

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
NOVEMBER 29, 2007
MINUTES**

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 5:32 p.m. in the Magistrate Courtroom/Council Chambers. The invocation was given by Pastor Don Tijema, Mountain Valley Church of God, after which the Pledge of Allegiance was said in unison as led 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
Lora Lee Nye	Council member
Mike Flannery	Council member
Mary Baker	Council member

5. *ANNOUNCEMENTS & PRESENTATIONS*

a. Certificate of appreciation to Deanna Serino for 5 years of service

Town Clerk, Diane Russell, read words of appreciation about Deanna Serino and the certificate of appreciation and Prescott Valley pin for 5 years of service was presented to Deanna by Mayor Skoog.

Mayor's Recognition Award - Mike Pantalione, Yavapai College Soccer Coach

Mr. Pantalione has coached the Yavapai College soccer team to an amazing 417 wins. The burdens and rewards of endless hours of coaching and directing have been proved by this phenomenal record of success. Set high goals for yourselves. Pursue your goals with vigor, understanding that winning is a spirit of goodwill. It is a moral compass that requires nurturing and polishing. Hugh Bell, associate coach, was also recognized along with 14 Yavapai College soccer players and Town Manager, Larry Tarkowski and Town of Prescott Valley employee, Tim Collins. Roughrider member, Jay Heller, presented an autographed, souvenir soccer ball to the Mayor.

Mayor's Recognition Award – 2007 National Soccer Champions from Yavapai College

On November 18, 2007, the Yavapai College Men's Soccer team beat Georgia Perimeter College by a score of 4 to 3 to bring home the National Championship trophy for a record sixth time.

Mayor Skoog presented the awards to Mr. Pantalione and the soccer team.

- *Citizen's Academy Graduation*

Deputy Town Manager, Ryan Judy, announced that this was the sixth graduation of the Citizens' Academy. 116 people have graduated from this program. Tonight's graduating class encompasses 28 people to make a total of 144 people to date. There are 19 graduates serving on our Boards and Commissions. Several people are volunteering for Parks and Recreation and the Library and a few have spun off and are doing their own fundraising and organizational activities, such as Old Towne.

Kay Giles, representing the Citizen Academy, came forward to thank the Town and Staff for making the Citizens' Academy successful at all levels.

Deputy Town Manager, Ryan Judy, introduced and presented each of the graduates of the Citizen's Academy with a *Diploma in Academic Citizenry* and a Town shirt.

Clyde Neville made an announcement regarding the first Prescott Valley community theatre, the Lonesome Valley Playhouse. There will be a Christmas pageant and youth chorale that will be performing tomorrow night during the Create a Tree event and at the performances at the playhouse.

Mayor Skoog recessed the meeting at 6:06 p.m. for refreshments with the graduates.

Mayor Skoog reconvened the meeting at 6:20 p.m.

6. *CERTIFICATES – Moved up to Item 5*

7. *COMMENTS/COMMUNICATIONS*

Council member Nye announced that the Christmas light parade, entertainment and lighting of the Civic Center will be occurring on November 30.

Also, there will be a New Year's Eve party that will be kicking off the 30th anniversary of the incorporation of the Town of Prescott Valley.

8. *CONSENT AGENDA*

a. *Approval of Minutes – November 8, 2007*

b. *Liquor Licenses & Permits*

-*Approving a new Series 7 (Beer & Wine Bar) Liquor License for PV Wine, located at 7655 E. Florentine Rd (inside Liquor Barn), Alfie Ware, applicant*

-*Approving a new Series 12 (Restaurant) Liquor License for Giovanni's Pizza and Pasta Da Segio's, located at 8930 E Valley Rd., Billie Caputo, applicant*

c. *Approving the Routine Destruction of Records per State-Approved Retention Schedule*

- d. *Approving the fireworks display agreement with Any Pyro Company for the 30th Anniversary New Year's Eve Kick-off Celebration at a cost of \$14,375.00*
- e. *Authorizing the Mayor to sign Resolution No. 1541 abandoning Easements, east of Crossroads Development*
- f. *Acceptance of 3 Temporary Construction Easements and 1 Public Utility Easement for Robert Road Improvements Phase A, Loos to Spouse (CIP #412.1)*
- g. *Acceptance of 2 Public Utility Easements and 3 Temporary Construction Easements for Robert Road Improvements Phase B, Spouse to Tranquil (CIP #412.2)*
- h. *Approving the Management Services Monthly Financial Report – October*
- i. *Council Investment Report - October*
- j. *Approving Accounts Payable for November 2 through November 15, 2007*

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

9. *UNFINISHED BUSINESS (FOR ACTION)*

- a. *Consideration of approving the second reading, by title only, and passage of Ordinance No. 701 for a proposed Zoning Map Change (ZMC07-011) from RIL-10 PAD to PL-PAD on Tract 55, Unit 11 of the Pronghorn Ranch Subdivision, comprising 24 acres, located on the north side of Park View Drive, approximately 1200 feet east of Antelope Meadows Drive, for Pronghorn Ranch Middle School*

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 701 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 701 passed with 7 ayes and 0 nays.

- b. *Consideration of approving the second reading, by title only, and passage of Ordinance No. 702 for a Zoning Map Change (ZMC07-012) in order to add the PAD overlay zoning to existing C2, PM and M1 zoning districts on approximately 68 acres located on the north and south sides of State Route 69 at the intersection with Sundog Ranch Rd for the YK Commercial Realty, LLC*

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 702 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 702 passed with 7 ayes and 0 nays.

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

- a. *Consideration of reappointing Marcy Pfitzer to a term with a renewal date of November 18, 2010 on the Municipal Property Corporation Board*

Council member Flannery reported that on November 18, 2007, one term came up for renewal. The current Municipal Property Corporation Board member, Marcy Pfitzer, expressed her interest in being reappointed to this Board as indicated by the attached term renewal letter. Ms. Pfitzer was originally appointed to the Municipal Property Corporation Board to fill an existing term on June 26, 2003 and this reappointment will be for Ms. Pfitzer's second full term.

Council Member Flannery, Council Member Nye and Council Member Schumacher are recommending the reappointment of Marcy Pfitzer to a full term with a renewal date of November 18, 2010.

Council member Flannery made the MOTION, seconded by Council member Nye, to appoint Marcy Pfitzer to a term with a renewal date of November 18, 2010 to the Municipal Property Corporation Board, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- b. Consideration and possible adoption of Resolution No. 1542, an emergency measure, authorizing the execution and delivery of a Second Amendment to Series 1995-B and Series 1997 Ground Lease and a First Amendment to Series 2004 Town Lease relating to Town of Prescott Valley Municipal Property Corporation Excise Tax Revenue Bonds, Series 1997 and Series 2004; approving the execution and delivery by the Town of Prescott Valley Municipal Property Corporation of such Second Amendment to Series 1995-B and Series 1997 Ground Lease and First Amendment to Series 2004 Town Lease; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by Resolution No. 1542.*

Town Manager, Larry Tarkowski, reported that in the past, the Town of Prescott Valley has financed a number of important public works projects through cooperative efforts with the Prescott Valley Municipal Property Corporation. As the Town moves forward with financing of the new Library/Yavapai College Classroom-Office Facility, it is proposed that property included in a prior MPC financing (the Police Department Facility) now be exchanged for other Town property, so that the Police Department Facility will be free to be used for the Certificates of Participation which are proposed to be used to finance the new Library/YC Classroom-Office Facility.

As background, the MPC previously issued \$1,775,000 aggregate principal amount of Revenue Bonds (Series 1995-B), dated June 1, 1995, to finance construction of the Police Department Facility. The MPC subsequently issued \$7,825,000 aggregate principal amount of Revenue Bonds (Series 1997), dated October 1, 1997, to finance the Town Hall building on the same 20-acre campus. Then, as of March 1, 2004, the MPC issued \$6,420,000 aggregate principal amount of Revenue Refunding Bonds (Series 2004) to refund the portion of the earlier 1995-B and 1997 bonds which remained outstanding. In each case, a Ground Lease and a Town Lease of the Police Department Facility and the new Town Hall Facility were involved. Now, it is proposed that other Town property be used to replace the Police Department Facility with regard to these prior MPC financings, so that the Police Department Facility will be available for a Ground Lease against which Certificates of Participation may be issued for financing of the new Library/YC Classroom-Office Facility.

Vice-Mayor Wise stated that it goes without saying that we need more space in the Civic Center and that we need a new library. He has had concerns because of this time of downturn. No one knows how long this will last. The belt has been tightened here at the Town. He hopes that the decision made tonight is in the best interest of the Town.

Council member Flannery asked the question about if for some reason the need for the Certificates of Participation (COP's) does not go forward, does that action stand alone? Is this item (10b) independent of anything other than that? Town Attorney, Ivan Legler, responded that the board has taken its action and now the Council will be approving that action. Michael

Cafiso also responded that the resolution that the MPC board approved and Item 10b authorizes the documents that need to be executed to allow for the transfer of the real estate. The authority is there. We will not consummate what those resolutions contemplate, unless the COP's are sold, which there are a number of conditions precedent to occurring. These are approving 10b; approving 10c; the Council opening and feeling comfortable with the bids; the COP's being sold and then there will be a simultaneous closing of that swap of real estate and the COP transaction. All those items will have to happen together. If they do not all occur, it will be recommended to Council and the MPC board that the actions that were taken tonight be rescinded because there would be no reason to do them.

Council member Edwards went through a lot of research and has experienced two downtrends in the past. Prescott Valley has been prepared for a situation like this and the recovery on this is temporary. He thinks that the Town will excel back to where we were, maybe in a shorter period of time than we anticipate. Everyone is striving to tighten belts and get back on track as soon as possible.

Council member Nye said that she is a very strong advocate of the library going forward but she too wants to make sure that she understood. After talking with Ivan he was very succinct and clear and put her back in a comfort zone. The one additional point she wants to make is that we are building a library but it is so much more than that. This, upon completion, will be a very positive, economic development here in this Town. To create a partnership with the college is very rare. This library will be a cornerstone and a gathering place. There will be several features, such as a large meeting room that the Town needs.

Council member Baker has also had concerns because of costs. She wants to be sure that the residents understand what is taking place and the complex way the Town is trying to fund it. She sat down with Town Manager, Larry Tarkowski, and found that the first Resolution is for leasing the property and the next item will be how the COP's are handled. The real financial will occur when we receive the bids and see what those costs are and if they meet what we feel the costs should be. She is comfortable at this moment and others would be if the people understood the lease process and what we are backing up the COP's with.

Council member Schumacher agrees with Council member Nye and has spoken to Town Manager, Larry Tarkowski, and several other people to make sure she understands everything. She does believe that the library is something that is needed and it will be a community gathering place and the affiliation with the college is a wonderful collaboration. The college has worked very hard on this project with the Town. She is now confident that the project should go forward and hopes that the bids will be favorable.

Council member Flannery stated that he reserves all of his comments to two weeks from tonight. Items 10b and 10c are very simple financial issues. However, he did want to say that he appreciates everything that staff has done on this. They have worked very hard at doing this. He has a number of concerns and has discussed them with staff and he wants to thank them for sharing their insight.

Town Manager, Larry Tarkowski, said that Michael Cafiso and Bob Casillas have been instrumental in all of this but he wants to also extend kudos to Sandra Park who put together the document that was used in our presentation to Standard and Poor's. She is a new face to us and someone who needs to be recognized.

Mayor Skoog added that as much as this is a huge project now is the time to move on it. We have a market where we can stand to get a pretty good price for the construction and good quality workmanship. Our timing is as good as it is ever going to be.

Council member Schumacher made the MOTION, seconded by Council member Nye, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1542, an emergency measure, authorizing the execution and delivery of a Second Amendment to Series 1995-B and Series 1997 Ground Lease and a First Amendment to Series 2004 Town Lease relating to MPC Revenue Bonds, Series 1997 and Series 2004, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- c. *Consideration and possible adoption of Resolution No. 1543, an emergency measure, relating to the financing of a new public library facility; approving the execution and delivery of a Ground Lease, a Lease-Purchase Agreement, a Trust Agreement, a Purchase Agreement and other necessary agreements, instruments and documents; delegating to the Town Manager the authority to designate the final principal amount, maturity dates, interest rates and payment dates and other matters with respect to certain Certificates of Purchase, and to accept a proposal for the purchase of such Certificates; approving preparation and distribution of a Preliminary Official Statement and a Final Official Statement; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by Resolution No. 1543.*

Bob Casillas, Greenburg Traurig, reported that, on October 18, 2007, the Town Council discussed the options available for the Town to finance its share of the costs to construct the proposed new Library/YC Classroom-Office Facility. It is now proposed that the Council adopt Resolution No. 1543 which authorizes moving forward with issuance of Certificates of Participation as discussed in that meeting.

The Town Council has supported a Library Master Plan which proposes a new building of approximately 52,000 square feet that includes a library, an auditorium, classrooms, offices, and related utilities, parking, concrete work, landscaping and other amenities with a total cost estimated at between \$19 - \$22 million. On August 10, 2006, the Council approved a contract with Richard + Bauer, Architect to provide design and construction services for the new building. Under the contract, an exciting design has been developed and construction plans have been completed based on the design.

An integral part of the new facility is the partnership the Town has with Yavapai College. College representatives have been directly involved in the design process and the Town is excited that a significant portion of the new facility will be new classroom, library and administrative space for the College. On March 8, 2007, the Town and the College entered into an intergovernmental agreement to share design, construction and on-going operation costs, and to create a condominium in the facility which allocates units, common elements and limited common elements (including a leasehold interest for the College in the new library portion of the Town's unit).

Resolution No. 1543 authorizes the Town to enter into a lease arrangement for the current Police Department Facility which is part of the 20-acre Civic Center campus. Certificates of

Participation will then be issued with respect to the lease payments which the Town will make under that lease arrangement. The funds raised by the Certificates of Participation will then be used for the Town's share of the construction costs.

Related to this action is an earlier Resolution whereby the Council approved a substitution of other property for the Police Department Facility with regard to earlier financing by the Municipal Property Corporation for the Police Department Facility and the Town Hall. At a subsequent meeting, staff will bring for Council consideration the bids received to construct the Library/Yavapai College Classroom-Office Facility.

Mr. Casillas said that this has been a long nine months as it relates to this project and the financing. He said that he and Town representatives Mayor Skoog, Town Manager, Larry Tarkowski, Town Attorney, Ivan Legler and Management Services Director, Bill Kauppi took the trip to San Francisco along with Sandra Parks from Greenburg Traurig to meet with Standard and Poor's and a couple of insurance companies. They had an opportunity to present Town financial information, economic information and a lot of the positive developments that have taken place and talked about innovative approaches the Town has taken, i.e. the sale of effluent water.

At the end of the meetings, and taking into consideration the economic malaise throughout the country, the rating agency and insurance companies did recognize some very positive things going on in the Town. Standard and Poor's assigned an A underline rating to the COP's, which is a very strong rating. Kudos to Council and Administration because they look at a lot of factors, such as management, financial and other economic factors as were mentioned. This is a very positive reflection on the Town and the community. The insurance companies likewise qualified and when we get ready to underwrite and price the certificates over the next week and a half we will be looking at the insurance. Insurance is not as easy as it used to be. We want the flexibility to see if we need to take the insurance or not. We will be ready the week of December 17th to underwrite the COP's and during the process we go through with various bank trust departments, retail investors, bond funds and mutual funds we will have an opportunity to get orders from those institutions to get the lowest rate possible. We will report back and coordinate at that time.

Michael Cafiso, Greenberg Traurig, went over the documentation and the processes for this council item.

Council member Flannery asked why we are going through with this during the month of December instead of waiting until January. The response was that according to the agreement with Yavapai College the construction contract needed to be consummated by the end of the year.

Council member Nye made the MOTION, seconded by Council member Schumacher, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1543, an emergency measure, relating to the financing of the new Library/YC Classroom-Office Facility, by electronic vote. MOTION carried with 7 ayes and 0 nays.

- d. Consideration of Resolution No. 1545 approving a Development Agreement with the Southside Community Facilities District No. 1 and Willow Lake Partnership for*

construction of improvements which are an extension of improvements to be constructed through the SCFD No. 1.

Community Development Director, Richard Parker, reported that on November 8, 2007, the SCFD No. 1 Board held a public hearing on a draft Feasibility Report related to proposed improvements within the District area and adopted its Resolution No. 3 approving the Report and ordering construction of the improvements in the improvement area.

Discussions with property owners in SCFD No. 1 have included the possibility of up-sizing the water and wastewater facilities to (a) potentially accommodate future annexations by the Town of Prescott Valley of portions of Prescott Country Club, and (b) serve adjacent commercial properties at the Villages at Lynx Creek and south of the District property. Based on the IGA between the Town and SCFD No. 1, the Town has agreed to cover the costs for this upsizing and extension of facilities with the intention of entering into development agreements with the commercial property owners for reimbursement and ultimately charging buy-in fees to any County district that is formed as a pre-requisite of annexation by portions of the Prescott Country Club.

Town staff has now completed negotiations with the owners of the commercial property south of the SCFD No. 1 property and prepared a Development Agreement by which SCFD No. 1 agrees to arrange for construction of an extension of the SCFD No. 1 improvements to the commercial property, the Town agrees to ensure payment towards those improvements (separate from any assessments of SCFD No. 1 owners), and the owners of the commercial property agree to reimburse the Town for such costs by a time certain.

Vice-Mayor Wise made the MOTION, seconded by Council member Schumacher, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1545 approving a Development Agreement with SCFD No. 1 and Willow Lake Partnership for extension of certain improvements to be constructed by SCFD No. 1, by electronic vote. MOTION carried with 7 ayes and 0 nays.

e. Public Hearing

Open Public Hearing

To gather citizen input on the use of the Community Development Block Grant (CDBG) funds from the Arizona Department of Housing Regional Account

Close Public Hearing

Mayor Skoog declared the public hearing open.

Deputy Town Manager, Ryan Judy, reported that the Town of Prescott Valley will be working with the Northern Arizona Council of Governments (NACOG) to award funding to eligible sources for Community Development Block Grant (CDBG) funds. The Town will receive approximately \$740,000 for this program. The town will also be applying for a competitive grant for up to \$300,000 in additional funds. Projects must meet one of the following criteria to be considered eligible for this funding: 1) at least 51% of the persons who benefit from the project must be low to moderate income; 2) the project must aid in the prevention or elimination of slums or blight; or 3) the project must solve an urgent health hazard need.

Isabel Rollins, NACOG, gave information regarding the background of the CDBG funds and what projects can use these funds. Margaret Keener retired after 27 years and Ms Rollins is her replacement. For 2008, it is anticipated that the State will be receiving \$10 million. The NACOG region will receive \$2.2 million. Yavapai County will receive \$1.1 million and approximately \$740,000 will be allocated to Prescott Valley.

The schedule for 2007/2008 is: On December 13 they will be asking any non-profit entities to have a pre-application in to Deputy Town Clerk, Ryan Judy; January 30, 2008 is the deadline when all the communities have to have selected their projects; and, March 14, 2008 the full applications will be submitted to NACOG for review and are then ultimately approved by the NACOG Regional Counsel and sent to the State on May 30, 2008. They anticipate the grant award to be on September of 2008 but this could run late. The funds for this process will not be available until a year from now. Town Council has the final authority and responsibility to select the projects that most fit the community's housing and development needs. The Town Council can not apply for a project that is not brought up at the public hearing. The Town Council and Town staff has the opportunity to identify housing and development needs and present projects for potential funding.

The following individuals spoke on behalf of their organizations:

- June Kellett-Rollo – Meals on Wheels - asked if the Town of Prescott Valley could aid the Meals on Wheels program at CASA to acquire a van that would enable Meals on Wheels to bring the seniors in Prescott Valley from their homes to lunch every day and to activities at CASA. And also this would provide transportation for medical appointments and shopping for the seniors. Some of the people who come to CASA pay as much as \$25 to take a taxi to CASA. There are currently vans available to Yarnell, Prescott, Black Canyon City and Mayer. They have been providing transportation in the Yarnell area since 1985. She also gave a history of Yavapai Meals on Wheels, which is 20 years old. In 2006 they served 97,000 meals to 16 rural communities from the four centers that are served (Yarnell, Black Canyon City, Prescott and Prescott Valley). They provided 5,000 van trips last year to take the people to doctors and hospitals. The request is for a van for the Town of Prescott Valley and subsequent operating costs and the salary of the driver. She is requesting \$40,000 for the purchase of the van for the CASA Meals on Wheels program. Yavapai Senior Nutrition Providers of the Yavapai Meals on Wheels will be the applicant.
- Sally Jackson – West Yavapai Guidance Clinic – The clinic has been serving western Yavapai County (except the Verde Valley) since 1966. Last year they served over 6,000 men, women and children (mostly low income) from Ashfork to Black Canyon City. There are two projects they are asking for consideration. These are: a) housing rehab in Prescott Valley could use painting and general upkeep, and b) they are looking for additional vans to transport clients. The amount requested is \$50,000 for the Prescott Valley living facilities which includes a 4-plex and a 9-plex. The two vans would be \$40,000 for both.
- Christine Wallace – Prescott Valley Area Habitat for Humanity – On behalf of Meriam Holbrook, Executive Director, and with Board member, Patty Sorenson, they are asking for funding to purchase land for a high-density, owner occupied,

multi-family project in Prescott Valley. The location is to be determined. The problem that will be solved is to reduce poverty through affordable housing. The persons who will be affected and benefit are low income families with incomes between 30% and 60% of the median income for Yavapai County. This involves all of the families that they deal with. The total amounts of persons that will benefit are from 24 to 32. The estimated cost would be at least \$500,000 to \$700,000. But they are only requesting \$100,000 of CDBG funds for this project. This amount is based on the current land and construction costs. The other funding that they get will be from grants, foundations, individual and corporate donations. Council member Nye asked if lots had been priced and the response was yes. Prices for individual homes are so high that they have now turned to multi-family dwellings.

Council member Baker asked about high-density and would homeowners be able to build their own homes and will they own their condominium or apartment. The response was yes. The people will participate in the building and own their own home outright eventually. They will still have to participate with the minimum of 500 hours of donated labor per two-parent household and 250 hours donated labor for a single-parent household.

- Public Works Director, Norm Davis, listed the items that would be proposed by the Town. One is a proposed industrial park and the water/sewer and roadway infrastructure for this park. Town Manager, Larry Tarkowski, said that money that was used in the past was to extend water and sewer lines on Windsong Drive from Florentine to the Adult Day Care facility. All of the medical buildings, all of the jobs that have been created and all of the services provided there today are the result of the appropriate use of CDBG money to extend infrastructure for economic development in that area.

Council member Baker is concerned about jobs in this community. Do we have to create so many jobs based on the number of dollars we get? Isabel responded that jobs would have to be created for low to moderate income people and estimate how many jobs will be created and then obtain data at the end to support that we did that. We actually have to have jobs created before the end of 2 years (from the end of next year). Council member Flannery asked about the two-year window. Most of the things that the Town Manager identified as CDBG beneficiaries have not been speculative. The Town Manager responded that with the Windsong Drive project, he believes there was somebody waiting in the wings to move forward with a project. A number of items need to be explored in those realms. He doesn't consider this to be speculative at all. We are getting quarterly inquiries but nothing can be done because there is no infrastructure or interested parties are unwilling to bear the full load.

Council member Nye said she would like to know, with that tight timeline, what happens if we do not meet those requirements. Isabel responded that if the project runs behind we can always ask for an extension and they have been giving them if the project has been moving forward to the best of their ability. They will grant perhaps a 6-month extension. There is the possibility if we don't meet the terms of the agreement at the end they could ask for the money back. But a lot has to do with how the Town has been working to make it happen and how realistic the plans are.

Deputy Town Manager, Ryan Judy, said that the tentative schedule at this point is to bring this item before Council on January 3, 2008 at a work study in order to prioritize the projects and staff will then put it on the schedule at the last meeting of January.

- Public Works Director, Norm Davis, reported on the second proposed project is a drainage box improvement on Robert Road. The location is between Spouse and Long Mesa. It would fall under the Emergency and Safety Measures of the CDBG funding. This location on Robert Road is a significant drainage area and it becomes inundated during storm events and causes access concerns to residents that are north of this particular drainage location. This drainage improvement would be around \$550,000.
- Brian Witty, Parks and Recreation Director, discussed also bringing forward the Boys and Girls Club parking lot and sidewalk revitalization project which will be combined with installation of curbs, sidewalks along the perimeter and then a sidewalk running down south of Loos between the corner of Robert Road and Loos all the way down to the Mountain Valley School location. It would provide connectivity with Mountain Valley School, along with the adjacent charter school. It would also provide for some infrastructure improvements which would allow for lighting of that pedestrian walkway in that corridor. Totality of the project is approximately \$451,000. Council member Baker asked if this project could be included in a grant for the paths. Public Works Director, Norm Davis, responded that this area has not been instituted into our multi-use trail master plan. We have had other higher priorities. Yes, this could be a worthy candidate but considered farther down the road. Council member Edwards suggested that perhaps the path could go down to Lakeshore and hook up with the Urban pathway. Could we connect these two under that agreement with them? The response was that yes, this is possible.

The other aspect to be considered is the Mountain Valley Park improvements. This will entail revitalizing the existing chip seal parking lots located throughout, which will include the 4-plex, Splash and parking lot, and the connective roadway that goes down to the amphitheater, which is in a very degrading state right now. And also a strong health and safety aspect will be the realignment of Nace Road. Construction costs are estimated at over \$750,000.

There being no further comments, Mayor Skoog closed the public hearing.

- f. Consideration of authorizing the approval of Change Order No. 5 with Fann Contracting, Inc. for additional services for the Wastewater Treatment Plant project (CIP #E21ww), in a total amount of up to \$102,710.35 and add 17 days to the contract time*

Utilities Director, Neil Wadsworth, reported that on August 11, 2005, the Town Council approved a contract with Fann Contracting, Inc., in the amount of \$17,645,000.00 for the Wastewater Treatment Plant Phase III Expansion Project. This project is now approximately three-quarters through the anticipated construction schedule. As previously discussed with the Council, the Town and Fann Contracting are partnering to reduce the cost of the expansion and

save money where possible. Change orders are generally anticipated with most construction contracts and may increase the value of the contract.

Change Order #1, previously approved by the Town Council on September 28, 2006, reduced the contract by \$112,987.84 (resulting in a total contract value of \$17,532,012.16), and added 22 days to the contract schedule.

Change Order #2 previously approved by the Town Council on November 9, 2006 reduced the contract by \$22,550.50, and added 60 calendar days to the contract schedule.

Change Order #3 previously approved by the Town Council on February 8, 2007 contained multiple items which resulted in an overall increase to the contracted amount by \$31,150.40. No additional time was added.

Change Order #4 previously approved by the Town Council on June 7, 2007 contained multiple items and requested extra work resulting in an increase in the contract amount by \$102,710.35, and added 17 days to the contract time.

This proposed Change Order #5 addresses the last of the major changes needed prior to closing out this project. The highest cost items in this change order are associated with modifying piping within the anoxic basins to prevent spills from occurring during a power outage event, piping modifications to provide for better mixing in one of the flow splitter boxes, laboratory costs associated with filter performance testing, and miscellaneous coordination and communication improvements. The cost of this change order is \$160,521.95 and adds 28 days to the contract completion date.

As Utilities Director, Neil Wadsworth, was presenting the above information he realized that the information is not accurate in the action option of the Request for Council Action and therefore the agenda and action option were inaccurate. The correct information is listed in the body of the council action form (160,521.95). This will be the last change order on this project. The final amount of the contract will be increased by \$158,844.00 (or .9% overall increase in the cost).

Council member Baker made the MOTION, seconded by Vice-Mayor Wise, to approve Change Order Number 5 with Fann Contracting, Inc. for additional services for the Wastewater Treatment Plant project, CIP # E21ww, in a total amount of up to \$102,710.35, and add 17 days to the contract time, by electronic vote. MOTION carried with 7 ayes and 0 nays.

11. COMMENTS FROM THE PUBLIC

There were no comments forthcoming.

12. ADJOURNMENT

Council member Schumacher made the MOTION, seconded by Vice-Mayor Wise, to adjourn the meeting. MOTION carried with 7 ayes and 0 nays. Mayor Skoog adjourned the meeting at 7:59 pm.

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, November 29, 2007.

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

Dated this 12th day of December, 2007

Candice McElhaney, Deputy Town Clerk