

**TOWN OF PRESCOTT VALLEY
WORK STUDY MEETING
MINUTES
July 19, 2012**

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

Absent: Council Member Lasker

3. Presentation: Arizona Interscholastic Association Update, Greg Fister

Economic Development Manager, Greg Fister reported to council that the Arizona Interscholastic Association (AIA) has agreed to return to Prescott Valley for three more years. The high school championship competitions are held at Tim's Toyota Center for volleyball, wrestling, basketball and spirit line/cheerleading during the month of February. In 2012 the four different sport events have accounted for over 20,000 paid admissions to the arena. Fister stated that there is direct spending as well as induced spending and indirect spending in Prescott Valley and the surrounding communities. Examples of direct spending include the money spent on the tickets, hotel rooms and restaurants. An example of induced spending is the tip money a restaurant server receives and then spends that money on groceries. Indirect spending could be money spent by a hotel to buy extra food for their breakfast bar because their rooms are sold out. He estimates that all the spending could add up to a \$9 million impact.

Town Manager Larry Tarkowski commented that Tim's Toyota Center and the Chamber of Commerce make the AIA officials feel very welcome as do the local hotels. He sees that over the next three years, from Greg's numbers, it could mean an \$18 million impact for the entire area.

Council member Nye commented that in February she met a family who was staying in Cottonwood since all the local hotels were full and they were very happy to be here. They did not seem to mind that they had to stay so far away and that made her realize how far reaching the impact of these events can be.

No action was taken.

4. Presentation: PVPD Animal Control

Lt. Wayne Nelson spoke about the PVPD Animal Control Unit. Over 4,500 calls for service have been taken by animal control in the past year that resulted in writing over 2,000 police reports. They have sold about 5,200 dog licenses in the past 1.5 years. They estimate that only 20 percent of the dogs in Prescott Valley are licensed. Animal Control impounded 504 dogs to the humane society. There were 83 dogs kept temporarily at the PD when the owner has been located and contacted to pick up the animal. Most are taken to the Yavapai Humane Society. The contract for sheltering services was recently renewed for FY 2012-13 with an increase of \$7,000 over the previous contract for a total of \$58,500.00 which he said that Mr. Boks would further explain. Nelson introduced Ed Boks the Executive Director of the Yavapai Humane Society. Boks recognized members in the audience of about 50 people including staff, board members and volunteers from the Yavapai Humane Society which is celebrating 40 years of service in this area. He gave a presentation and distributed annual report booklets to the council members. The highlights from the presentation stressed the no-kill ethic they have adopted. Tracking has been done to count the percentage of the number of animals put down per 1,000 residents. Arizona's numbers over all are rather high when compared to national figures. Prescott Valley had zero kills last year. Boks took time to explain how the \$58,500 from the contract for services with the town is used. The chart showed actually costs are about \$100,000 indicating that they operate with a deficit. Over time they hope to come to a cost recovery. His presentation included many pictures of the present shelter facilities. There are plans to remodel and expand the facility to include storage/warehouse space, isolation and treatment space and a staff training room. He is here to ask for help with the funding to provide the additional space. Right now it is only in the planning stages. The estimated project costs are \$80,000, with some of the engineering and architectural plans being provided pro-bono. Boks went on to show that they are breaking down \$40,000 of the project costs to ask Prescott and Prescott Valley to provide \$10,000 each and to ask Yavapai County for \$20,000. The county has twice as many animals as the municipalities. The rest of the funds would come from fundraising efforts, grants and private donations. YHS and Prescott Valley have a very strong partnership and they hope to strengthen it for the future. He congratulated Prescott Valley for being the safest community for pets.

Council member Mallory commented that she and her husband recently adopted a dog from the shelter. They were really impressed with the care the dog received as she was nursed back to health before they could bring her home. Council member Whiting asked for additional copies of Boks' overhead presentation for considering the request for funds. Council member Nye asked the staff how we could honor this request when we had just finalized the new budget. Larry Tarkowski said that there are contingency funds set aside.

Tarkowski asked the Mayor if the council wished to bring the matter back for future consideration. Mayor asked council and they responded favorably. Nye added "Absolutely".

No action was taken.

5. Discussion regarding the CH2MHill (OMI) contract

Utilities Director, Neil Wadsworth spoke to council about the annual amending of the town contract with CH2MHill (OMI). The five-year contract is amended annually due to changes in

services. The scope of services proposed for the FY 2012 – 2013 contract year remains the same as the current scope of services, except for the following. In the Radio Read Meter Replacement Program the number of water meters replaced with radio read meters increases from 500 meters per year to approximately 1,650 meters per year. The quantity of sewer lines cleaned is being increased from 40 to 60 miles per year.

The total fee for services is increased 3.3 percent from \$2,979,200 to \$3,077,514. This change covers inflation costs and the addition of one staff person for the meter replacement program. Negotiations were finalized after the budget was set. Included with the fiscal analysis are requested transfers as shown in the chart on his RFCAs. Wadsworth explained that the plan is to eventually have all radio read meters in the town. When the new truck is purchased for cleaning the sewer line cleanings can be increased. Council member Nye asked Neil to explain for the benefit of the citizens how the increased costs are managed. He responded to say that the overall budget is not increasing and they are basically juggling money within accounts. They don't always spend what is allotted in each account so those funds that can be moved to accounts where the increases are seen.

Tarkowski added that water is the most important service that the town provides. The cost increases are anticipated each year and built into the budgets to balance the services and safety of the system. They are enterprise funds, meaning they pay their own way without subsidies.

Vice Mayor Tjiema added that the new solar project should help with cost from APS.

Juan LaMancha and Jeremiah Mecum were present from OMI. Jeremiah added that OMI enjoys the working relationship they have with the town.

The plan is to bring the contract amendment back to the next regular council session for a vote.

No action was taken.

6. Discussion regarding the Transaction Privilege Tax/Business License Town Code Changes

Tax Auditor, Sarah Herzog gave a presentation to inform council about Transaction Privilege Taxes and her efforts to collect the taxes due. Sarah explained the differences between Program versus Non-Program Cities as to how the taxes are collected. Ninety-nine percent of our businesses do pay their taxes. It is the one-percent that do not. The top 30 taxpayers in Prescott Valley account for 60% of the tax revenues. She gave an overview of the present methods available that she can use to audit businesses and attempt to collect delinquent tax revenues. The methods include liens and payment plans. Sarah has worked with a committee of town staff from the finance, legal and town clerk departments over the past few months in order to consider revising the business license section of town code. The proposed change in the town code would be to draft an ordinance that makes it possible to revoke a business license for the non-payment of transaction privilege taxes. Many cities in Arizona do have the ability to revoke business or tax licenses for non-payment of taxes.

Deputy Town Attorney Steven Zraick pointed out that we already have the authority to prosecute for a class one misdemeanor which we do not do. He agrees that this ordinance would be a good alternative as a tool necessary to level the playing field.

Council member Nye asked what constitutes “substantial” in the wording. Sarah responded that is a judgment call based on efforts to comply and the dollar amount due. Nye was glad to hear there is flexibility. Council was very supportive of drafting the ordinance to change the town code. They feel it is very unfair to our business owners who pay their taxes to let those who do not pay to continue to operate.

Council would like to see the matter brought back for their consideration when the ordinance is ready.

No action was taken.

7. Adjournment

Mayor Skoog adjourned the meeting at 7:04 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, July 19, 2012.

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

Dated July 25, 2012

June Catanzarite, Deputy Town Clerk