

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
MINUTES
APRIL 24, 2008**

Magistrate Court/Council Chambers
Civic Center
7501 E. Civic Circle
Prescott Valley, Arizona 86314

1. *CALL TO ORDER*
2. *INVOCATION*
3. *PLEDGE OF ALLEGIANCE*
4. *ROLL CALL*

The meeting was called to order by Mayor Skoog at 5:30 p.m. in the Magistrate Courtroom/Council Chambers. Father Dan Vollmer, St. Germaine Catholic Church, gave the Invocation after which a special Mayor's Recognition appreciation certificate was read and presented to Father Vollmer. The Pledge of Allegiance was said in unison as lead by Ben Harper. The following council members were present for roll call:

Harvey Skoog	Mayor
Harold Wise	Vice-Mayor
Fran Schumacher	Council member
Bob Edwards	Council member
Mike Flannery	Council member
Mary Baker	Council member
Lora Lee Nye	Council member

5. *ANNOUNCEMENTS & PRESENTATIONS*

- Marnie Uhl, Executive Director of the Prescott Valley Chamber of Commerce, presented Arizona Mobile Cinema who will be presenting Movies under the Stars in partnership with the Town of Prescott Valley Parks and Recreation. Movies will be presented on Thursdays at 6:00 at the Civic Center amphitheatre beginning May 15 through August 28, 2008. This will be a free event.
- Marnie Uhl invites everyone to come out to the Chamber office on May 3 to help out with Team Up to Clean Up Prescott Valley. The event will begin at 8:00 where people will pick up t-shirts and trash bags. After participating in the clean-up, there will be hot dogs for the workers that will be grilled by the CYFD.
- Council member Nye commented on yesterday's disaster drill. It was intense for the participants. The drill was very successful. She stated how proud she is of the police and fire departments. A lot was learned about interaction and reaction during the drill.

- Mayor Skoog discussed the overall budget and stated that there will be no employee layoffs. There will be a small cost of living raise and merit increases in the new fiscal year.

6. *PROCLAMATIONS*

a. Youth Week

Town Clerk, Diane Russell, read the Youth Week proclamation and Mayor Skoog presented the proclamation to Steve Thompson, Exalted Ruler of the Prescott Elks Lodge #330.

b. Teen Pregnancy Prevention

Town Clerk, Diane Russell, read the Teen Pregnancy Prevention proclamation and Mayor Skoog presented the proclamation to Diane DeLong and Shana Adams of North Star Youth Partnership.

c. Building Safety Week

Town Clerk, Diane Russell, read the Building Safety Week proclamation and Mayor Skoog presented the proclamation to Woody Lewis, Town of Prescott Valley Building Official.

d. Fair Housing Week

Town Clerk, Diane Russell, read the Fair Housing Week proclamation and Mayor Skoog presented the proclamation to Ryan Judy, Deputy Town Manager.

e. AmeriCorps Week

Town Clerk, Diane Russell, read the AmeriCorps Week proclamation. No one was available to receive this proclamation on behalf of AmeriCorps.

f. National Volunteer Week

Town Clerk, Diane Russell, read the National Volunteer Week proclamation and Mayor Skoog presented the proclamation to Stuart Mattson, Library Director. Stuart Mattson reported that the volunteers for the Town of Prescott Valley saved the town \$164,810.00 (16,480 hours) over this past year.

7. *RECESS*

Mayor Skoog recessed the meeting at 5:56 p.m. for refreshments in appreciation of National Volunteer Week.

8. *RECONVENE*

Mayor Skoog reconvened the meeting at 6:10 p.m.

9. *COMMENTS/COMMUNICATIONS*

- Mayor Skoog announced that Town Manager, Larry Tarkowski, has been in London to compete with four organizations for the international Water Deal with Distinction. The Town of Prescott Valley came in second place in the world for the water auction.
- Library Director, Stuart Mattson, reported the architects for the new library, Richard + Bauer have already won an award through the American Library Association. This award will be presented in Anaheim, California in June. Now they have won an architectural award (A.I.A) for the library project.

10. *CONSENT AGENDA*

- a. *Approval of Minutes – April 10, 2008 (Regular Session)*
- b. *Liquor Licenses & Permits*
 - Approving a Permanent Extension of Premises/Patio Permit for the Outpost Saloon located at 8172 Long Mesa Rd, Linda A. McFarlin applicant*
- c. *Authorizing the Mayor to sign Resolution No. 1579 supporting the HUSD Application to fund Student Resources Officers*
- d. *Authorizing the absence of the Mayor (May 5 through May 19, 2008) for greater than the fifteen days allowed in Town Code 2-02-050*
- e. *Approving Departmental Monthly Statistical Reports:*
 - Community Development*
 - Library*
 - Parks and Recreation*
 - Police Department*
 - Public Works*
 - Town Clerk*
- f. *Approving the Management Services Monthly Financial Report – March 2008*
- g. *Approving Municipal Water System Finance Report February and March*
- h. *Approving the Council Investment Report*
- i. *Approving Town Accounts Payable for April 4 thru 17, 2008*
- j. *Approving Municipal Water System Accounts Payable for March 7 thru April 17, 2008*

Council member Schumacher made the MOTION, seconded by Vice-Mayor Wise to approve the Consent Agenda as read, by electronic vote. MOTION carried with 7 ayes and 0 nays.

11. *UNFINISHED BUSINESS*

- a. *Consideration of approving the second reading, by title only, and passage of Ordinance No. 714 adopting the “2008 Amendments to the Tax Code of the Town of Prescott Valley” by reference through Resolution No. 1574*

The council had no further comments as this was the second reading of this ordinance.

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 714 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 714 passed with 7 ayes and 0 nays.

12. NEW BUSINESS

- a. *Consideration of re-appointing Judy Stanley as the non-exempt employee, Jan Bear as the alternate non-exempt employee and Louise Teague-Curtis as a citizen member to the Personnel Board for terms renewing on April 25, 2010*

Council member Flannery reported that on April 25, 2008, four terms will come up for renewal on the Personnel Board. Three current Personnel Board members expressed their interest in continuing to serve on this Board: Judy Stanley, Jan Bear and Louise Teague-Curtis. Lucy Kemper, citizen member, chose not to be considered for re-appointment.

Judy Stanley wishes to be considered for re-appointment as the non-exempt employee member. Judy was originally appointed as an alternate non-exempt employee in 1996 and this re-appointment will be for her 6th term serving on this board. Jan Bear wishes to be considered for re-appointment as the alternate non-exempt employee member. Jan was originally appointed in April 1992 to fill a non-exempt employee position and served until April 1996; Jan was again appointed to the Personnel Board in May 2004 as an alternate non-exempt employee member and this re-appointment will be for her 5th term serving on this board. Louise Teague-Curtis was appointed to the Personnel Board on January 11, 2007 to fill an existing alternate citizen position. With the citizen position being vacated by Lucy Kemper, Ms. Teague-Curtis would like to be re-appointed to the Personnel Board in the citizen position. This re-appointment of Ms. Teague-Curtis will be for her first full term on the Personnel Board. The alternate citizen position would then be advertised in the local media.

Council Members Flannery, Schumacher and Nye are recommending the re-appointments of Judy Stanley, Jan Bear and Louise Teague-Curtis to the Personnel Board for terms with a renewal date of April 25, 2010.

Council member Flannery made the MOTION, seconded by Council member Nye, to re-appoint Judy Stanley to the Personnel Board as the non-exempt employee; re-appoint Jan Bear to the Personnel Board as the alternate non-exempt employee; re-appoint Louise Teague-Curtis to the Personnel Board as a citizen member to terms with a renewal date of April 25, 2010, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- b. *Consideration of approving a Memorandum of Understanding with NACOG for the continued implementation of the Voucher Transit System through Fiscal year 2008-2009*

Public Works Director, Norm Davis, stated that over the past several years, the Town has participated in the Quad-City Voucher Transit System as administered by the Economic/Workforce Development section of the Northern Arizona Council of Governments (NACOG). In the past, primary funding for this program has been a combination of State dollars (Local Transportation Assistance Fund or LTAF-2) plus a contribution from the Town's general fund. NACOG charges 15% to administer the program.

In Fiscal Year 2008/2009, the Local Transportation Assistance Fund will provide \$57,250.12 to the Town for transit purposes with a 25% match from the Town, in the amount of \$19,083.37. In

total, this will provide \$76,333.49 for the Transit Voucher System program with NACOG in FY 2008/2009.

It is therefore proposed that the previous Memorandum of Understanding (MOU) between NACOG and the Town of Prescott Valley be renewed to extend the program through Fiscal Year 2008/2009 for residents in Prescott Valley. Approval would commit the Town to funding the Transit Voucher Program through June 30, 2009. Terri Drew, NACOG, gave additional information regarding the program.

Council member Flannery asked Terri Drew to further explain the criteria for the new added rule. The response was that currently individuals receive a denomination of vouchers depending upon the total annual allotment. The actual amount of vouchers a person will receive will depend on the demand of participants. Instead of several individuals in one family receiving vouchers, the household will receive one set of vouchers that will allow them to go a little further.

Council member Flannery also asked if the voucher usage is tracked. The response was yes and the use of case management offers support to assist in stretching the dollars as far as possible.

Council member Nye made the MOTION, seconded by Council member Baker, to approve the Memorandum of Understanding with NACOG for the continued implementation of the Voucher Transit System through Fiscal Year 2008/2009, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- c. Consideration of authorizing the Mayor to sign Resolution No. 1578 approving a Development Agreement between the Town and Brown[ing] Family Trust exchanging a portion of State Route 69 frontage roadway owned by the Town for property along the east side of Windsong Drive to allow future widening of Windsong Drive*

Community Development Director, Richard Parker, stated that the agenda, resolution and development agreement reflected typographical errors, which have been corrected. The correction has been made and now shows Browning Family Trust versus Brown Family Trust. He went on to state that council is being asked to consider entering into a Development Agreement with Browning Family Trust, owner of property located on the east side of Windsong Drive, between Florentine Road and State Route 69.

On October 18, 2007, and January 17, 2008, Town staff discussed with the Council in work/study session a proposal to exchange a portion of the Town's State Route 69 frontage road, located west of Yavapai Road, for property needed to widen Windsong Drive south of Florentine Road. Then, in accordance with ARS §28-7203, on January 24, 2008, the Council approved Resolution No. 457 which authorized an exchange of the described portion of State Route 69 frontage road for certain property along the east side of Windsong Drive owned by Browning Family Trust. The Resolution and related Deed were subsequently recorded. It was understood at the time that staff would follow up with the preparation of a Development Agreement needed to ensure the continued viability of the private use on the remaining private property next to Windsong Drive.

The need to eventually widen Windsong Drive is based on a recent traffic analysis for portions of Section 14 and the Downtown area which set forth base line criteria to evaluate the impacts of future growth in Downtown and established minimum right-of-way widths and roadway

templates for Downtown. Windsong Drive is classified as a collector and has right-of-way ranging in width from fifty (50) feet to eighty (80) feet. The proposed widening of this portion of Windsong Drive, including travel lanes, curb gutter, and sidewalk, requires an eighty (80) foot right-of-way. The property already obtained from Browning Family Trust in the trade helps the Town get there.

Under the Development Agreement, the Town agrees to allow Browning Family Trust (including any successors-in-interest) to continue using for private purposes the areas conveyed to the Town for right-of-way until such time as the Town builds the improvements involved in the widening of Windsong Drive at that location. At that time, Browning Family Trust (or its successors-in-interest) will reconstruct the parking, landscaping, and signage related to the remaining use.

Vice-Mayor Wise made the MOTION, seconded by Council member Flannery to authorize the Mayor (or, in his absence, the Vice-Mayor) to sign Resolution No. 1578 approving a Development Agreement between the Town of Prescott Valley and Browning Family Trust related to use of its property adjacent to Windsong Drive, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- d. Consideration of approving an Amendment to the Design Services Agreement with Granite Basin Engineering, Inc. to include construction services for Loos Drive Sewer Rehabilitation Project, CIP#E283ww*

Utilities Director, Neil Wadsworth, reported that Town Council approved Design Services funding of \$20,310 for the Loos Drive Sewer Rehabilitation Project on June 21, 2007. This project is located between Hoffman and Preston. The project was initiated due to the occurrence of backflow conditions along portions of the existing sewer line. The cause of the backflows was traced to sections of pipe exhibiting sags and inadequate slopes. Design Services for the project were performed by Granite Basin Engineering, Inc. but completion of the task was put on hold shortly after bid packets for construction were prepared. Project suspension was based on the impact that construction would have on the two schools located on each side of the street, i.e., access, congestion and parking. Our new schedule will negate the noted effects due to project commencement after completion of the school year.

This action requests approval of an Amendment to the Design Services Agreement with Granite Basin Engineering, Inc. to include Construction Period Services in an amount up to \$17,300. Services will consist of assistance for administration, observation, project close-out and project expenses.

Council approved an initial funding of \$140,000 for the project in FY 07 / 08, but this amount is short by approximately \$134,000 based on the Engineer's estimate. Additional funds to cover the deficiency have been requested in FY 08/09. This project addresses the Town's "Goals, Strategies and Actions" objectives to improve infrastructure by upgrading and adding streets, utilities, drainage, parks and facilities.

Council member Baker asked about the initial funding. Is the project short by \$134,000? Neil Wadsworth stated that the project is not short at all. The approved budget of \$140,000 was to cover the design services, the construction management services as well as the actual construction project itself. We had an original estimated construction cost of close to \$250,000 just for the construction itself. This was originally going to be over budget. However, the

project came in much lower than the design estimate and so with the \$140,000 here, the original \$20,000 plus the \$17,000, that leaves \$102,000. The \$102,000 now will actually cover the construction phase of the project also.

Council member Schumacher made the MOTION, seconded by Council member Baker to approve an Amendment with Granite Engineering, Inc. for construction period services for this project in an amount up to \$17,300.00, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- e. Consideration of awarding the Loos Drive Sewer Rehabilitation Project, CIP#E283ww to Grady's Quality Excavating in an amount not to exceed \$95,485.00*

Utilities Director, Neil Wadsworth, stated that the Town Council approved an agreement and amendment for engineering design services and engineering construction services for the Loos Drive Sewer Rehabilitation Project on June 21, 2007 and April 24, 2008 respectively. The project was driven by the occurrence of backflow conditions along portions of the existing sewer line due to a multitude of sags and horizontal zones. The bid packet and plans were prepared by Granite Basin Engineering, Inc., the Project Engineer hired by the Town for design and construction services. Construction start has been scheduled for May 26, 2008 with a total duration not to exceed sixty calendar days.

The Project Engineer has reviewed the bids, prepared a bid tabulation and recommends award to the lowest responsive bidder, Grady's Quality Excavating in an amount of \$95,485.00.

Initial funding for this project had been approved and allocated at \$140,000.00 per CIP# E283ww (CR0705) in Fiscal Year 2007/2008. Total costs for the project are less than the budgeted amount, however, the scheduled project completion is the end of July 2008. Therefore, additional funds will be budgeted in FY 08/09 to cover those project costs. This project addresses the Town's "Goals, Strategies and Actions" objectives to improve infrastructure by upgrading and adding streets, utilities, drainage, parks and facilities.

Council member Baker made the MOTION, seconded by Council member Schumacher to approve award to the lowest responsive bidder, Grady's Quality Excavating, in an amount of \$95,485.00 for this project, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- f. Consideration of authorizing the Mayor to sign Resolution No. 1580 adopting a Development Agreement with Fain Family Limited Partnership for development of storm drainage facilities in Section 14 to accommodate drainage from the new Library facility*

Mayor Skoog stated that the developer's attorney was not quite ready to approve this agreement and requested that this item be tabled.

Vice-Mayor Wise made the MOTION, seconded by Council member Baker to TABLE this item until May 8, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- g. Consideration of approving an Agreement with OMI CH2MHill for Utility Operations and Maintenance, and Management Services of the Water, Wastewater and Reclaimed Water Systems to include the additional scope of work in an amount not to exceed \$3,199,500.00*

Utilities Operations Coordinator, Mark Kieren, introduced the staff of OMI and stated that on June 30, 2008, the current 5-year contract with CH2M Hill OMI, for the Operation and Maintenance of the Town and District Water Systems and the Town's Wastewater & Reclaimed systems will expire. In anticipation of that event, Town staff initiated a process to evaluate the costs associated with running our utilities directly, and also to competitively evaluate and select a contractor to perform the needed services for the next 5-year period. On November 27, 2007, staff sent out a Request for Proposal for the Operations and Maintenance of the utility systems. A mandatory pre-proposal meeting was held on December 14, 2007, which was attended by representatives from ten companies across the United States to provide them with a physical understanding of the condition and functionality of our utility facilities. Companies were also encouraged to schedule subsequent visits to evaluate our utilities in more detail.

On February 14, 2008, the Town Clerk's office received two proposals, one from our current operations contractor, CH2MHill OMI, the other from American Water. Both companies are national or international organizations that are well qualified and have years of experience performing the type of services we are requesting. These proposals were reviewed.

On March 4, 2008 both of these firms were interviewed to allow them to further explain their proposal and answer questions from the committee, which consisted of Utilities Director, Neil Wadsworth; Town Manager, Larry Tarkowski; Customer Accounts Manager, Cordell Compton; and Council member Schumacher, Flannery and Vice-Mayor Wise. The costs contained in these proposals appear to be significantly lower than previous contract amounts; however this is due to a restructuring of how costs will be paid under the new contract by removing the rebatable component. A comparison of the costs for the two proposals is provided below, along with a brief description of how the new contract differs from the existing contract with OMI.

After reviewing the proposals and interviewing the two firms, the committee recommended pursuing negotiations with the current provider, CH2MHill OMI. Over the past several weeks, Staff has negotiated with CH2MHill OMI and has reached a price of \$3,199,500.00. This represents a cost savings of \$553,879.00 over the current contract including the additional scope for 250 service line replacements and the additional 5 miles of video inspection for warranty work & blockages.

Vice-Mayor Wise appreciated the process that everyone went through to get to this point. He is proud of all the work of Town staff and OMI staff to come to this agreement. The bottom line is that we want quality water and to be assured of good service in the future.

Council member Flannery said that the process was one of searching for value. There have never been any issues with OMI. It was more an issue of value.

Council member Schumacher wants to thank the staff for the incredible job they do. We do value what OMI does for us. She is pleased that everyone came together in this collaborative effort.

John Bowman, OMI, said how proud and pleased he is with the 15-year relationship with the Town of Prescott Valley and all that has been accomplished. He personally assures the Town that OMI will provide the best quality and valued service.

Council member Flannery made the MOTION, seconded by Council member Schumacher, to approve the Agreement with OMI CH2MHill, by electronic vote. MOTION carried with 7 ayes and 0 nays.

13. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

14. ADJOURNMENT

Vice-Mayor Wise made the MOTION, seconded by Council member Edwards to adjourn the meeting, by electronic vote. MOTION carried with 7 ayes and 0 nays. Mayor Skoog adjourned the meeting at 6:59 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, Candice McElhaney, 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 Regular Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, April 24, 2008.

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

Dated this May 1, 2008

Candice McElhaney, Deputy Town Clerk