bothersome to her as there is value in every business. She knows that the National Bank has a lot of customer service people and they are efficient but she is concerned about increasing fees too. Katie will talk to them about any fluctuation in fees for discussion next week. Mallory added that local business is important and National Bank is excellent at customer service where Bank of America isn't.

Vice Mayor Anderson said occasionally the dollar store does sell things for a dollar. You have to believe the proposal is accurate and trust that staff understands all these concerns. Even though Council Member Mallory would like to know that the second year will be as good as the first. That is why banks have the option of raising fees the second year because there is no guarantee that it will be the same, regardless of which bank is selected. We need to compare apples to apples and select the proposal that looks best at this point.

Council Member Whiting said he would like more information about the *give and take* over the next 2-5 years relative to increases or what bail-out provisions are if they don't meet our needs. He also likes the local bank, versus the national banks.

Council Member Nye said council is afraid to believe this proposal, but know they can't control whatever increases happen in the future regardless of which bank they choose. There is wisdom in going local.

Council Member Grossman asked how much work is it to switch from one bank to the next in time, effort and cost. Katie responded that it takes several months to get everything aligned - approximately four months. This process would be begun at the beginning of the fiscal year. She will look into capping the increase amount.

Mayor Skoog asked if the increases are contingent on increased work/transactions. Katie said it will depend on the number of transactions.

Tarkowski said since this is transaction based and transactions go down, fees could also go down.

4. Discussion: Viewpoint Channel, Phase II

Public Works Director Norm Davis this is a long-term storm water drainage project in its second phase and funded by Yavapai Flood Control dollars. A project sign will be posted showing Phase 2 coming in the fall. The proposed Spouse/Viewpoint intersection improvements are a long-term project to get storm water management and roadway improvements done which will come

forward in the spring. The Phase 2 channel is about 800 feet long, 5 feet deep and 25 feet wide. Dirt from Phase 1 was stockpiled at the corner of Spouse and Viewpoint which will be moved to the area of the Phase 2 Viewpoint connector extension project. Two engineers are proposed for the project; Lyon Engineering did the channel design and Dava and Associates did the roadway work. Staff held off this phase to take advantage of contractor competition in the winter months. Eight contractors bid. Lyon Engineering reviewed the bids and recommends award to the lowest responsive bidder, Earth Resources Corporation, in the total amount of \$213,550.08. Davis explained for Council Member Whiting that this phase (2) is the least expensive phase because it is just dirt movement.

5. Discussion: Amendment to CH2MHILL/OMI Agreement for out-of-scope services for combined water and wastewater capital projects FY16/17

Utilities Director Neil Wadsworth said occasionally staff puts control jobs together and make a request that OMI make the out-of-scope improvements as they work with this equipment every day. The proposed work will supply redundancy to the system. Through APS, we will get a rebate for the newer more energy efficient equipment being installed. In some cases, almost half of the amount charged for the equipment has been rebated. Neil said funding is available. Neil responded to Council Member Whiting that he can't give a total figure amount on the rebates. Council Member Mallory said she is glad he is working to get the rebates which are helping on the cost. Council Member Grossman said he is glad they are upgrading the electrical and creating a redundant system increasing the efficiency of the system.

6. Discussion: Council vacancy

Town Clerk Diane Russell said we have a vacancy on the council due to Stephen Marshall's resignation from the council on November 3, 2016. We will move forward according to statute and town code guidelines to begin the process to fill the vacancy. Diane provided a couple of calendars with the steps in the process noted. She suggested that council go with the elongated process proposal allowing more advertising time, longer candidate application period, applicant review, presentations and interview time. Council members agreed that they would prefer to even extend the application process to the end of December to get past the holidays then begin to review applications after the first of the New Year. This will allow plenty of time to get the word out to those interested in applying for the vacancy and then council will begin the review process after the first of the year. Diane will revise the process calendar as per council's wishes.

7. *Adjournment*

Mayor Skoog adjourned the meeting at 6:07 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, November 10, 2016.

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

Dated this November 16, 2016

Diane Russell, Town Clerk