

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
September 23, 2010**

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. INVOCATION

Pastor Don Tjiema, Mountain Valley Church of God, gave the invocation.

3. PLEDGE OF ALLEGIANCE

Pastor Don Tjiema led the Pledge of Allegiance after which Mayor Skoog expressed his appreciation to him for the service he provides to the Town.

4. ROLL CALL

Present: Council Member Lasker, Council Member Nye, Mayor Skoog, Council Member Flannery, Council Member Schumacher, Council Member Wise, and Vice Mayor Anderson.

5. SCHEDULED ANNOUNCEMENTS & PRESENTATIONS

a. *Mobile Command Center*

Chief Jim Maxson stated that the Mobile Command Center is officially in service today. The command center began as a vision to obtain a much needed resource for the PD. Both the 40 foot trailer and a pickup to pull it came as drug seizures. Last spring, Boy Scout Trent Erickson approached the Chief needing a project to earn his Eagle Scout designation. He and his parents organized the construction of the mobile command center. The goal of the Mobile Command Center was to provide an emergency asset to deal with long term incidents and develop and involve the community as partners. Trent Erickson was called forward and introduced his family members in attendance. Trent stated that he and his troop started working on the trailer on May 1, 2010. He couldn't have done it without the support of his troop and stated how glad he was to have had the opportunity to work with the PD and Chief Maxson on this project.

Mayor and Council members toured the command center last week and thanked Trent for all his efforts to produce such a terrific product. It is very unique for this area and our Town. Trent is one of the shining examples of the youth in our Town and he stands as an example for the young people in our community.

Chief Maxson recognized and thanked each of the following donators for their contributions on the trailer. Prescott Valley Police Foundation; CommSpeed.net, Tony DeMatteis; B&L Flooring of America, Dan Hussey; Creative Communications, Carrie Hemmen; Handyman plus Contractor, Aaron Branch; Sterling Skipper, P.S. Electric; R.E.D. Plumbing, Inc.; Vehicle Tattooing; Janet Runyan; CSA Sugar Art Inc., Eileen Walker; XzylaCorp.com, Mike Holt; Trenton Erickson and Family; Maplewood Cabinetry.

Trent will get his Eagle Scout badge on October 2, 2010 at 1:00 p.m. at the Elks Lodge.

6. *PROCLAMATION*

a. *Walk to Fight Diabetes*

Town Clerk Diane Russell read the American Diabetes Association's Step Out: Walk to Fight Diabetes Day proclamation.

7. *CERTIFICATES*

a. *Certificate of appreciation to Mark Postula for 15 years of service*

Town Clerk Diane Russell read the accolades submitted by the Police Department congratulating Sgt. Mark Postula for his 15 years of service to the Town. Sgt. Postula introduced his wife and expressed his appreciation for the opportunity to work for the town.

Council member Flannery stated that Mark is one of the finest examples of law enforcement officers. He possesses the qualities necessary to do the job as a police officer. We, as a community and town government, are fortunate to have Mark working for the town. Council member Nye added they would like to see him continue his whole career here. Council member Wise congratulated Mark for his fifteen years of service and expressed thanks to his wife and family for letting him do that. Council member Schumacher can't believe he has been here 15 years and thanked him for the time he has put in, and for the risks he takes out there. Council member Lasker thanked him for his service. Vice Mayor Anderson said it takes a special kind of person to do what he does. Mayor Skoog presented Sgt. Postula with a Certificate of Appreciation and 15 year pin.

b. *Certificate of appreciation to Candace Manibusan for 10 years of service*

Town Clerk Diane Russell read the accolades submitted by the Police Department in appreciation for Candace Manibusan's 10 years of service to the Town. Candace introduced her son Tyler and mother and dad who have supported her over the years.

Council member Nye commented that Candace is the brains of the PD and Council is aware of the incredible contributions she has made and her dedication to the department and town. Council member Schumacher commented she feels like Candace has always been here. Council member Wise thanked Candace for all she does for the community and the department. Council member Flannery commented that without those grants the PD would have a difficult time. Each time a grant comes before Council, the Chief acknowledges that Candace completes them. She provides a valuable service in writing those grants. Council member Lasker said it is nice to put a face to the grant work she does. Vice Mayor Anderson said the public now has an opportunity to see who has done so much for the police department, especially over the last couple of years. Candace thanked council for the opportunity to work for the town. Mayor Skoog presented Candace with a plaque commemorating her 10 years of service to the town and a pin.

c. Certificate of appreciation to Sean Jones for 10 years of service

Town Clerk Diane Russell read the accolades commemorating Sean Jones 10 years of service to the town. Mayor Skoog presented Sean with a plaque and pin in appreciation for his 10 years of service to the town.

Council member Lasker thanked him for his behind the scenes work and for the service he provides to them. Council member Flannery added that Sean has been the "go to guy" in the IT Department. The sense of humor Sean exhibits is a must in his job. Everyone needs to be backed up with people with great knowledge and expertise and Sean is a great part of that. Council member Wise added that Sean and the IT department can be relied on to fix whatever technological problems council experiences. Council member Nye added, "Wow, does he have job security!", as they count on IT. We are a community moving forward in technology. She recognized the hard work hours IT put in on the new library facility. Council member Schumacher added the IT department is needed because they can't figure this stuff out. Sean thanked everybody for this opportunity.

8. COMMENTS/COMMUNICATIONS

Council member Nye announced a celebration of the first anniversary of the opening of the library and grand opening celebration of the virtual reality room Saturday, October 16 from 10:00 a.m. to 2:00 p.m.

Council member Lasker announced that *Meals on Wheels* needs 4 more drivers to work 2 hours a day at CASA. Interested parties should call CASA.

Council member Flannery stated that the Upper Verde River Watershed Protection Coalition has taken over a branding project - *Water Smart*. Information kiosks are

scattered around town. They implemented the program by rewarding commercial and residential areas for water conservation efforts. Yesterday two people were awarded the right to place the Water Smart Logo on their projects. Primavera School put in a garden with a cistern to collect water along with an educational feature to it. The other project awarded the Water Smart Logo was the Yavapai County Storm Water Catchment project near Pioneer Park. Ninety-five percent of the pollutants and debris are filtered out of that runoff water.

Council member Schumacher announced that the *Boy's & Girl's Club of Central Arizona Gala* is being held September 24, 2010. Call 776-8686 to reserve a spot. All money will go to the Boy's and Girl's Club. They will have a silent and live auction with wonderful prizes.

9. CONSENT AGENDA

- a. *Approval of Minutes - January 15, 2009 (Special Session) & September 9, 2010 (Regular & Executive Sessions)*
- b. *Approving a new Series 12 Liquor License for Baja Fresh Restaurant located at 3088 N. Glassford Hill Rd.; Scott E. Simmons, applicant*
- c. *Approving a new Series 9S Sampling Liquor License for Safeway, Inc. located at 7720 E. State Route 69; Janice L. Martin, agent*
- d. *Approving a new Series 12 Liquor License for the Backburner Family Restaurant located at 8400 E. Long Mesa Dr.; Nicholas G. Calia, applicant*
- e. *Approving an Intergovernmental Agreement between Yavapai County Flood Control District and Dewey/Humboldt for drainage improvements at the Agua Fria River/SR 169 crossing*
- f. *Consideration of approving the purchase of four new police-packaged vehicles in the amount of \$137,177.36 (RICO and Budgeted Funds)*
- g. *Approving a donation of \$25,000 to Yavapai Regional Medical Center's new Breast Cancer Center*
- h. *Accepting a \$4,725 Arizona Commission on the Arts grant award*
- i. *Approving Monthly Department Reports for July and August, 2010*
- j. *Approving the Monthly Financial Report*
- k. *Approving the Council Investment Report*

l. Approving Accounts Payable for September 1-9, 2010

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

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

a. Public Hearing Open Public Hearing Proposed revised water and wastewater rates, fees and service charges Close Public Hearing

Mayor Skoog declared the Public Hearing Open.

Management Services Director Bill Kauppi gave an overview of some of the changes being proposed and the effects of them. Annually the Town goes through a water/sewer rate study to evaluate the integrity of rates to keep the water/wastewater funds financially sound which are tracked separately. The town tiered pricing schedule encourages conservation. The study takes into account many factors affecting rates such as customer volumes, customer totals, revenue/expenses, bond covenants and fund balance requirements. Staff gathers the data from December 2009 through April 2010. In June, staff presents the findings and makes recommendations to council at work study for budgeting purposes. In July 2010, Council adopted a Notice of Intention to revise water/wastewater rates. Now in September, we hold this public hearing to receive citizen input and comments. If approved, the proposed new water/sewer rates will become effective with the first billing cycle in November. The trend in water volume and wastewater volume is down over the last 3 or 4 years and changes substantially depending on weather conditions (rain, hot). The numbers of customer totals are pretty stable at this time so very little money is budgeted this year for capacity increases. Operating costs have been declining which helps keep the rates down. They are fixed costs and rarely change. No changes to base meter charges are proposed at this time. There are no proposed changes to the Water District users south of SR89A. Municipal Water System customers (north of SR89A) will see an increase of 9 percent bringing the two water systems to an equal rate. Wastewater rates will go up 4 percent. The majority of the water users use less than 8,000 gallons a month. Based on this figure, Kauppi presented the new rate structure.

Town Manager Larry Tarkowski complimented Bill and Cordell's team for the rate model update and running the water system as an enterprise as it should be and allowing us to make the improvements as needed to ensure reliable systems.

1. Mr. Don Buehler expressed concern over the water rates. He found the report astonishing as his bill typically runs \$100 - \$150 per month indicating to him that he is using between 12,000 and 20,000 gallons of water a month which he says is not happening. He has no way of independently verifying how much water is delivered to his home or goes out. Mr. Buehler commented that the town estimates (via electronic device) his water usage based on prior estimates. In addition, he did not see a credit back to the bond issues that go to pay off the bonds and buy down the expenses. No where does he see

a credit back to pay back the bonds given the credits that were sold in November 2007 for \$50 - \$60 million. Since he paid for that water both in and out of the ground it should be credited back to him and everyone else to pay off that system. It creates a constructive trust when he pays for pumping the water out of, and back into, the land that should be credited to all water/sewer users. It must be credited back to pay down the water systems debt or it creates a civil lawsuit. Until then, he stated that the system is illegal and creating an illegal tax. Mr. Buehler questioned whether the town is banking the effluent water money to benefit someone else? Is it to benefit the Fains? This information should be disclosed. He only saw a summary breakdown about how it is being spent. The people need to see that.

Town Manager Tarkowski invited Mr. Buehler to come in and talk to him about his questions. Mr. Buehler responded that the public deserves to have that information. Tarkowski added that Mr. Buehler was invited in August, 3 months ago, to come in and view all the documents to answer his questions.

Kauppi responded that the information in the water/sewer rate is summarized. It comes from our annual budget that is published on the website where the water and wastewater system are discussed in length and available for anyone to use.

Mr. Buehler pointed out that in 1999 the Town would receive \$150,000 to administer the Water District which has risen to \$650,000. Mr. Buehler questioned what the justification for that increase was. Kauppi added that he has all the information Mr. Buehler has expressed an interest in seeing. Tarkowski added that we are very proud of the transparency the town has. The documents have been on the website since June for anyone to view. He has had 3 months to view those documents. Mr. Buehler stated he wants a breakdown on how the town spends administrative expenses that have gone up to \$650,000 over the years without explanation. Did anyone ask for that line item expense?

Council member Lasker stated that council not only has a packet, but they have materials presented to them and do a lot of research before making a decision. Mr. Buehler mentioned an estimated bill that a customer received. Mayor Skoog suggested Mr. Buehler discuss an individual bill with Mr. Kauppi, not at this public hearing. Kauppi responded that an estimated bill occurs very infrequently and typically is due to bad weather situations. Adjustments are made as necessary to those estimates. Every utility meter is read by OMI.

2. Chuck Bordenave stated that the bid from OMI was higher than the lower bidder by a million dollars or significantly lower. He also questioned whether the Town has been letting the fairgrounds slide on paying their water/sewer bills over the last 5 years as suggested in the media? He states the newspaper articles would have people believe that. Mayor Skoog brought Mr. Bordenave back to the subject at hand.

Mr. Bordenave stated he went on vacation a few years ago for 6 weeks and had a \$20 bill upon arriving home for not using a drop of water.

Kauppi responded that a base fee (meter reading, administrative fees) is charged every month regardless of water usage or not. The other option is to pay a disconnect fee, and then a reconnect fee. Vice Mayor Anderson likened it to a mortgage payment.

Mayor Skoog closed the Public Hearing.

- b. Consideration of authorizing the Mayor to sign Resolution No. 1716 revising the domestic water rates, fees and service charges

Council Member Nye made the MOTION, seconded by Council Member Lasker, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1716, revising domestic water rates, fees and service charges as recommended, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- c. Consideration of authorizing the Mayor to sign Resolution No. 1715 revising (and/or increasing) the wastewater rates, fees and service charges

Council Member Wise made the MOTION, seconded by Vice Mayor Anderson, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1715 revising (and, in some cases, increasing) wastewater rates, fees and service charges as recommended, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- d. Consideration of approving an Intergovernmental Agreement with Maricopa County to allow sharing law enforcement information through the AZLink Northern Arizona Region

Chief Maxson stated this would allow them to explore options to share intelligence operation information. They don't know whether they will proceed depending on potential future costs.

Council Member Schumacher made the MOTION, seconded by Council Member Wise, to approve the Intergovernmental Agreement with Maricopa County for sharing law enforcement information through the AZLink Northern Arizona Region, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- e. Consideration of authorizing the submission of a Public Safety Stabilization Grant requiring no matching funds

Chief Maxson noted that this grant does not require matching funds. The funds would be applied to make the PD more competitive. They have increased fuel, overtime and vehicle expenses, and removed ecitation for consideration of funding.

Council Member Wise made the MOTION, seconded by Council Member Nye, to authorize Town staff to submit an application for funding under the Public Safety Stabilization Program, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- f. Consideration of accepting a Community Forest Challenge Grant in an amount not to exceed \$13,400 from the Arizona State Forestry Division requiring an equal amount in matching funds

Parks and Recreation Director Brian Witty stated this \$13,400 grant would be utilized for the purchase/planting of trees (\$6,000), education of staff and community and other opportunities i.e. Centennial Legacy and Arbor Day Programs.

Witty confirmed for Council member Flannery that they would be using DIF funds for the trees, specifically out of the architecture and engineering fees within the Mountain Valley Park Multi-Use Exercise Path.

Council member Nye stated it makes a positive commemoration for our centennial as it is not just a plaque for the event. Prescott Valley residents will enjoy this project selection for the Centennial Celebration. It is unknown at this time whether the Yavapai County Contractors Association has collected money for the trees.

Council Member Nye made the MOTION, seconded by Vice Mayor Anderson, to accept the Community Forest Challenge Grant from the Arizona State Forestry Division in cooperation with the USDA Forest Service, by electronic vote. MOTION carried with 7 ayes and 0 nays.

11. COMMENTS FROM THE PUBLIC

1. Mr. Chuck Bordenave commented that the Town's attitude toward grants is disturbing; it is not free money. It comes out of everybody's pockets. In addition, he was told that no money would be spent on the Event Center. Now he finds out that the Town has serviced over \$2.5 million of that debt. Also, who authorized the size increase to include additional businesses being taxed along with the Entertainment District to pay towards that debt (basically the Fains)?

Tarkowski responded that when the development agreement for the Event Center was done in 2005, there was the Entertainment District and the Secondary Credit Enhancement Area identified as taxable for this purpose. The Town was not going to risk TPT tax to support the Event Center. We limited the Town's exposure. Those areas, only, may be relied on should the arena not make their operational plus, their debt service costs. Contributions have been made on a semi-annual basis from those two areas to support the debt service. Mr. Bordenave expressed concern over a Federal lawsuit also having been filed against the Town along with the Allstate lawsuit.

Town Attorney Ivan Legler responded that there is no new lawsuit. Allstate and the Trustee filed their lawsuits in Federal Court.

12. ADJOURNMENT Copies of the Agenda and supplementary materials are available on the Town's website at www.pvaz.net or the Office of the Town Clerk, 7501 E. Civic Circle. Forms to request accommodations pursuant to Section 504/ADA guidelines are available from the Deputy Town Manager's Office at (928) 759-3104. Requests must be submitted 72

hours prior to the event for which accommodation is requested.

Council Member Nye made the MOTION, seconded by Council Member Schumacher, to ADJOURN, by electronic vote. MOTION carried with 6 ayes, 0 nays and Council member Flannery recusing himself.

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, September 23, 2010.

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

Dated this September 24, 2010

Diane Russell, Town Clerk